

Registered number: 1527799

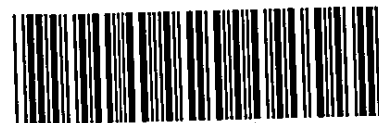
**FW STEPHENS FINANCIAL LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2010**

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**FW STEPHENS FINANCIAL LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

E Clapton  
J P Crowder  
S Reynolds  
D W Hurst (appointed 21 June 2010)  
T M Maakestad (appointed 21 June 2010)  
J C Parsons (appointed 21 June 2010)  
S T Linley (resigned 21 June 2010)  
O S Skinner (resigned 21 June 2010)  
R A Stevens (resigned 21 June 2010)

**COMPANY SECRETARY**

J C Parsons

**COMPANY NUMBER**

1527799

**REGISTERED OFFICE**

Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

**BANKERS**

Royal Bank of Scotland  
48 Haymarket  
London  
SW1Y 4SE

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**FW STEPHENS FINANCIAL LIMITED**

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## **FW STEPHENS FINANCIAL LIMITED**

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### **DIRECTORS' REPORT for the year ended 30 September 2010**

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The directors present their report and the financial statements for the year ended 30 September 2010

#### **DIRECTORS**

The directors who served during the year were

E Clapton  
J P Crowder  
S Reynolds  
D W Hurst (appointed 21 June 2010)  
T M Maakestad (appointed 21 June 2010)  
J C Parsons (appointed 21 June 2010)  
S T Linley (resigned 21 June 2010)  
O S Skinner (resigned 21 June 2010)  
R A Stevens (resigned 21 June 2010)

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company was that of independent financial advisers up to 31 August 2010 after which the book of business was transferred to Reeves Financial Planning Limited. The company is now dormant.

The directors consider the year end financial position to be satisfactory.

In accordance with FSA regulations the company used the ICAAP (Internal Capital Adequacy Assessment Process) to ensure that the business was well managed and that the directors were aware of the major risks that may have prevented 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 was appropriate to its activities and that the major suppliers or market counterparties were considered to be well capitalised and able to meet their obligations.

With regard to the activities of the business, the company became dormant on 1 September 2010 and transferred its book of business to Reeves Financial Planning Limited, an IFA within the same group.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £46,435 (2009 - £12,792)

An interim dividend of £45,622 was paid for the year ended 30 September 2010. The directors do not recommend the payment of a final dividend (2009 Nil).

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

  
E Clapton  
Director

Date 17/02/11

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**FW STEPHENS FINANCIAL LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**for the year ended 30 September 2010**

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	<b>Note</b>	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
<b>TURNOVER</b>	1,2	<b>507,099</b>	<b>588,697</b>
Cost of sales		<b>(178,580)</b>	<b>(174,817)</b>
<b>GROSS PROFIT</b>		<b>328,519</b>	<b>413,880</b>
Administrative expenses		<b>(268,532)</b>	<b>(399,078)</b>
<b>OPERATING PROFIT</b>		<b>59,987</b>	<b>14,802</b>
Interest receivable	6	<b>35</b>	<b>294</b>
Interest payable		<b>-</b>	<b>(9)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>60,022</b>	<b>15,087</b>
Tax on profit on ordinary activities	7	<b>(13,587)</b>	<b>(2,295)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	<b>46,435</b>	<b>12,792</b>

All amounts relate to discontinued operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 5 to 10 form part of these financial statements

**FW STEPHENS FINANCIAL LIMITED**  
Registered number 1527799

**BALANCE SHEET**  
as at 30 September 2010

	Note	£	2010 £	£	2009 £
<b>CURRENT ASSETS</b>					
Debtors	8	11,719		65,998	
Cash at bank		84,564		40,143	
		<u>96,283</u>		<u>106,141</u>	
<b>CREDITORS</b> amounts falling due within one year	9	(64,630)		(51,301)	
<b>NET CURRENT ASSETS</b>			<u>31,653</u>		<u>54,840</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>31,653</u>		<u>54,840</u>
<b>CREDITORS</b> amounts falling due after more than one year	10		-		(24,000)
<b>NET ASSETS</b>			<u>31,653</u>		<u>30,840</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		10,000		10,000
Profit and loss account	12		21,653		20,840
<b>SHAREHOLDERS' FUNDS</b>	13		<u>31,653</u>		<u>30,840</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 September 2010 and of its profit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

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

  
**E Clapton**  
Director

Date 11/2/11



**S Reynolds**  
Director

Date 17/2/11

The notes on pages 5 to 10 form part of these financial statements

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**FW STEPHENS FINANCIAL LIMITED**

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**CASH FLOW STATEMENT**  
for the year ended 30 September 2010

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	Note	2010 £	2009 £
Net cash flow from operating activities	15	92,303	1,254
Returns on investments and servicing of finance	16	35	285
Taxation		(2,295)	(3,275)
Equity dividends paid		(45,622)	-
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>44,421</b>	<b>(1,736)</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
for the year ended 30 September 2010

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	2010 £	2009 £
Increase/(Decrease) in cash in the year	44,421	(1,736)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>44,421</b>	<b>(1,736)</b>
Net funds at 1 October 2009	40,143	41,879
<b>NET FUNDS AT 30 SEPTEMBER 2010</b>	<b>84,564</b>	<b>40,143</b>

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The notes on pages 5 to 10 form part of these financial statements

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**FW STEPHENS FINANCIAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2010**

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**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 contributed to a defined contribution pension scheme which was 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**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor for the audit of the company's annual accounts	-	3,950



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**FW STEPHENS FINANCIAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2010

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**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2010	2009
	£	£
Wages and salaries	245,606	294,815
Social security costs	27,675	33,198
Other pension costs	6,368	8,044
	<u>279,649</u>	<u>336,057</u>

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

	2010	2009
	No	No
Directors	6	6
Employees	5	6
	<u>11</u>	<u>12</u>

**5. DIRECTORS' REMUNERATION**

	2010	2009
	£	£
Emoluments	<u>104,311</u>	<u>106,534</u>
Company pension contributions to money purchase pension schemes	<u>2,337</u>	<u>2,399</u>

During the year retirement benefits were accruing to 1 director (2009 - 1) in respect of money purchase pension schemes

**6. INTEREST RECEIVABLE**

	2010	2009
	£	£
Bank interest receivable	<u>35</u>	<u>294</u>

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**FW STEPHENS FINANCIAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2010

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**7 TAXATION**

	2010 £	2009 £
UK corporation tax charge on profit for the year	<u>13,587</u>	<u>2,295</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

	2010 £	2009 £
Profit on ordinary activities before tax	<u>60,022</u>	<u>15,087</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 21%)	16,806	3,168
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	517	916
Utilisation of tax losses	-	(1,789)
Small Companies Relief	<u>(3,736)</u>	<u>-</u>
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>13,587</u>	<u>2,295</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

**8. DEBTORS**

	2010 £	2009 £
Trade debtors	-	16,905
Amounts owed by group undertakings	-	595
Amounts owed by related undertakings	11,719	18,086
Prepayments and accrued income	-	30,412
	<u>11,719</u>	<u>65,998</u>

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**FW STEPHENS FINANCIAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2010

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**9. CREDITORS**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010	2009
	£	£
Corporation tax	13,587	2,295
Social security and other taxes	-	926
Amounts owed to related undertakings	38,081	28,500
Accruals and deferred income	12,962	19,580
	<u>64,630</u>	<u>51,301</u>

**10. CREDITORS:**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010	2009
	£	£
Amounts owed to group undertakings	<u>-</u>	<u>24,000</u>

**11 SHARE CAPITAL**

	2010	2009
	£	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
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 2009	20,840
Profit for the year	46,435
Dividends Equity capital	(45,622)
	<u>21,653</u>
At 30 September 2010	

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**FW STEPHENS FINANCIAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2010

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**13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
Opening shareholders' funds	30,840	18,048
Profit for the year	46,435	12,792
Dividends (Note 14)	(45,622)	-
	<u>31,653</u>	<u>30,840</u>
Closing shareholders' funds	<u>31,653</u>	<u>30,840</u>

**14. DIVIDENDS**

	2010 £	2009 £
Dividends paid on equity capital	<u>45,622</u>	<u>-</u>

**15. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2010 £	2009 £
Operating profit	59,987	14,802
Decrease/(increase) in debtors	53,684	(42,306)
Decrease in amounts owed by group undertakings	595	7,176
Increase in creditors	2,037	21,926
Decrease in amounts owed to group undertakings	(24,000)	(344)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u><b>92,303</b></u>	<u><b>1,254</b></u>

**16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2010 £	2009 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	35	294
Interest paid	-	(9)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u><b>35</b></u>	<u><b>285</b></u>

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**FW STEPHENS FINANCIAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2010

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**17. ANALYSIS OF CHANGES IN NET DEBT**

	1 October 2009 £	Cash flow £	Other non-cash changes £	30 September 2010 £
Cash at bank and in hand	40,143	44,421	-	84,564
<b>NET FUNDS</b>	<b>40,143</b>	<b>44,421</b>	<b>-</b>	<b>84,564</b>

**18. PENSION COMMITMENTS**

The company contributed to a defined contribution pension scheme operated by the partners of FW Stephens. The assets of the scheme were 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 £6,463 (2009 £8,044).

**19. RELATED PARTY TRANSACTIONS**

During the year the company received commissions and introducers fees totalling £122,088 (2009 £194,712) from Reeves Investment Management Limited, a company under common control. The company also paid management fees of £Nil (2009 £15,000) to Reeves Investment Management Limited. At the year end the company was owed £11,719 from Reeves Investment Management Limited (2009 £18,086).

At the year end the company owed Reeves Financial Planning Limited, a company under common control, £11,010 (2009 £Nil).

During the year, the company was charged management fees of £60,000 (2009 £30,000) by FW Stephens. At the year end the company owed £Nil (2009 £28,500) to FW Stephens.

During the year the company was charged management fees of £Nil (2009 £90,000) by FW Stephens Financial (Group) Limited, its ultimate parent company. At the year end the company owed £24,000 (2009 £24,000) to FW Stephens Financial (Group) Limited in the form of a subordinated loan.

**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.

The ultimate parent undertaking is Reeves + Neylan Financial Services Limited, a company registered in England and Wales.

The company was controlled both this year and last by the partners of FW Stephens until 31 May 2010. On 1 June 2010 FW Stephens merged with Reeves & Co LLP who own 100% of the ordinary share capital of the ultimate parent company.