

# The Personal Finance Society

Report and Financial Statements

Year ended 31 December 2008

Registered number: 5084125

## The Personal Finance Society

### Directors

Robert Reid

Paul Lothian

Robin O'Grady (retired 11 November 08)

Carole Nicholls

Mike Fosberry

Simon Holt

Edward Grant (appointed 11 November 08)

Fay Goddard (appointed 14 July 08)

Tim Eadon (retired 30 May 2008)

Alexander Scott

Peter Martin

David Thomson

Robert Bullivant (retired 14 March 2008)

### Secretary

R M Paterson

### Auditors:

BDO Stoy Hayward LLP

Emerald House

East Street

Epsom

KT17 1HS

### Registered Office:

20 Aldermanbury

London

EC2V 7HY

## **Directors' Report**

For the year ended 31 December 2008

### **Financial Statements**

The directors present their report and financial statements for the year ended 31 December 2008. The directors' report has been prepared in accordance with the special provisions relating to small companies in accordance with section 246(4) of the Companies Act 1985.

### **Principal activities**

The Society is a professional body for financial advisers and those that support the advice process. It seeks to represent the interests of the profession to regulators, government and other interest groups; establish professional standards in the performance of their activities and provide technical, business and personal development opportunities to its members.

### **Review of business results**

The company made good progress in developing its role as the professional body for financial advisers and those that support the advice process. The directors feel they have made good progress because of the feedback from members in regional meetings etc. as well as the trend line on membership which was declining and is now increasing. The company has fully integrated the two predecessor organisations into the CII group and introduced the profession's premier designation of Chartered Financial Planner.

### **Research and development**

Product research and development for examinations, learning materials and designations is undertaken by the Chartered Insurance Institute Group of which the company is a member. Member research, by survey and questionnaire, is undertaken every year to inform development of the membership proposition, technical and regional events.

### **Results**

The results of the company for the year are as set out in the profit and loss account on page 7.

### **Future Developments**

The CII group has now obtained permission from the Privy Council to allow companies to describe themselves as firms of Chartered Financial Planners. This will allow further promotion of the Company's professional standards and help improve consumer confidence in the profession.

### **Directors**

The Directors who served during and after the year ended 31 December 2008 are listed on page 2.

The members have undertaken to contribute to the assets of the Society in the event of the Society being wound up. Each member's contribution is limited to an amount not exceeding £1.

## Directors' Report (continued)

For the year ended 31 December 2008

### Members

As at 31 December 2008, the company had 24,850 paid up members and subscribers of the Society including 450 Fellows, 1,572 Associates, 5,075 members at Diploma level, 14,089 at Certificate level and 3,664 at Student level.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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). 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 these 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.

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.

### Information provided to auditors

With regard to the preparation of this Annual report and the Financial Statements, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

This report was approved by the Board on 26 March 2009 and signed on its behalf by

R M Paterson  
Secretary



## To the shareholders of The Personal Finance Society

We have audited the financial statements of The Personal Finance Society for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### *Respective responsibilities of 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### *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.

*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 December 2008 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.

  
**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
Epsom

Date *7 May 2009*

## Profit and Loss Account

For year ended 31 December 2008

	Notes	2008 £000	2007 £000
Turnover	2	4,164	3,738
Administration expenses	3	(4,122)	(3,597)
Distribution costs		<u>(78)</u>	<u>(54)</u>
Total operating expenditure		<u>(4,200)</u>	<u>(3,651)</u>
Operating profit/(loss)	4	(36)	87
Interest receivable		<u>139</u>	<u>147</u>
Profit on ordinary activities before taxation		103	234
Tax charge on profit on ordinary activities	5	<u>(47)</u>	<u>(103)</u>
Profit on ordinary activities after taxation for the financial year		56	131
Reserves brought forward		<u>1,783</u>	<u>1,652</u>
Reserves carried forward		<u>1,839</u>	<u>1,783</u>

All of the results are derived from continuing operations.

There are no gains or losses other than stated above and therefore no separate statement of total recognised gains and losses is prepared.

## Balance Sheet

As at 31 December 2008

	Notes	2008 £000	2007 £000
<b>Current assets</b>			
Debtors		78	58
Cash at bank		<u>3,441</u>	<u>3,581</u>
		3,519	3,639
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,680)</u>	<u>(1,856)</u>
<b>Net current assets</b>		<u>1,839</u>	<u>1,783</u>
<b>Total assets less current liabilities</b>		<u>1,839</u>	<u>1,783</u>
<b>Capital and reserves</b>			
Capital and reserves		<u>1,839</u>	<u>1,783</u>

The financial statements on pages 7 to 12 were approved by the Board on 26<sup>th</sup> March 2009.



P N Martin  
Director

## Notes to the Financial Statements

For year ended 31 December 2008

### 1 Accounting policies

#### (a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom company law and accounting standards.

#### (b) Turnover

Membership subscriptions are credited in the financial statements of the period in which the subscription begins as to the proportion of the year remaining, and the remainder in the financial statements of the following period. Turnover from conferences seminars and other training and professional activities is accounted for in the period they are receivable. All turnover is derived in the United Kingdom.

#### (c) Cash flow statement

The company is not required under Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement as it is a subsidiary undertaking of The Chartered Insurance Institute, an organisation incorporated by Royal Charter, whose financial statements include a consolidated cash flow statement.

#### (d) Research and development

Research and development costs are charged to the period they are incurred.

#### (e) Fixed assets

Additions to fixed assets are capitalised and depreciated over their estimated useful lives as follows:

Furniture and equipment    5-10 years

## Notes to the Financial Statements (continued)

For year ended 31 December 2008

### 2 Turnover

	Notes	2008 £000	2007 £000
Membership subscriptions		3,280	2,870
Conferences, seminars and other training and professional activities		884	868
		<u>4,164</u>	<u>3,738</u>

### 3 Administration

		2008 £000	2007 £000
Staff costs	6	536	408
Rent, rates, lighting and heating		-	2
Asset maintenance and depreciation		59	23
Printing and stationery		177	284
Fees, facilities and services		385	178
Promotional, travel and catering and conference expenditure		1,057	1,193
Research, development and sundry		1,908	1,509
		<u>4,122</u>	<u>3,597</u>

### 4 Operating profit is stated after charging/ (crediting):

	2008 £000	2007 £000
Auditors' remuneration- audit fees	6	6
Research and development	-	60
Depreciation	-	19
	<u>-</u>	<u>85</u>

The company also paid a management charge of £1,804,000 (2007: £1,359,000) for management services rendered by the Chartered Insurance Institute.

## Notes to the Financial Statements (continued)

For year ended 31 December 2008

### 5 Tax (credit)/charge on ordinary activities

Notes	2008 £000	2007 £000
Corporation tax at 28.5% (2007: 30%)	<u>47</u>	<u>103</u>
	<u>47</u>	<u>103</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK at 28.5% (2007: 30%). The differences are explained below.

Profit on ordinary activities before tax	<u>115</u>	<u>234</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	33	70
Permanent differences-Other	-	12
Mutual trading activities	29	(51)
Marginal Relief	-	(5)
Adjustments in respect of prior periods	(12)	77
Effect of other tax rates/credits	<u>(3)</u>	<u>-</u>
Current tax charge/(credit) for period	<u>47</u>	<u>103</u>

## Notes to the Financial Statements (continued)

For year ended 31 December 2008

### 6 Employees

The company has no employees but Chartered Insurance Institute staff were assigned at a cost of £536,000 (2007: £408,000). The directors of the company received no emoluments in either the current or prior year.

### 7 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amount owed to parent undertaking	153	242
Amounts owed to group undertakings	-	80
Corporation tax	58	103
Membership subscriptions received in advance	1,264	1,147
Accruals	205	284
	<u>1,680</u>	<u>1,856</u>

### 8 Related Party Disclosures

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8, Related Party Disclosures, not to disclose transactions with The Chartered Insurance Institute group companies which are related parties.

### 9 Parent undertaking

The directors regard The Chartered Insurance Institute as the controlling entity and the ultimate parent undertaking. This heads the smallest and largest groups for which consolidated financial statements are prepared. The consolidated financial statements of The Chartered Insurance Institute can be obtained from the Secretary, The CII, 20 Aldermanbury, London EC2V 7HY.