

Registered number: 5084125

The Personal Finance Society

Report and Financial Statements

Year ended 31 December 2010

The Personal Finance Society

Directors

Paul Lothian

Mike Fosberry

Simon Holt (resigned 20/09/2010)

Alexander Scott

Peter Martin

David Thomson

Fay Goddard

Edward Grant

Jon Everill

Garry Hale

Teresa Perchard

Brendan O'Ciobhain (appointed 20/09/2010)

David Ingram (appointed 20/09/2010)

Secretary

R M Paterson

Auditors:

BDO LLP

Emerald House

East Street

Epsom

KT17 1HS

Registered Office:

20 Aldermanbury

London

EC2V 7HY

Directors' Report

For the year ended 31 December 2010

Financial Statements

The directors present their report and financial statements for the year ended 31 December 2010. The directors' report has been prepared in accordance with the special provisions relating to small companies in accordance with Chapter 3 Part 16 of the Companies Act 2006.

Principal activities

The Society is a membership 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 membership 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 increasing membership revenues.

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.

Directors

The directors who served during and after the year ended 31 December 2010 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 2010

Members

As at 31 December 2010, the company had 28,206 paid up members and subscribers of the Society including 703 Fellows, 1,971 Associates, 7,623 members at Diploma level, 14,131 at Certificate level and 3,778 at Student level.

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 Standards and applicable law. 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 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 United Kingdom 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.

Auditors

All of the current directors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

This report of the directors was approved by the Board and signed on its behalf by

R M Paterson
Secretary

Date: 17th May 2011



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 2010 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditor's 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 directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 December 2010 and of its profit 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 requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 31 December 2010 for which the financial statements are prepared is consistent with the financial statements.

The Personal Finance Society

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



*Don Bawtree
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom*

Date 1 JUNE 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and Loss Account

For year ended 31 December 2010

	Notes	2010 £000	2009 £000
Turnover	2	4,741	4,428
Administration expenses	3	(4,542)	(3,722)
Distribution costs		<u>(124)</u>	<u>(70)</u>
Total operating expenditure		<u>(4,666)</u>	<u>(3,792)</u>
Operating profit/(loss)	4	75	636
Interest receivable		<u>5</u>	<u>14</u>
Profit on ordinary activities before taxation		80	650
Tax charge on profit on ordinary activities	5	<u>-</u>	<u>41</u>
Profit on ordinary activities after taxation for the financial year		80	691
Reserves brought forward		<u>2,530</u>	<u>1,839</u>
Reserves carried forward		<u>2,610</u>	<u>2,530</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.

The Personal Finance Society

Balance Sheet

As at 31 December 2010

	Notes	2010 £000	2009 £000
Current assets			
Debtors		-	29
Cash at bank		<u>4,215</u>	<u>4,142</u>
		4,215	4,171
Creditors: amounts falling due within one year	7	<u>(1,605)</u>	<u>(1,641)</u>
Net current assets		<u>2,610</u>	<u>2,530</u>
Total assets less current liabilities		<u>2,610</u>	<u>2,530</u>
Capital and reserves			
Capital and reserves		<u>2,610</u>	<u>2,530</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies in accordance with Chapter 3 Part 16 of the Companies Act 2006.

The financial statements on pages 7 to 12 were approved by the Board on 17 MAY 2011



P N Martin
Director

Registered number: 5084125

Notes to the Financial Statements

For year ended 31 December 2010

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.

2 Turnover

	Notes	2010 £000	2009 £000
Membership subscriptions		3,879	3,624
Conferences, seminars and other training and professional activities		<u>862</u>	<u>804</u>
		<u>4,741</u>	<u>4,428</u>

Notes to the Financial Statements (continued)

For year ended 31 December 2010

3 Administration

		2010 £000	2009 £000
Staff costs	6	447	425
Asset maintenance and depreciation		-	2
Printing and stationery		219	250
Fees, facilities and services		298	224
Promotional, travel and catering and conference expenditure		1,041	1,005
Research, development and sundry		2,537	1,816
		<u>4,542</u>	<u>3,722</u>

4 Operating profit is stated after charging:

	2010 £000	2009 £000
Auditors' remuneration- audit fees	<u>8</u>	<u>7</u>

The company also paid a management charge of £2,341,000 (2009: £1,810,000) for management services rendered by the Chartered Insurance Institute.

Notes to the Financial Statements

For year ended 31 December 2010

5 Corporation tax (credit)/charge ordinary activities

Notes	2010 £000	2009 £000
Corporation tax (credit)/charge at 28% (2009: 28%)	-	(41)
	<u>-</u>	<u>(41)</u>

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

Profit on ordinary activities before tax	<u>80</u>	<u>650</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	22	182
Mutual trading activities	(48)	(188)
Accelerated capital allowances	(1)	-
Losses unutilised	27	-
Adjustments in respect of prior periods	-	(44)
Group relief	-	11
Deferred tax	<u>-</u>	<u>(2)</u>
Current tax (credit)/charge for period	<u>-</u>	<u>(41)</u>

Notes to the Financial Statements (continued)

For year ended 31 December 2010

6 Employees

The company has no employees but Chartered Insurance Institute staff were assigned at a cost of £447,000 (2009: £425,000). The directors of the company received no emoluments in either the current or prior year.

7 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Amount owed to parent undertaking	71	356
Corporation tax	3	3
Membership subscriptions received in advance	1,455	1,212
Accruals	76	70
	<u>1,605</u>	<u>1,641</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.