

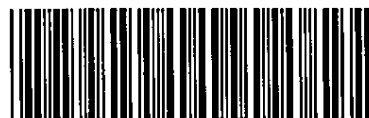
Registered number. 1527799

FW STEPHENS FINANCIAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 30 September 2009

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COMPANIES HOUSE

FW STEPHENS FINANCIAL LIMITED

COMPANY INFORMATION

DIRECTORS	E Clapton J P Crowder S T Linley S Reynolds O S Skinner R A Stevens
COMPANY SECRETARY	E J Francis
COMPANY NUMBER	1527799
REGISTERED OFFICE	Third Floor 24 Chiswell Street London EC1Y 4YX
AUDITORS	Bird Luckin Limited Aquila House Waterloo Lane Chelmsford Essex CM1 1BN
BANKERS	Royal Bank of Scotland 48 Haymarket London SW1Y 4SE

FW STEPHENS FINANCIAL LIMITED

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FW STEPHENS FINANCIAL LIMITED

DIRECTORS' REPORT for the year ended 30 September 2009

The directors present their report and the financial statements for the year ended 30 September 2009

DIRECTORS

The directors who served during the year were

E Clapton
J P Crowder
S T Linley
S Reynolds
O S Skinner
R A Stevens

PRINCIPAL ACTIVITIES

The principal activity of the company is that of independent financial advisers

BUSINESS REVIEW

The directors consider the year end financial position to be satisfactory

PRINCIPAL RISKS

In accordance with FSA regulations the company uses the ICAAP (Internal Capital Adequacy Assessment Process) to ensure that the business is well managed and that the directors are aware of the major risks that may prevent the successful continuity of the business and the ability of market counterparties to meet their obligations. In addition reviews were also taken of the company services and type of customer for whom it acts. The ICAAP review confirmed that the capital adequacy of the business is appropriate to its activities and that the major suppliers or market counterparties are considered to be well capitalised and able to meet their obligations. With regard to the activities of the business, the review confirmed that the use of collective investment schemes increases diversity so reducing the investment risk for clients, whilst growth in the number of clients means that the business is not reliant on a small number of accounts.

The ICAAP review also included consideration of the business processes of the company. Modern systems are used to manage office processes and client investment management, whilst there are sufficient staff to allow segregation of duties so enhancing operational controls. An active training program ensures staff are qualified for their specific role as well as in respect of the financial services industry regulation. Retention of independent auditors together with the independent compliance review also ensures that the company systems are able to meet the requirements of the business.

MARKET RISK

The company operates within the Financial Services sector and is likely to be affected by stock market volatility and a slowing economy. However reduction in activity caused by such a slowdown continues to be partially offset by an increase in new clients.

FW STEPHENS FINANCIAL LIMITED

DIRECTORS' REPORT
for the year ended 30 September 2009

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £12,792 (2008 - £7,007)

The directors do not recommend payment of an ordinary dividend (2008 Nil)

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,
- state whether applicable UK 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 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.

FW STEPHENS FINANCIAL LIMITED

DIRECTORS' REPORT
for the year ended 30 September 2009

AUDITORS

Under section 487 of the Companies Act 2006, Bird Luckin Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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

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



E J Francis
Company secretary

Date 28/1/10

FW STEPHENS FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FW STEPHENS FINANCIAL LIMITED

We have audited the financial statements of FW Stephens Financial Limited for the year ended 30 September 2009, set out on pages 6 to 14. 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 Sections 495 and 496 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 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.

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 30 September 2009 and of its profit for the year 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 year for which the financial statements are prepared is consistent with the financial statements.

FW STEPHENS FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FW STEPHENS FINANCIAL 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Alan Radford (senior statutory auditor)

for and on behalf of
BIRD LUCKIN LIMITED
Chartered Accountants
Statutory Auditor

Aquila House
Waterloo Lane
Chelmsford
Essex
CM1 1BN

Date 12 February 2010

FW STEPHENS FINANCIAL LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2009

	Note	2009 £	2008 £
TURNOVER	1,2	588,697	336,651
Cost of sales		(174,817)	(106,263)
GROSS PROFIT		413,880	230,388
Administrative expenses		(399,078)	(221,561)
OPERATING PROFIT		14,802	8,827
Interest receivable	6	294	1,456
Interest payable		(9)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,087	10,283
Tax on profit on ordinary activities	7	(2,295)	(3,276)
PROFIT FOR THE FINANCIAL YEAR	12	12,792	7,007

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

The notes on pages 9 to 14 form part of these financial statements

FW STEPHENS FINANCIAL LIMITED
Registered number 1527799

BALANCE SHEET
as at 30 September 2009

	Note	£	2009 £	£	2008 £
CURRENT ASSETS					
Debtors	8	65,998		30,869	
Cash at bank		40,143		41,879	
		<u>106,141</u>		<u>72,748</u>	
CREDITORS amounts falling due within one year	9	(51,301)		(30,700)	
NET CURRENT ASSETS			<u>54,840</u>		<u>42,048</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>54,840</u>		<u>42,048</u>
CREDITORS amounts falling due after more than one year	10		(24,000)		(24,000)
NET ASSETS			<u><u>30,840</u></u>		<u><u>18,048</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		10,000		10,000
Profit and loss account	12		20,840		8,048
SHAREHOLDERS' FUNDS	13		<u><u>30,840</u></u>		<u><u>18,048</u></u>

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

E Clapton
Director

Date 28/1/10

O S Skinner
Director

Date 28/1/10

The notes on pages 9 to 14 form part of these financial statements

FW STEPHENS FINANCIAL LIMITED

CASH FLOW STATEMENT
for the year ended 30 September 2009

	Note	2009 £	2008 £
Net cash flow from operating activities	14	1,254	5,383
Returns on investments and servicing of finance	15	285	1,456
Taxation		(3,275)	(209)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1,736)	6,630

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 30 September 2009

	2009 £	2008 £
(Decrease)/Increase in cash in the year	(1,736)	6,630
MOVEMENT IN NET DEBT IN THE YEAR	(1,736)	6,630
Net funds at 1 October 2008	41,879	35,249
NET FUNDS AT 30 SEPTEMBER 2009	40,143	41,879

The notes on pages 9 to 14 form part of these financial statements

FW STEPHENS FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2009

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

1.2 TURNOVER

Turnover comprises of fees, commissions and brokerage income receivable during the period. Brokerage income is recognised on receipt of amounts due from insurance companies. Fees are recognised in the financial statements on an accruals basis.

1.3 PENSIONS

The company contributes to a defined contribution pension scheme operated by the partners of FW Stephens and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2 TURNOVER

All turnover arose within the United Kingdom

3 AUDITORS' REMUNERATION

	2009	2008
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	3,950	-

FW STEPHENS FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2009

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2009	2008
	£	£
Wages and salaries	294,815	230,880
Social security costs	33,198	25,830
Other pension costs	8,044	3,639
	336,057	260,349

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

	2009	2008
	No	No
Directors	6	6
Employees	6	6
	12	12

5 DIRECTORS' REMUNERATION

	2009	2008
	£	£
Emoluments	106,534	69,283
Company pension contributions to money purchase pension schemes	2,399	1,438

During the year retirement benefits were accruing to 1 director (2008 - 1) in respect of money purchase pension schemes

6 INTEREST RECEIVABLE

	2009	2008
	£	£
Bank interest receivable	294	1,456

FW STEPHENS FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2009

7 TAXATION

	2009 £	2008 £
UK corporation tax charge on profit for the year	<u>2,295</u>	<u>3,276</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK (21%) The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	<u>15,087</u>	<u>10,283</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008 - 21%)	3,168	2,159
EFFECTS OF		
Expenses not deductible for tax purposes	916	1,196
Utilisation of tax losses	(1,789)	-
Change of Corporation Tax rate during period	-	(79)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>2,295</u>	<u>3,276</u>

8 DEBTORS

	2009 £	2008 £
Trade debtors	16,905	12,103
Amounts owed by group undertakings	595	7,771
Amounts owed by related undertakings	18,086	-
Prepayments and accrued income	30,412	10,995
	<u>65,998</u>	<u>30,869</u>

9. CREDITORS
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to group undertakings	-	344
Corporation tax	2,295	3,276
Social security and other taxes	926	3,756
Amounts owed to related undertakings	28,500	-
Accruals and deferred income	19,580	23,324
	<u>51,301</u>	<u>30,700</u>

FW STEPHENS FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2009

10 CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Amounts owed to group undertakings	<u>24,000</u>	<u>24,000</u>
The loan is wholly repayable within three years The loan is interest free		

11 SHARE CAPITAL

	2009 £	2008 £
ALLOTTED, CALLED UP AND FULLY PAID		
10,000 Ordinary shares shares of £1 each	<u>10,000</u>	<u>10,000</u>

12 RESERVES

	Profit and loss account £
At 1 October 2008	8,048
Profit for the year	12,792
At 30 September 2009	<u>20,840</u>

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	18,048	11,041
Profit for the year	12,792	7,007
Closing shareholders' funds	<u>30,840</u>	<u>18,048</u>

FW STEPHENS FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2009

14 NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £	2008 £
Operating profit	14,802	8,827
Increase in debtors	(42,306)	(23,098)
Decrease/(increase) in amounts owed by group undertakings	7,176	(7,426)
Increase in creditors	21,926	27,080
Decrease in amounts owed to group undertakings	(344)	-
NET CASH INFLOW FROM OPERATIONS	1,254	5,383

15 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2009 £	2008 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	294	1,459
Interest paid	(9)	(3)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	285	1,456

16. ANALYSIS OF CHANGES IN NET DEBT

	1 October 2008 £	Cash flow £	Other non-cash changes £	30 September 2009 £
Cash at bank and in hand	41,879	(1,736)	-	40,143
NET FUNDS	41,879	(1,736)	-	40,143

17 PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme operated by the partners of FW Stephens. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,044 (2008: £3,639).

18 OTHER FINANCIAL COMMITMENTS

The company has a financial commitment to pay a former director a pension of £11,250 within the next six months. No provision has been made in the balance sheet.

FW STEPHENS FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2009

19 RELATED PARTY TRANSACTIONS

During the year the company received commissions and introducers fees totalling £194,712 (2008 £164,839) from Stephens Fund Management Limited, a company under common control. The company also paid management fees of £15,000 to Stephens Fund Management Limited. At the year end the company was owed £18,086 by Stephens Fund Management Limited, as shown in note 8 (2008 £7,771 amounts owed by group undertakings).

During the year, the company was charged management fees of £30,000 (2008 £Nil) by FW Stephens, the ultimate controlling party. At the year end the company owed £28,500 (2008 £Nil) to FW Stephens, as shown in note 9.

During the year the company was charged management fees of £90,000 (2008 £Nil) by FW Stephens Financial (Group) Limited, its ultimate parent company. At the year end the company owed £24,000 (2008 £24,000) to FW Stephens Financial (Group) Limited in the form of a subordinated loan, as shown in note 10.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of FW Stephens Financial (Group) Limited, a company registered in England and Wales.

Its financial statements are available from Companies House, Crown Way, Cardiff, CF4 3UZ on payment of the appropriate fee.

The company was controlled both this year and last by the partners of FW Stephens who own 100% (2008 100%) of the ordinary share capital of the ultimate parent company.