

**Company Registered number 06380160**

**Formation Wealth Solutions Limited  
Annual Report and Financial Statements**

**Year ended 31 August 2010**



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**Formation Wealth Solutions Limited  
Annual Report and Financial Statements  
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**Formation Wealth Solutions Limited**  
**Company Information**

**Directors**

Desmond Khan  
Richard Noel O'Carroll

**Company Secretary**

Desmond Khan

**Auditors**

Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

**Bankers**

Bank of Scotland Plc  
19 / 21 Spring Gardens  
Manchester  
M2 1FB

**Solicitors**

Herbert Reeves & Co  
44 Great Eastern Street  
London  
EC2A 3EP

**Registered office**

Oakwood House  
414 - 422 Hackney Road  
London  
E2 7SY

## **Formation Wealth Solutions Limited Directors' Report**

The directors present their report and financial statements for the year ended 31 August 2010

### **Principal activities and review of the business**

The company's principal activity ceased on 1 December 2009

### **Results and Dividends**

The financial statements for the year ended 31 August 2010 are set out on pages 5 to 13. The loss for the period after taxation was £76,951 (2009 - Profit of £134,760)

No dividends have been proposed in respect of year ended 31 August 2010 (2009 - Nil). The loss for the financial period of £76,951 (2009 - Profit of £134,760) has been transferred from / to reserves.

### **Directors**

The following persons served as directors during the year

Ian Battersby (resigned 10 December 2009)  
Chris Bate (resigned 29 January 2010)  
Desmond Khan (appointed 25 January 2010)  
Richard Noel O'Carroll (appointed 25 May 2010)

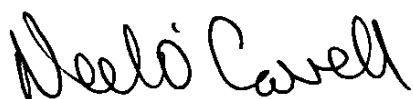
### **Auditors**

A resolution to re-appoint Grant Thornton UK LLP as the company's auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

### **Small Company Exemption**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the Board of Directors  
and signed on behalf of the Board



Richard Noel O'Carroll  
Director  
30 March 2011

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## **Formation Wealth Solutions Limited**

### **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 laws). 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 and 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 judgements and accounting 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

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

## **Formation Wealth Solutions Limited**

### **Independent auditor's report to the members of Formation Wealth Solutions Limited**

We have audited the financial statements of Formation Wealth Solutions Limited for the year ended 31 August 2010 which comprise the Profit and Loss Account, the Balance Sheet and notes 1 to 17. 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 Chapter 3 of Part 16 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 Director's Responsibilities set out on page 3, the director is responsible for preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on 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 Practice Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 31 August 2010 and of its loss 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 requirement of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Grant Thornton UK LLP*

Joanne Kearns  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
30 March 2011

**Formation Wealth Solutions Limited**  
**Profit and Loss Account**  
**for the year ended 31 August 2010**

	Notes	2010 £	2009 £
<b>Turnover</b>	2	50,501	457,367
Cost of sales		(10,138)	(46,250)
<b>Gross profit</b>		<u>40,363</u>	<u>411,117</u>
Administrative expenses		(117,545)	(276,868)
<b>Operating (loss)/profit</b>		<u>(77,182)</u>	<u>134,249</u>
Net Interest	4	(105)	511
<b>(Loss)/profit on ordinary activities before taxation</b>	5	<u>(77,287)</u>	<u>134,760</u>
Tax on (loss)/profit on ordinary activities	6	336	-
<b>Retained (Loss)/profit for the financial year</b>	12	<u>(76,951)</u>	<u>134,760</u>

All activity has arisen from discontinued activities

The company has no recognised gains or losses other than the (loss)/profit for the above two financial years. Accordingly, a statement of total recognised gains and losses has not been presented.

The accompanying notes are an integral part of this profit and loss account.

**Formation Wealth Solutions Limited**  
**Company Registered Number 06380160**  
**Balance Sheet**  
**as at 31 August 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	7	-	1,030
<b>Current assets</b>			
Debtors	8	174,949	639,706
Cash at bank and in hand		161	24,111
		<u>175,110</u>	<u>663,817</u>
<b>Creditors, amounts falling due within one year</b>	9	(2,358)	(415,144)
<b>Net current assets</b>		<u>172,752</u>	<u>248,673</u>
<b>Net assets</b>		<u>172,752</u>	<u>249,703</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	12	172,751	249,702
<b>Shareholders' funds</b>	13	<u>172,752</u>	<u>249,703</u>

These financial statements were approved by the Board of Directors on 30 March 2011 and signed on their behalf by



Desmond Khan  
Director

The accompanying notes are an integral part of this balance sheet



**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

**1 Accounting policies**

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below

***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

***Basis of preparation***

The Board of Formation Group Plc has expressed its continued financial support to the company however the company has ceased trading

***Tangible fixed assets***

Tangible fixed assets are shown at historical cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, of each asset on a straight line basis over its expected useful life, as follows

Fixtures, fittings and computer equipment	3 to 4 years
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***Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

**1 Accounting policies (continued)**

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Turnover**

Turnover represents the total amount receivable by the company for services provided to clients and contracts negotiated on their behalf during the period, excluding value added tax.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

**Pension costs**

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Cashflow**

The company has taken advantage of the exemption provided by FRS 1 and has not provided a cash flow statement as its results are included in the consolidated results of Formation Group Plc, the ultimate parent company, which are publicly available.

**2 Turnover**

Turnover arose entirely from the company's principal activities in the United Kingdom.

**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

**3 Information regarding directors and employees**

The average monthly number of persons employed (including directors) by the company during the period was as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Professional services	2	2
	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised

Wages and salaries	98,646	177,441
Social security costs	8,595	21,053
Pension costs	3,125	13,419
	<u>110,366</u>	<u>211,913</u>

**Director's remuneration**

Emoluments	98,646	177,441
Pension Costs	3,125	13,419
	<u>101,771</u>	<u>190,860</u>
Remuneration of highest paid director	<u>64,583</u>	<u>118,400</u>

**4 Net interest**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Interest payable	(117)	-
Bank interest received	12	511
	<u>(105)</u>	<u>511</u>

**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

<b>5 (Loss)/profit on ordinary activities before taxation</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Depreciation of owned fixed assets	1,030	978
Auditors' remuneration for audit services	-	4,000
Auditors' remuneration for other services	-	3,000
Staff costs (see note 3)	<u>110,366</u>	<u>211,913</u>

<b>6 Taxation</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in year</b>		
Current tax		
UK corporation tax	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	336	-
<b>Total deferred tax</b>	<u>336</u>	<u>-</u>
<b>Total tax on (Loss)/profit on ordinary activities</b>	<u>336</u>	<u>-</u>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before tax	<u>(77,287)</u>	<u>134,760</u>
Standard rate of corporation tax in the UK	28 00%	28 00%
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(21,640)	37,733
Effects of		
Group relief	21,455	(37,733)
Depreciation for year in excess of capital allowance	185	-
	<u>-</u>	<u>-</u>

**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

**7 Tangible fixed assets**

	<b>Fittings, fixtures and computer equipment £</b>
<b>Cost</b>	
At 1 September 2009	2,935
At 31 August 2010	<u>2,935</u>
<b>Depreciation</b>	
At 1 September 2009	1,905
Charge for the year	1,030
At 31 August 2010	<u>2,935</u>
<b>Net book value</b>	
At 31 August 2010	<u>-</u>
At 31 August 2009	<u>1,030</u>

<b>8 Debtors</b>	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	-	65,142
Amounts due from group companies	145,449	573,622
Prepayments and accrued income	29,101	879
Deferred tax asset (see note 10)	399	63
	<u>174,949</u>	<u>639,706</u>

<b>9 Creditors' amounts falling due within one year</b>	<b>2010 £</b>	<b>2009 £</b>
Trade creditors	-	32,196
Amounts owed to group companies	-	366,620
Other taxes and social security costs	-	7,386
Accruals and deferred income	2,358	8,942
	<u>2,358</u>	<u>415,144</u>

**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

<b>10 Deferred tax asset</b>			<b>2010</b>	<b>2009</b>
			£	£
Accelerated capital allowances			399	63
			<u>399</u>	<u>63</u>
				£
At 1 September 2009				63
Credit for the year				336
At 31 August 2010				<u>399</u>
<b>11 Share capital</b>			<b>2010</b>	<b>2009</b>
Authorised				
Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	No	No	£	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>12 Profit and loss account</b>			<b>2010</b>	
			£	
At 1 September 2009			249,702	
Loss for the year			(76,951)	
At 31 August 2010			<u>172,751</u>	
<b>13 Reconciliation of movement in shareholder's funds</b>			<b>2010</b>	<b>2009</b>
			£	£
Opening shareholder's funds			249,703	114,943
(Loss)/profit for the financial year			(76,951)	134,760
Closing shareholder's funds			<u>172,752</u>	<u>249,703</u>

**14 Pension arrangements**

The company made pension contributions to the personal pension plans of certain full-time employees. The pension cost charge for the period amounted to £3,125 (2009 - £13,419)

**Formation Wealth Solutions Limited**  
**Notes to the Accounts**  
**for the year ended 31 August 2010**

**15 Guarantees and other financial commitments**

**Capital commitments**

The company has no capital commitments as at 31 August 2010 (2009 - £Nil)

**16 Related parties**

As a subsidiary undertaking of Formation Group plc, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Formation Group plc

**17 Ultimate parent company**

The directors regard Formation Group plc, a company registered in England and Wales, as the ultimate parent company and the ultimate controlling party

Formation Group plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Oakwood House, 414 - 422 Hackney Road, London E2 7SY