Company Registration No. 2960433 (England and Wales)

C F S INDEPENDENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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C F S INDEPENDENT LIMITED

COMPANY INFORMATION

Directors	A O Harwood J Besso-Cowan
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 2009

The directors present their report and financial statements for the year ended 31 March 2009.

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 reflect the difficult market conditions experienced by the Financial services Industry in 2008/9. The Directors are confident of improved results in the subsequent period.

Capital Requirements Directive Pillar 3 Disclosure

Background

The Capital Requirements Directive ('the Directive') of the European Union created a revised regulatory capital framework across Europe governing how much capital financial services firms must retain. In the United Kingdom, this is being implemented by our regulator, the Financial Services Authority ('FSA') who has created new rules and guidance specifically through the creation of the General Prudential Source book ('GENPRU') and the Prudential Source book for Banks, Building Societies and Investment Firms ('BIPRU').The new FSA framework consists of three 'Pillars': Pillar 1 sets out the minimum capital requirements that we need to retain to meet our credit, market and operational risk; Pillar 2 requires us, and the FSA, to take a view on whether we need to hold additional capital against firm-specific risks not covered by Pillar 1; and Pillar 3 requires us to develop a set of disclosures which will allow market participants to assess key information about our underlying risks, risk management controls and capital position. The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This must be done in accordance with a formal disclosure document. The disclosure of this document meets our obligation with respect to Pillar 3.The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Where we have considered a disclosure to be immaterial, we have stated this in the document. In addition, we may also omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties.

The company is a BIPRU 125,000 euros limited license firm The firm's Pillar 1 and Pillar 11 requirements are also 125,000 Euros..

As a service provider the directors consider that the key financial risk exposures faced by the company relate to the need to maintain sufficient liquidy 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.

At the year end the company had net assets of £99,407 (2008 - £194,251).

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.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 satisfactory investment returns to clients.

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 2008:

A O Harwood
J Besso-Cowan

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.

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.

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 do not need to be amended to deal with the introduction of the euro.

Financial instruments

Liquidity risk
The company manages its cash requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the businesses.

Credit risk
Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

C F S INDEPENDENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

Auditors

In accordance with the company's articles, a resolution proposing that Fisher, Sassoon & Marks be reappointed as auditors of the company will be put at a General Meeting.

Statement of 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

8/7/2009

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 2009 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.

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 2009 and of its loss 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

8/7/2009

Fisher, Sassoon & Marks

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 2009

	Notes	2009 £	2008 £
Turnover	2	227,968	419,488
Administrative expenses		(352,589)	(390,949)
Operating (loss)/profit	3	(124,621)	28,539
Investment income	4	25,530	-
Other interest receivable and similar income	4	3,795	6,635
(Loss)/profit on ordinary activities before taxation		(95,296)	35,174
Tax on (loss)/profit on ordinary activities	5	10,452	(6,793)
(Loss)/profit for the year	13	(84,844)	28,381

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 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	7		9,259		11,737
Current assets					
Debtors	8	76,887		66,828	
Investments	9	31,345		6,924	
Cash at bank and in hand		6,190		127,434	
		114,422		201,186	
Creditors: amounts falling due within one year	10	(14,274)		(18,672)	
Net current assets			100,148		182,514
Total assets less current liabilities			109,407		194,251
Capital and reserves					
Called up share capital	12		186,000		186,000
Profit and loss account	13		(76,593)		8,251
Shareholders' funds	14		109,407		194,251

Approved by the Board and authorised for issue on 3/7/09

A O Harwood
Director

C F S INDEPENDENT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	£	2009 £	£	2008 £
Net cash (outflow)/inflow from operating activities		(119,355)		92,648
Returns on investments and servicing of finance				
Interest received	3,795		6,635	
Net cash inflow for returns on investments and servicing of finance		3,795		6,635
Taxation		(6,793)		(2,018)
Capital expenditure and financial investment				
Payments to acquire tangible assets	-		(4,022)	
Receipts from sales of investments	25,530		-	
Net cash inflow/(outflow) for capital expenditure		25,530		(4,022)
Equity dividends paid		-		(26,400)
Net cash (outflow)/inflow before management of liquid resources and financing		(96,823)		66,843
Management of liquid resources				
Current asset investments	(24,421)		-	
		(24,421)		-
(Decrease)/increase in cash in the year		(121,244)		66,843

C F S INDEPENDENT LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2009	2008
		£	£
	Operating (loss)/profit	(124,621)	28,539
	Depreciation of tangible assets	2,478	3,900
	Decrease in debtors	393	70,026
	Increase/(decrease) in creditors within one year	2,395	(9,817)
	Net cash (outflow)/inflow from operating activities	(119,355)	92,648

2	Analysis of net funds	1 April 2008	Cash flow	Other non-cash changes	31 March 2009
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	127,434	(121,244)	-	6,190
	Liquid resources:				
	Current asset investments	6,924	24,421	-	31,345
	Bank deposits	-	-	-	-
	Net funds	134,358	(96,823)	-	37,535

3	Reconciliation of net cash flow to movement in net funds	2009	2008
		£	£
	(Decrease)/increase in cash in the year	(121,244)	66,843
	Cash outflow from increase in liquid resources	24,421	-
	Movement in net funds in the year	(96,823)	66,843
	Opening net funds	134,358	67,515
	Closing net funds	37,535	134,358

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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.

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 (loss)/profit

	2009	2008
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	2,478	3,900
Auditors' remuneration	4,225	4,025

4 Investment income

	2009	2008
	£	£
Income from fixed asset investments	25,530	-
Bank interest	3,795	6,635
	29,325	6,635

5 Taxation

	2009	2008
	£	£
Domestic current year tax		
U.K. corporation tax	(10,452)	6,793
Current tax charge	(10,452)	6,793

6 Dividends

	2009	2008
	£	£
Ordinary interim paid	-	26,400

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2008 & at 31 March 2009	77,058
Depreciation	
At 1 April 2008	65,321
Charge for the year	2,478
At 31 March 2009	67,799
Net book value	
At 31 March 2009	9,259
At 31 March 2008	11,737

8 Debtors

	2009 £	2008 £
Trade debtors	3,127	6,055
Corporation tax	10,452	-
Other debtors	24,568	57
Prepayments and accrued income	38,740	60,716
	76,887	66,828

9 Current asset investments

	2009 £	2008 £
Listed investments	31,345	6,924
Market valuation of listed investments	49,781	22,590

10 Creditors: amounts falling due within one year	2009 £	2008 £
Trade creditors	3,028	2,983
Corporation tax	-	6,793
Other taxes and social security costs	5,418	4,709
Directors' current accounts	-	187
Accruals and deferred income	5,828	4,000
	14,274	18,672

11 Pension and other post-retirement benefit commitments

Defined contribution

	2009 £	2008 £
Contributions payable by the company for the year	5,311	39,488

12 Share capital	2009 £	2008 £
Authorised		
500,000 Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
186,000 Ordinary shares of £1 each	186,000	186,000

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2008	8,251
Loss for the year	(84,844)
Balance at 31 March 2009	(76,593)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

14 Reconciliation of movements in shareholders' funds	2009 £	2008 £
(Loss)/Profit for the financial year	(84,844)	28,381
Dividends	-	(26,400)
Net (depletion in)/addition to shareholders' funds	(84,844)	1,981
Opening shareholders' funds	194,251	192,270
Closing shareholders' funds	109,407	194,251

15 Directors' emoluments	2009 £	2008 £
Emoluments for qualifying services	57,504	41,004
Company pension contributions to money purchase schemes	1,175	2,019
	58,679	43,023

16 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2009 £	2008 £	Maximum in year £
Director's current account (debit bal)	5,791	-	5,791
Director's current account (debit bal)	3,000	-	3,000

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2009 Number	2008 Number
Financial services and management	4	4
Administration	2	3
	6	7

Employment costs	2009 £	2008 £
Wages and salaries	184,067	161,944
Social security costs	17,745	15,829
Other pension costs	5,311	39,488
	207,123	217,261

18 Control

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

19 Related party transactions

During the year the company paid A Harwood rent on its premises in the sum of £36,000 (2008 - £36,000).

20 Post balance sheet events

There are no matters to report.