

WHITEFOORD LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 AUGUST 2007

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WHITEFOORD LIMITED

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Year ended 31 August 2007

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WHITEFOORD LIMITED**GENERAL INFORMATION****Year ended 31 August 2007**

Directors	R V Whitefoord J G Ruffer (resigned 13 December 2007) D L Berry
Secretary	S G Hoad
Registered office	8 th Floor International House 66 Chiltern Street London W1U 4JT
Company number	4131689
Auditors	Dixon Wilson (PO Box 900) Rotherwick House 3 Thomas More Street London E1W 1YX
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD HBOS New Ueberior House 11 Earl Grey Street Edinburgh EH3 9BN
Custodian Bankers	Royal Trust Corporation of Canada 71 Queen Victoria Street London EC4V 4DE
FSA membership number	195788

WHITEFOORD LIMITED

REPORT OF THE DIRECTORS

Year ended 31 August 2007

The directors submit their report and accounts for the year ended 31 August 2007

The profit and loss account and balance sheets are set out on pages 6, 7 and 8. These should be read in conjunction with their related notes

Principal activities, review of the business and future prospects

The company's principal activities are the provision of strategic wealth consultancy, pensions advice and portfolio management services. The company is regulated by the Financial Services Authority.

The company has continued to perform well and is generating healthy profits. During the year under review, funds under management grew by 14% from £121m to £138m. The company has continued to attract new money during its new financial year, and potential new clients have agreed to entrust an encouraging amount of funds to our Discretionary Portfolio Management service. The directors propose that the company makes a distribution to shareholders again this year.

In January, the company launched its own SSAS pension administration facility based in Tring, Hertfordshire and has plans to add SIPP administration during the coming year. These facilities will make the company less reliant on outside administrators and, in offering a "one stop shop", will enhance the attractiveness of its main discretionary portfolio management service for personal pension plans.

During the year, the company completed the purchase of GHM (Trustees) Limited, a firm that provides pension trustee and administration services. This will enhance and supplement the Company's own SSAS facilities. The company has also agreed to purchase after the year end a 50% stake in GH Macdonald Pensions and Financial Services Limited, a company providing pension advice and administration.

Results and dividends

The profit after tax for the financial year was £412,997 (2006 - £297,808)

The directors paid a dividend of £134,978 in the year (2006 - £nil)

The directors propose a dividend of £251,177

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

WHITEFOORD LIMITED

REPORT OF THE DIRECTORS

Year ended 31 August 2007

Financial instruments

All of the group's cash is held in instant access accounts maintained at the banks defined in General Information on page 2 of these accounts. The group manages its cash to maximise interest income, whilst ensuring that it has enough to meet the operating needs of the business.

Donations

During the year the company made charitable donations of £1,676 (2006 - £160)

Disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

For and on behalf of the board



R V WHITEFOORD
Director

21 December 2007

WHITEFOORD LIMITED

AUDITORS' REPORT

Year ended 31 August 2007

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITEFOORD LIMITED

We have audited the group and parent company financial statements of Whitefoord Limited for the year ended 31 August 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards ("United Kingdom Generally Accepted Accounting Practice").

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 August 2007 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements



DIXON WILSON
Chartered Accountants and Registered Auditors
Rotherwick House
3 Thomas More Street
London E1W 1YX

21 December 2007

WHITEFOORD LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****Year ended 31 August 2007**

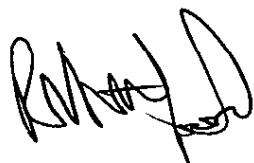
	Notes	2007 £	2006 £
Turnover	1	2,818,186	2,458,406
Staff costs	3	(1,317,649)	(1,169,047)
Other operating charges		(976,518)	(913,753)
Operating profit	2	524,019	375,606
Interest receivable and similar income		90,955	49,040
Interest payable		(8,674)	(7,500)
Loss on disposal of fixed assets		(896)	-
Profit on ordinary activities before taxation		605,404	417,146
Tax on profit on ordinary activities	4	(192,407)	(119,338)
Profit for the financial year	13 & 14	412,997	297,808

The group has no recognised gains or losses other than the profit for the year and the profit for the previous year
All amounts relate to continuing operations

WHITEFOORD LIMITED**CONSOLIDATED BALANCE SHEET****At 31 August 2007**

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	5	206,911	-
Tangible assets	6	222,303	240,489
		<u>429,214</u>	<u>240,489</u>
Current assets			
Debtors	8	492,997	422,111
Cash at bank and in hand		1,449,792	1,182,713
		<u>1,942,789</u>	<u>1,604,824</u>
Creditors: amounts falling due within one year	9	(837,534)	(588,863)
Net current assets		<u>1,105,255</u>	<u>1,015,961</u>
Total assets less current liabilities		<u>1,534,469</u>	<u>1,256,450</u>
Creditors: amounts falling due after more than one year	10	(125,000)	(125,000)
Provision for liabilities and charges	11	(26,742)	(26,742)
Net assets		<u>1,382,727</u>	<u>1,104,708</u>
Capital and reserves			
Called up share capital	12	134,978	134,978
Profit and loss account	13	1,247,749	969,730
Equity shareholders' funds	14	<u>1,382,727</u>	<u>1,104,708</u>

The financial statements on pages 6 to 17 were approved by the board of directors on 21 December 2007 and signed on its behalf by -



R V WHITEFOORD
Director

WHITEFOORD LIMITED**COMPANY BALANCE SHEET****At 31 August 2007**

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	5	20,000	-
Tangible assets	6	208,846	240,489
Investment in subsidiary	7	227,819	-
		<u>456,665</u>	<u>240,489</u>
Current assets			
Debtors	8	428,550	422,111
Cash at bank and in hand		1,424,537	1,182,713
		<u>1,853,087</u>	<u>1,604,824</u>
Creditors: amounts falling due within one year	9	(800,759)	(588,863)
Net current assets		<u>1,052,328</u>	<u>1,015,961</u>
Total assets less current liabilities		<u>1,508,993</u>	<u>1,256,450</u>
Creditors: amounts falling due after more than one year	10	(125,000)	(125,000)
Provision for liabilities and charges	11	(26,742)	(26,742)
Net assets		<u>1,357,251</u>	<u>1,104,708</u>
Capital and reserves			
Called up share capital	12	134,978	134,978
Profit and loss account	13	1,222,273	969,730
Equity shareholders' funds	14	<u>1,357,251</u>	<u>1,104,708</u>

The financial statements on pages 6 to 17 were approved by the board of directors on 21 December 2007 and signed on its behalf by -



R V WHITEFOORD
Director

WHITEFOORD LIMITED**CONSOLIDATED CASH FLOW STATEMENT****Year ended 31 August 2007**

	Note	2007	2006
		£	£
Net cash inflow from operating activities	15	553,747	349,214
Returns on investments and servicing of finance			
Interest received		90,955	49,040
Interest paid		(8,674)	(35,594)
		<u>82,281</u>	<u>13,446</u>
Taxation paid		(113,768)	(46,389)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(15,192)	(15,473)
Purchase of intangible fixed assets		(20,000)	-
		<u>(35,192)</u>	<u>(15,473)</u>
Acquisitions and disposals			
Purchase of subsidiary undertaking		(101,310)	-
Equity dividends paid		(134,978)	-
Increase in cash	16	<u>250,780</u>	<u>300,798</u>

WHITEFOORD LIMITED

ACCOUNTING POLICIES

Year ended 31 August 2007

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Basis of accounts

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the results of the subsidiary undertaking. A separate profit and loss account dealing with the results of the company only has not been presented as permitted by section 230 Companies Act 1985.

Turnover

Turnover is stated exclusive of value added tax and represents the invoiced amount of services provided.

Income recognition

Consultancy income is recognised as the work is performed. Management fee income is recognised on a monthly basis and is based on the funds under management. Dealing commission income is recognised when the deal has been completed.

Pension costs

Cost of contributions in respect of employee personal pension schemes are charged to the profit and loss account in the year to which they relate.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life, as follows:

Short leasehold property improvements	- over the lease term
Office equipment	- 33 1/3% straight line
Office furniture and fittings	- 10% straight line
Computer software	- 25% straight line

Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of businesses acquired. Goodwill is amortised through the profit and loss account in equal instalment over its estimated useful life of five years.

Investments

Investments are stated at cost.

Deferred taxation

Provision is made for deferred tax liabilities in respect of all timing differences arising from the different treatment of items for accounting and taxation purposes. Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Deferred tax assets in respect of such timing differences are recognised to the extent they are regarded as being more likely than not, recoverable in the short to medium term, and are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

WHITEFOORD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 August 2007****1. Segmental information**

The turnover and net assets are attributable to the principal activities of the provision of strategic wealth consultancy, pensions advice and portfolio management services. The group operates in the UK and the whole of its turnover is to the UK market.

2. Operating profit	2007	2006
	£	£
This is stated after charging:		
Fees payable to the company's auditor for the audit of the company's annual accounts	13,000	12,000
Fees payable to the company's auditor for taxation services	2,000	-
Depreciation	46,786	43,618
Amortisation of goodwill	17,000	-
Operating lease rentals - plant and equipment	9,097	8,234
- land and buildings	77,801	77,801

3. Staff costs

Employee costs during the year (including directors) were

Wages and salaries	1,161,993	1,006,407
Social security costs	110,467	124,881
Pension costs	45,189	37,759
	<u>1,317,649</u>	<u>1,169,047</u>

The group makes contributions to the employees' own pension funds. As at 31 August 2007 contributions of £25,359 (2006 - £34,958) were outstanding in respect of employer and employee contributions.

	Number	Number
The average number of employees, including directors, during the year was		
Directors	3	3
Investment management	5	4
Consultancy	2	2
Administration	6	5
Pension administration	2	-
	<u>18</u>	<u>14</u>
	£	£

Directors' remuneration

Emoluments	230,481	297,081
Contributions to money purchase pension schemes	8,269	7,875
Total emoluments	<u>238,750</u>	<u>304,956</u>
Remuneration of the highest paid director	<u>223,750</u>	<u>287,748</u>

WHITEFOORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2007

4. Taxation	2007 £	2006 £
Analysis of charge for the year:		
Current tax:		
UK corporation tax on profits of the year	180,958	102,319
Adjustments in respect of previous periods	11,449	(9,723)
	<u>192,407</u>	<u>92,596</u>
Deferred tax		
Origination and reversal of timing differences	-	26,742
Tax on profit on ordinary activities	<u>192,407</u>	<u>119,338</u>
Factors affecting tax charge for the year:		
Profit on ordinary activities before taxation	605,404	417,146
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	181,621	125,144
Effects of		
Depreciation for the year in excess of capital allowances	5,506	3,819
Expenses not deductible for tax purposes	(1,739)	2,551
Marginal relief	(4,430)	(29,195)
Adjustments in respect of previous periods	11,447	(9,723)
Current tax charge	<u>192,407</u>	<u>92,596</u>

5. Intangible fixed asset	Goodwill	
	Group £	Company £
Cost		
Additions	223,911	20,000
At 31 August 2007	<u>223,911</u>	<u>20,000</u>
Amortisation		
Charge for the year	17,000	-
At 31 August 2007	<u>17,000</u>	<u>-</u>
Net book value		
At 31 August 2007	<u>206,911</u>	<u>20,000</u>

Goodwill of £203,911 arises on the acquisition of GHM (Trustees) Limited in April 2007

Goodwill of £20,000 arises on the acquisition of a block of fees from G H Macdonald Pensions and Financial Services Limited

WHITEFOORD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 August 2007****6. Tangible fixed assets - group**

	Short leasehold property improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 September 2006	208,178	122,218	330,396
Acquired with subsidiary	-	27,996	27,996
Additions	-	15,192	15,192
Disposals	-	(12,214)	(12,214)
At 31 August 2007	<u>208,178</u>	<u>153,192</u>	<u>361,370</u>
Depreciation			
At 1 September 2006	41,049	48,858	89,907
Acquired with subsidiary	-	13,691	13,691
Charge for year	21,405	25,381	46,786
Disposals	-	(11,317)	(11,317)
At 31 August 2007	<u>62,454</u>	<u>76,613</u>	<u>139,067</u>
Net book value			
At 31 August 2007	<u>145,724</u>	<u>76,579</u>	<u>222,303</u>
At 31 August 2006	<u>167,129</u>	<u>73,360</u>	<u>240,489</u>
Tangible fixed assets - company			
Cost			
At 1 September 2006	208,178	122,218	330,396
Additions	-	14,608	14,608
Disposals	-	(12,214)	(12,214)
At 31 August 2007	<u>208,178</u>	<u>124,612</u>	<u>332,790</u>
Depreciation			
At 1 September 2006	41,049	48,858	89,907
Charge for year	21,405	23,949	45,354
Disposals	-	(11,317)	(11,317)
At 31 August 2007	<u>62,454</u>	<u>61,490</u>	<u>123,944</u>
Net book value			
At 31 August 2007	<u>145,724</u>	<u>63,122</u>	<u>208,846</u>
At 31 August 2006	<u>167,129</u>	<u>73,360</u>	<u>240,489</u>

WHITEFOORD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 August 2007****7. Investment in subsidiary****Shares in group undertaking**
£**Company**

Additions	227,819
At 31 August 2007	<u>227,819</u>

Additional information on subsidiary undertaking

Name	Country of incorporation	Principal activity	Interest held
GHM (Trustees) Limited	England and Wales	Provision of pension Trustee services	100%

On 1 April 2007 100% of the issued share capital of GHM (Trustees) Limited was acquired for consideration of £226,509 and stamp duty of £1,310. This acquisition has been accounted for by the acquisition method of accounting.

The book value and also fair value of assets and liabilities acquired in the acquisition were as follows

Fixed assets	£
Tangible assets	14,305
Current assets	
Debtors	43,341
Cash at bank	16,299
Total assets	<u>73,945</u>
Liabilities	
Creditors: amounts due in less than one year	(50,037)
Net assets	<u>23,908</u>
Goodwill	202,601
	<u>226,509</u>

Consideration satisfied by:

Cash	100,000
Amount unpaid	126,509

The unpaid consideration is due to be paid shortly in the form of a further £13,254 in cash and the remainder by way of the issue of 2,634 new shares in Whitefoord Limited.

WHITEFOORD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 August 2007**

8. Debtors	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	101,777	68,704	80,753	68,704
Amounts due under contracts not yet invoiced	45,751	51,511	22,871	51,511
Other debtors	93,321	99,954	91,207	99,954
Prepayments	68,148	53,942	49,719	53,942
Accrued income	184,000	148,000	184,000	148,000
	<u>492,997</u>	<u>422,111</u>	<u>428,550</u>	<u>422,111</u>

9. Creditors: amounts falling due within one year

Trade creditors	18,493	12,568	14,349	12,568
Corporation tax	186,142	102,319	170,334	102,319
Other taxes and social security	119,318	99,969	114,307	99,969
Other creditors, accruals and deferred income	513,581	374,007	501,769	374,007
	<u>837,534</u>	<u>588,863</u>	<u>800,759</u>	<u>588,863</u>

Included in other creditors, accruals and deferred income at 31 August 2007 is £126,509 due in respect of the acquisition of GHM (Trustees) Limited (see note 7)

10. Creditors: amounts falling due after more than one year

	Group and company	
	2007	2006
	£	£
Subordinated loans	<u>125,000</u>	<u>125,000</u>

During the year ended 31 August 2002 the company entered into two loan agreements with R V Whitefoord and Ruffer Investment Management Limited for £62,500. The loans are unsecured and bear interest at the rate of 6% per annum.

11. Provision for liabilities and charges

	Deferred taxation
	£
At 1 September 2006	26,742
Charge for the year	-
At 31 August 2007	<u>26,742</u>

Deferred tax relates to accelerated capital allowances

WHITEFOORD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 August 2007****12. Share capital**

	Authorised		Allotted and fully paid	
	2007	2006	2007	2006
	£	£	£	£
Ordinary shares of £1 each	<u>260,000</u>	<u>260,000</u>	<u>134,978</u>	<u>134,978</u>

13. Reserves**Profit and loss account
£****Group**

At 1 September 2006	969,730
Profit for the financial year	412,997
Dividends paid	(134,978)
At 31 August 2007	<u>1,247,749</u>

Company

At 1 September 2006	969,730
Profit for the financial year	387,521
Dividends paid	(134,978)
At 31 August 2007	<u>1,222,273</u>

The company's profit for the financial year was £387,521 (2006 - £297,808)

14. Reconciliation of movements in shareholders' funds

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Profit for the financial year	412,997	297,808	387,521	297,808
Dividends paid	(134,978)	-	(134,978)	-
Net addition to shareholders' funds	<u>278,019</u>	<u>297,808</u>	<u>252,543</u>	<u>297,808</u>
Opening shareholders' funds at 1 September 2006	<u>1,104,708</u>	<u>806,900</u>	<u>1,104,708</u>	<u>806,900</u>
Closing shareholders' funds at 31 August 2007	<u>1,382,727</u>	<u>1,104,708</u>	<u>1,357,251</u>	<u>1,104,708</u>

WHITEFOORD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 August 2007****15. Reconciliation of operating profit to net cash inflow from operating activities**

	2007	2006
	£	£
Operating profit	524,019	375,606
Depreciation	46,786	43,618
Amortisation	17,000	-
Increase in debtors	(27,544)	(147,513)
(Decrease)/increase in creditors	(6,514)	77,503
Net cash inflow from operating activities	<u>553,747</u>	<u>349,214</u>

16. Analysis of changes in net funds

	At 1 September 2006 £	Acquisition £	Cash flow £	At 31 August 2007 £
Cash at bank and in hand	1,182,713	16,299	250,780	1,449,792
Subordinated loans	(125,000)	-	-	(125,000)
	<u>1,057,713</u>	<u>16,299</u>	<u>250,780</u>	<u>1,324,792</u>

17. Related party transactions

Interest totalling £7,500 was paid to R V Whitefoord and Ruffer Investment Management Limited during the year in respect of their subordinated loans to the company (see note 9). Interest of £1,653 was outstanding at the year end.

18. Operating lease commitments

At 31 August 2007 the company was committed to making the following payments under non-cancellable operating leases in the next year:

	Land and buildings £	Plant and equipment £
Operating leases which expire		
Within one year	-	1,008
Within two to five years	<u>95,000</u>	<u>2,096</u>

19. Controlling parties

The company is controlled by R V Whitefoord, a director.

20. Post balance sheet events

Since the year end the purchase of a 50% stake in GH Macdonald Pensions and Financial Services Limited has been agreed for consideration of £83,027.