

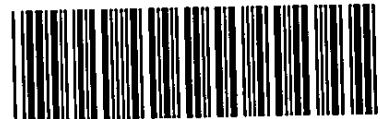
Registered number: 02670496

CHEVIOT FINANCIAL PLANNING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2011

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CHEVIOT FINANCIAL PLANNING LIMITED

COMPANY INFORMATION

DIRECTORS	R Rimmington (resigned 24 March 2010) E Mckinnon (resigned 24 March 2010) J Dungay (resigned 24 March 2010) G Harrison (resigned 24 March 2010) P Gillman (appointed 24 March 2010) J King (appointed 24 March 2010) C Olley (appointed 24 March 2010)
COMPANY SECRETARY	C Olley
COMPANY NUMBER	02670496
REGISTERED OFFICE	Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
AUDITORS	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

CHEVIOT FINANCIAL PLANNING LIMITED

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CHEVIOT FINANCIAL PLANNING LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2011

The directors present their report and the financial statements for the period ended 31 March 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company was acting as an Independent Financial Advisor as a member of Price Bailey Private Client LLP.

RESULTS

The profit for the period, after taxation, amounted to £115,689 (2009 - loss £155,088).

DIRECTORS

The directors who served during the period were

R Rimmington (resigned 24 March 2010)
E Mckinnon (resigned 24 March 2010)
J Dungay (resigned 24 March 2010)
G Harrison (resigned 24 March 2010)
P Gillman (appointed 24 March 2010)
J King (appointed 24 March 2010)
C Olley (appointed 24 March 2010)

The directors have no direct or indirect interests in the company's share capital.

P Gillman, C Olley and J King each have interests of approximately 7% of the Members' Interests of Price Bailey LLP, the company's ultimate holding entity.

CHEVIOT FINANCIAL PLANNING LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2011**

REDUCTION IN CAPITAL

The company's former owners had subscribed significant capital to the company in order to finance losses. In order to more accurately report the current capital required to be employed in the business, 1,090,000 ordinary shares were cancelled during the year, the reduction being credited to the profit and loss account to eliminate the deficit on reserves and permit dividends.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITOR

On 1 October 2010, Horwath Clark Whitehill LLP changed its name to Crowe Clark Whitehill LLP.

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor.

This report was approved by the board on 25 May 2011 and signed on its behalf



C Olley
Secretary

CHEVIOT FINANCIAL PLANNING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHEVIOT FINANCIAL PLANNING LIMITED

We have audited the financial statements of Cheviot Financial Planning Limited for the period ended 31 March 2011, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We read all the information in the Directors' Report to identify any material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

CHEVIOT FINANCIAL PLANNING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHEVIOT FINANCIAL PLANNING LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Steve Gale FCA (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

25 May 2011

CHEVIOT FINANCIAL PLANNING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2011**

	Note	period ended 31 March 2011 £	year ended 31 December 2009 £
TURNOVER	1,2	85,937	206,413
Other operating income	3	7,000	3,975
Other external charges		(29,050)	(213,521)
Staff costs		-	(155,995)
Depreciation and amortisation		(896)	(783)
OPERATING PROFIT/(LOSS)	4	62,991	(159,911)
Income from other participating interests		82,795	-
Interest receivable and similar income		66	212
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		145,852	(159,699)
Tax on profit/(loss) on ordinary activities	8	(30,163)	4,611
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	14	115,689	(155,088)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2009 other than those included in the Profit and Loss Account

The notes on pages 7 to 13 form part of these financial statements

CHEVIOT FINANCIAL PLANNING LIMITED
REGISTERED NUMBER 02670496

BALANCE SHEET
AS AT 31 MARCH 2011

	Note	£	31 March 2011 £	31 December 2009 £
FIXED ASSETS				
Tangible assets	9		-	897
Investments	10		48,104	-
			<u>48,104</u>	<u>897</u>
CURRENT ASSETS				
Debtors	11	15,933	22,198	
Cash at bank		14,435	109,860	
		<u>30,368</u>	<u>132,058</u>	
CREDITORS: amounts falling due within one year	12	<u>(58,947)</u>	<u>(129,119)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(28,579)</u>	<u>2,939</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,525</u>	<u>3,836</u>
CAPITAL AND RESERVES				
Called up share capital	13		10,000	1,100,000
Profit and loss account	14		9,525	(1,096,164)
SHAREHOLDERS' FUNDS	16		<u>19,525</u>	<u>3,836</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2011



C Olley
Director

The notes on pages 7 to 13 form part of these financial statements

CHEVIOT FINANCIAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The long term financing of the company is provided by profits retained in the business and bank deposits held as required under FSA capital adequacy rules. The company produces annual budgets and forecasts which take account of expected changes in the company's trading performance and these demonstrate that the company will be able to operate within its current level of facilities. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Income from contracts for the company's services is accounted for as the services are performed.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 20% reducing balance
Computer equipment	- 33 3% reducing balance

1.5 Investments in LLPs

The company accounts for its investments in LLPs under the equity method, recognising its share of profit or loss as it accrues by addition to or deduction from the carrying value of the investment. Receipts from the LLP, whether on account of allocated profit or capital, are accounted for as partial disposals of the investment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

CHEVIOT FINANCIAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

2 TURNOVER

The whole of the turnover is attributable to the company's principal activity

All turnover arose within the United Kingdom

3. OTHER OPERATING INCOME

	period ended 31 March 2011 £	year ended 31 December 2009 £
Other operating income	7,000	3,975

4. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging

	period ended 31 March 2011 £	year ended 31 December 2009 £
Depreciation of tangible fixed assets - owned by the company	-	783

5 AUDITORS' REMUNERATION

	period ended 31 March 2011 £	year ended 31 December 2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	5,228	5,896
Fees payable to the company's auditor and its associates in respect of		
All other services	-	1,438

CHEVIOT FINANCIAL PLANNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	period ended 31 March 2011 £	year ended 31 December 2009 £
Wages and salaries	-	134,924
Social security costs	-	12,959
Other pension costs	-	8,112
	<u>-</u>	<u>155,995</u>

The average monthly number of employees, including the directors, during the period was as follows

	period ended 31 March 2011 No	year ended 31 December 2009 No
Administration	<u>-</u>	<u>2</u>

7. DIRECTORS' REMUNERATION

	period ended 31 March 2011 £	year ended 31 December 2009 £
Emoluments	<u>-</u>	<u>4,645</u>

8. TAXATION

	period ended 31 March 2011 £	year ended 31 December 2009 £
UK corporation tax charge/(credit) on profit/loss for the period/year	<u>30,163</u>	<u>(4,611)</u>

CHEVIOT FINANCIAL PLANNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

8. TAXATION (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 21%). The differences are explained below

	period ended 31 March 2011 £	year ended 31 December 2009 £
Profit/loss on ordinary activities before tax	145,852	(159,699)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 21%)	40,839	(33,537)
Effects of:		
Unrelieved tax losses carried forward	-	28,926
Marginal relief	(10,676)	-
Current tax charge/(credit) for the period/year	30,163	(4,611)

9. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2010	7,634	626	4,947	13,207
Disposals	(7,634)	(626)	(4,947)	(13,207)
At 1 January 2010 and 31 March 2011	-	-	-	-
Depreciation				
At 1 January 2010	7,440	425	4,445	12,310
On disposals	(7,440)	(425)	(4,445)	(12,310)
At 1 January 2010 and 31 March 2011	-	-	-	-
Net book value				
At 31 March 2011	-	-	-	-
At 31 December 2009	194	201	502	897

CHEVIOT FINANCIAL PLANNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

10. FIXED ASSET INVESTMENTS

	Investments in LLPs £
Cost or valuation	
At 1 January 2010	-
Additions	582
Disposals	(35,273)
Share of profit/(loss)	82,795
At 31 March 2011	<u>48,104</u>
Net book value	
At 31 March 2011	<u>48,104</u>
At 31 December 2009	<u>-</u>

Participating interests

During the period, Cheviot Financial Planning Limited acquired a 5.5% stake in Price Bailey Private Client LLP

11. DEBTORS

	31 March 2011 £	31 December 2009 £
Amounts owed by group undertakings	2,268	-
Other debtors	13,665	4,611
Prepayments and accrued income	-	17,587
	<u>15,933</u>	<u>22,198</u>

**12. CREDITORS:
Amounts falling due within one year**

	31 March 2011 £	31 December 2009 £
Trade creditors	8,276	4,972
Amounts owed to group undertakings	-	112,861
Corporation tax	30,163	-
Other creditors	8,973	-
Accruals and deferred income	11,535	11,286
	<u>58,947</u>	<u>129,119</u>

CHEVIOT FINANCIAL PLANNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

13. SHARE CAPITAL

	31 March 2011 £	31 December 2009 £
Allotted, called up and fully paid		
10,000 (2009 - 1,100,000) Ordinary shares of £1 each	10,000	1,100,000

14. RESERVES

	Profit and loss account £
At 1 January 2010	(1,096,164)
Profit for the period	115,689
Dividends Equity capital	(100,000)
Reduction in capital	1,090,000
At 31 March 2011	9,525

15. CONTROLLING PARTY

The company's immediate parent is PBFP Acquisitions Limited. Its ultimate parent undertaking is Price Bailey LLP, which makes its consolidated accounts available to the public from its registered office, Causeway House, 1 Dane Street, Bishop's Stortford, Hertfordshire, CM23 3BT.

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 March 2011 £	31 December 2009 £
Opening shareholders' funds	3,836	158,924
Profit/(loss) for the period/year	115,689	(155,088)
Dividends (Note 17)	(100,000)	-
Closing shareholders' funds	19,525	3,836

17. DIVIDENDS

	period ended 31 March 2011 £	year ended 31 December 2009 £
Dividends paid on equity capital	100,000	-

CHEVIOT FINANCIAL PLANNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2011**

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies

Registered number: 02670496

CHEVIOT FINANCIAL PLANNING LIMITED

DETAILED ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2011

CHEVIOT FINANCIAL PLANNING LIMITED

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2011**

	period ended 31 March 2011 £	year ended 31 December 2009 £
TURNOVER	85,937	206,413
Other operating income	7,000	3,975
	<u>92,937</u>	<u>210,388</u>
LESS. OVERHEADS		
Administration expenses	(29,946)	(370,299)
	<u>62,991</u>	<u>(159,911)</u>
OPERATING PROFIT/(LOSS)		
Interest receivable	66	212
Investment income	82,795	-
	<u>145,852</u>	<u>(159,699)</u>
PROFIT/(LOSS) FOR THE PERIOD		

CHEVIOT FINANCIAL PLANNING LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

	period ended 31 March 2011 £	year ended 31 December 2009 £
TURNOVER		
Fees	85,937	206,413
	<u>85,937</u>	<u>206,413</u>
	period ended 31 March 2011 £	year ended 31 December 2009 £
OTHER OPERATING INCOME		
Other operating income	7,000	3,975
	<u>7,000</u>	<u>3,975</u>
	period ended 31 March 2011 £	year ended 31 December 2009 £
ADMINISTRATION EXPENSES		
Directors salaries	-	4,645
Staff salaries	-	130,279
Staff national insurance	-	12,959
Staff pension costs - money purchase schemes	-	8,112
Entertainment	-	2,571
Consultancy	-	56,590
Printing and stationery	-	135
Postage	-	60
Telephone and fax	-	956
Computer costs	3,203	6,848
Trade subscriptions	6,138	4,751
Legal and professional	14,673	53,301
Auditors' remuneration	-	5,896
Fees payable - interco	-	71,675
Bank charges	241	-
Sundry expenses	2,653	659
Rent - non-operating leases	2,142	-
Insurances	-	3,789
Depreciation - office equipment	-	115
Depreciation - computer equipment	-	323
Depreciation - fixtures & fittings	-	345
Profit/loss on sale of tangible assets	896	-
Committee Expenses	-	4,645
Staff Meetings	-	207
Taxation fees paid	-	1,438
	<u>29,946</u>	<u>370,299</u>

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2011**

	period ended 31 March 2011 £	year ended 31 December 2009 £
INVESTMENT INCOME		
Income from interests in associated undertakings	82,795	-