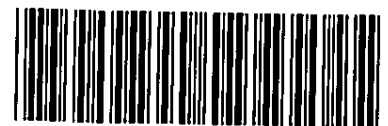


Company Registration No. 2960433 (England and Wales)

C F S INDEPENDENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

TUESDAY



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C F S INDEPENDENT LIMITED

COMPANY INFORMATION

Directors	A O Harwood J Besso-Cowan (Appointed 12 May 2008)
Secretary	G Harwood
Company number	2960433
Registered office	2 Fisher Street London WC1R 4QA
Auditors	Fisher, Sassoon & Marks 43-45 Dorset Street London W1U 7NA
Business address	2 Fisher Street London WC1R 4QA

C F S INDEPENDENT LIMITED

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C F S INDEPENDENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and financial statements for the year ended 31 March 2008

Principal activities and review of the business

The principal activity of the company continued to be that of discretionary fund management and investment advisors

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

As a service provider the directors consider that the key financial risk exposures faced by the company relate to the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs. The company does not invest in investments which expose it to material price risk nor does it have a material exposure to foreign exchange movements

The company's financial risk management objectives are therefore to minimise the key financial risks through having clearly defined terms of business with clients, regular monitoring of cash flow and management accounts to ensure regulatory capital requirements are not breached and the company maintains adequate working capital

The principal non financial risks faced by the company relate to breach of laws and regulations within the Financial Services and Markets Act 2000 and Financial Services Authority Rule Book. These risks are minimised through having stringent internal controls

The company has sufficient net assets to meet its working capital and regulatory capital requirements

Given the nature of the company's business administration expenses are in the main a fixed cost. Accordingly the operating results are dependent on fees generated from fund management. Accordingly the key performance indicator is turnover and is dependent on the ability of the company to increase funds under management each year and to provide investment returns to clients which are at least equal to returns offered by other service providers

Results and dividends

The results for the year are set out on page 6

Post balance sheet events

There are no matters to report

Future developments

The company has been appointed as an investment adviser to the subfund of an authorised open ended investment company

Directors

The following directors have held office since 1 April 2007

A O Harwood

J Brown

J Besso-Cowan

(Resigned 12 May 2008)

(Appointed 12 May 2008)

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year

C F S INDEPENDENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations

On average, trade creditors at the year end represented 1088795 (2007- 3485750) days' purchases

Introduction of the euro

The company has assessed the extent of the preparation that it needed to make for the introduction of the euro. It has identified that its systems needed to be amended to deal with the introduction of the euro. The costs of the changes have been charged in the current year to operating profit.

Auditors

Fisher, Sassoon & Marks were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

C F S INDEPENDENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 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 that 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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A O Harwood

Director

26 June 2008

C F S INDEPENDENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF C F S INDEPENDENT LIMITED

We have audited the financial statements of C F S Independent Limited for the year ended 31 March 2008 set out on pages 6 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

In addition we 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 other transactions 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.

Basis of audit 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.

C F S INDEPENDENT LIMITED

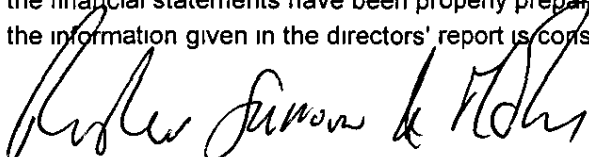
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF C F S INDEPENDENT LIMITED

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 company's affairs as at 31 March 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Fisher, Sassoon & Marks

26 June 2008

Chartered Accountants

Registered Auditor

43-45 Dorset Street
London
W1U 7NA

C F S INDEPENDENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover	2	419,488	350,314
Administrative expenses		(390,949)	(343,474)
Operating profit	3	28,539	6,840
Other interest receivable and similar income	4	6,635	4,871
Profit on ordinary activities before taxation		35,174	11,711
Tax on profit on ordinary activities	5	(6,793)	(2,010)
Profit for the year	13	28,381	9,701

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

C F S INDEPENDENT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	7		11,737		11,615
Current assets					
Debtors	8	66,828		136,854	
Investments	9	6,924		6,924	
Cash at bank and in hand		127,434		60,591	
		<u>201,186</u>		<u>204,369</u>	
Creditors amounts falling due within one year	10	<u>(18,672)</u>		<u>(23,714)</u>	
Net current assets			182,514		180,655
Total assets less current liabilities			<u>194,251</u>		<u>192,270</u>
Capital and reserves					
Called up share capital	12		186,000		186,000
Profit and loss account	13		8,251		6,270
Shareholders' funds	14		<u>194,251</u>		<u>192,270</u>

Approved by the Board and authorised for issue on 26 June 2008



A O Harwood
Director

C F S INDEPENDENT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		92,648		1,843
Returns on investments and servicing of finance				
Interest received	6,635		4,871	
Net cash inflow for returns on investments and servicing of finance		6,635		4,871
Taxation		(2,018)		(1,642)
Capital expenditure				
Payments to acquire tangible assets	(4,022)		(8,698)	
Net cash outflow for capital expenditure		(4,022)		(8,698)
Equity dividends paid		(26,400)		-
Net cash inflow/(outflow) before management of liquid resources and financing		66,843		(3,626)
Financing				
Repayment of other long term loans	-		(38,000)	
Net cash outflow from financing		-		(38,000)
Increase/(decrease) in cash in the year		66,843		(41,626)

C F S INDEPENDENT LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008	2007
		£	£
	Operating profit	28,539	6,840
	Depreciation of tangible assets	3,900	3,374
	Decrease/(increase) in debtors	70,026	(3,203)
	Decrease in creditors within one year	(9,817)	(5,168)
	Net cash inflow from operating activities	92,648	1,843

2	Analysis of net funds	1 April 2007	Cash flow	Other non- cash changes	31 March 2008
		£	£	£	£
	Net cash				
	Cash at bank and in hand	60,591	66,843	-	127,434
	Liquid resources				
	Current asset investments	6,924	-	-	6,924
	Bank deposits	-	-	-	-
	Net funds	67,515	66,843	-	134,358

3	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	Increase/(decrease) in cash in the year	66,843	(41,626)
	Cash (inflow)/outflow from (increase)/decrease in debt	-	38,000
	Movement in net funds in the year	66,843	(3,626)
	Opening net funds	67,515	71,141
	Closing net funds	134,358	67,515

C F S INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for undertaking discretionary fund management and investment advice net of VAT and client rebates

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 less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	25 % - 33 % reducing balance
--------------------------------	------------------------------

1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value

1.6 Revenue recognition

Fee income represents revenue earned under from contracts to provide investment services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

C F S INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3	Operating profit	2008 £	2007 £
	Operating profit is stated after charging		
	Depreciation of tangible assets	3,900	3,374
	Auditors' remuneration	4,025	4,525

4	Investment income	2008 £	2007 £
	Bank interest	6,635	4,871

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U K corporation tax	6,793	2,018
	Adjustment for prior years	-	(8)
	Current tax charge	6,793	2,010

6	Dividends	2008 £	2007 £
	Ordinary interim paid	26,400	-

C F S INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2007	73,036
Additions	4,022
	<hr/>
At 31 March 2008	77,058
	<hr/>
Depreciation	
At 1 April 2007	61,421
Charge for the year	3,900
	<hr/>
At 31 March 2008	65,321
	<hr/>
Net book value	
At 31 March 2008	11,737
	<hr/>
At 31 March 2007	11,615
	<hr/>

8 Debtors	2008 £	2007 £
Trade debtors	6,055	13,248
Other debtors	57	7,574
Prepayments and accrued income	60,716	116,032
	<hr/>	<hr/>
	66,828	136,854
	<hr/>	<hr/>

9 Current asset investments	2008 £	2007 £
Listed investments	6,924	6,924
	<hr/>	<hr/>
Market valuation of listed investments	22,590	11,759
	<hr/>	<hr/>

C F S INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

10 Creditors amounts falling due within one year	2008 £	2007 £
Trade creditors	2,983	9,550
Corporation tax	6,793	2,018
Other taxes and social security costs	4,709	8,146
Directors' current accounts	187	-
Accruals and deferred income	4,000	4,000
	<u>18,672</u>	<u>23,714</u>

11 Pension costs

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>39,488</u>	<u>4,106</u>

12 Share capital	2008 £	2007 £
Authorised		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
186,000 Ordinary shares of £1 each	<u>186,000</u>	<u>186,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2007	6,270
Profit for the year	28,381
Dividends paid	(26,400)
Balance at 31 March 2008	<u>8,251</u>

C F S INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

14 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the financial year	28,381	9,701
Dividends	(26,400)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	1,981	9,701
Opening shareholders' funds	192,270	182,569
	<hr/>	<hr/>
Closing shareholders' funds	194,251	192,270
	<hr/>	<hr/>
15 Directors' emoluments	2008	2007
	£	£
Emoluments for qualifying services	41,004	41,000
Company pension contributions to money purchase schemes	2,019	-
	<hr/>	<hr/>
	43,023	41,000
	<hr/>	<hr/>
16 Employees		
Number of employees		
The average monthly number of employees (including directors) during the year was		
	2008	2007
	Number	Number
Financial services and management	4	3
Administration	3	3
	<hr/>	<hr/>
	7	6
	<hr/>	<hr/>
Employment costs	2008	2007
	£	£
Wages and salaries	161,944	169,321
Social security costs	15,829	17,238
Other pension costs	39,488	4,106
	<hr/>	<hr/>
	217,261	190,665
	<hr/>	<hr/>

C F S INDEPENDENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2008***

17 Control

Mr and Mrs A Harwood have a controlling interest in the company

18 Related party transactions

During the year the company paid A Harwood rent on its premises in the sum of £36,000 (2007 - £36,000)

At the end of the year A Harwood was owed £2,216 (2007 - £6,656 was receivable) to the company

19 Post balance sheet events

There are no matters to report