The Universal Trust Corporation

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2013

(Registered Number: 2393718)

Contents

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2013.

INTRODUCTION AND OVERVIEW

The principal activity of the Company is the provision of trust, probate, and will storage services.

The Universal Trust Corporation is a private unlimited company registered in England and Wales, registered number; 2393718.

The Company made a profit before tax of £23,000 for the year (2012: £23,000).

DIRECTORS

The directors who served during the year were:

D J McMaster	(resigned 18 December 2013)
RS Shipperley	
DC Livesey	
MJ Oliver	(resigned 19 December 2013)
JP Cosson	
SN Moore	(appointed 30 January 2013, resigned 30 August 2013)

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The company has taken advantage of the small companies' exemptions in presenting this directors report.

By order of the board

JP Cosson
Director

27 February 2014

Medway House
Cantelupe Road
East Grinstead
West Sussex
RH19 3BJ

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 year. 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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNIVERSAL TRUST CORPORATION

We have audited the financial statements of The Universal Trust Corporation for the year ended 31 December 2013 as set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 Directors' Responsibilities Statement set out on page 4, 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, 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 Practices 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

David Burridge | 28 February 2014

David Burridge (Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Revenue	1	275	345
Administrative expenses	2	(252)	(322)
Profit before tax		**23**	**23**
Tax expense	4	(5)	(2)
Profit for the year being total comprehensive income		**18**	**21**

In both the current and preceding year the Company made no material acquisitions and had no discontinued operations.

There were no recognised income and expense items in the current or preceding year other than those reflected in the above Statement of Comprehensive Income.

The Statement of Comprehensive Income is prepared on an unmodified historical cost basis.

The notes on pages 10 to 14 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2013

	Notes	£000	31 December 2013 £000	£000	31 December 2012 £000
Current assets					
Trade and other receivables	5	766		530	
Cash and cash equivalents		19		62	
Total current assets			785		592
Total assets			**785**		**592**
Current liabilities					
Trade and other payables	6	360		188	
Tax liabilities		5		2	
Total current liabilities			365		190
Total liabilities			365		190
Equity – attributable to equity holders of the Company					
Share capital	7	250		250	
Retained earnings	7	170		152	
Total equity			420		402
Total equity and liabilities			**785**		**592**

These financial statements were approved by the Board of Directors on 27 February 2014 and signed on its behalf by:

JP Cosson
Director

Company registration number: 2393718

The notes on pages 10 to 14 form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2013

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2013	250	152	402
Total comprehensive income for the year	-	18	18
Balance at 31 December 2013	**250**	**170**	**420**
Balance at 1 January 2012	250	131	381
Total comprehensive income for the year	-	21	21
Balance at 31 December 2012	**250**	**152**	**402**

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Cash flows from operating activities			
Profit for the year		18	21
Adjustments for:			
Tax expense	4	5	2
Operating profit before changes in working capital and provisions		**23**	**23**
Increase in trade and other receivables		(236)	(41)
Increase in trade and other payables		172	18
Cash outflow from operations		**(41)**	**-**
Tax (paid) / receipts from sales of tax losses		(2)	19
Net cash (outflow) / inflow from operating activities		**(43)**	**19**
Cash flows from investing activities			
Purchases of property, plant and equipment		-	-
Net cash flow from investing activities		-	-
Cash flows from financing activities			
Dividends paid		-	-
Net cash flow from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(43)	19
Cash and cash equivalents at 1 January		62	43
Cash and cash equivalents at 31 December		**19**	**62**

The notes on pages 10 to 14 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The Universal Trust Corporation (the "Company") is a company incorporated and domiciled in the UK. The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company accounts:

a) Basis of accounting

The Financial Statements are presented in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the EU and effective at 31 December 2013.

There have been no new accounting policies adopted in the year that have an impact on these financial statements.

Measurement convention

These financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand.

Going concern

The Company's business activities are set out in the Directors Report on page 3. The financial position of the Company, its cash flows, and liquidity position are shown on pages 6 to 9. In addition, the Directors Report and notes to these financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company is part of a group with considerable financial resources, as a consequence, the Directors believe that the company is well placed to manage its financial risks successfully despite the current uncertain economic outlook.

The Directors believe that the Company has adequate resources to continue to operate for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Revenue recognition

Revenue, which excludes value added tax, represents amounts receivable for services. Will writing income is recognised on delivery of instruction and is presented net of direct commissions. Income received in advance for the storage of wills is recognised over the period that the customer has paid for storage. Income received for probate management services is recognised over the expected stage of completion of the probate case.

c) Trade and other receivables

Trade and other receivables are stated at their nominal value (discounted if material) less any impairment.

d) Trade and other payables

Trade and other payables are stated at their fair value.

e) Taxation

Income tax on the result for the year comprises current tax and deferred tax. Income tax is recognised in the Statement of Comprehensive Income except where items are recognised directly in equity, in which case the associated income tax asset or liability is recognised via equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted on the year end date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the Statement of Financial Position liability method, which recognises temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the year end.

f) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash comprises cash in hand and loans and advances to credit institutions repayable on demand, and cash and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less. The Statement of Cash Flows has been prepared using the indirect method.

g) Net financing costs

Interest income and interest payable are recognised in the Statement of Comprehensive Income as they accrue, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Expenses and auditors' remuneration

	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Profit before tax is stated after charging the following:		
Impairment loss on trade receivables	-	6
Auditors' remuneration		
Audit of these financial statements	3	3

3. Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the year was as follows:

	Year ended 31 Dec 2013 No.	Year ended 31 Dec 2012 No.
Directors	6	6

All Directors are remunerated by another group company, and do not receive any remuneration from The Universal Trust Corporation.

4. Tax expense

a) Analysis of expense in the year at 23.25% (2012: 24.5%)	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Current tax expense		
Current tax at 23.25% (2012: 24.5%)	5	2
Total current tax	5	2
Tax expense	5	2

b) Factors affecting current tax expense in the year

The tax assessed in the Statement of Comprehensive Income is equal to (2012: lower than) the standard UK corporation tax rate because of the following factors:

	2013 £000	2012 £000
Profit before tax	23	23
Tax on profit at UK standard rate of 23.25% (2012: 24.5%)	5	6
Effects of:		
Income not taxable for tax purposes	-	-
Utilisation of tax losses	-	(4)
Tax expense	5	2

5. Trade and other receivables

	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Trade receivables	81	39
Prepayments and accrued income	38	43
Amounts due from group companies	647	454
Bad debt provision	-	(6)
	766	530

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

5. Trade and other receivables (continued)

The ageing of trade receivables (which all arose in the UK) at the year end was:

	31 Dec 2013 £000 Gross	31 Dec 2013 £000 Impairment	31 Dec 2012 £000 Gross	31 Dec 2012 £000 Impairment
Not overdue	-	-	-	-
Overdue 0 – 30 days	21	-	18	-
Overdue 31 – 120 days	12	-	2	(1)
Overdue 120 days plus	48	-	19	(5)
	81	-	39	(6)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2013 £000	2012 £000
At 1 January	(6)	-
Provisions made during the year	-	(6)
Provisions released during the year	-	-
Receivables written off during the year	6	-
At 31 December	-	(6)

6. Trade and other payables

	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Trade payables	-	6
Other taxes and social security costs	6	13
Amounts owed to group undertakings	238	14
Accruals and deferred income	116	155
	360	188

7. Share Capital

	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	250	250

Management of capital

Capital is considered to be the audited retained earnings and ordinary share capital in issue.

	Year ended 31 Dec 2013 £000	Year ended 31 Dec 2012 £000
Capital		
Ordinary shares	250	250
Retained earnings	170	152
	420	402

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies.

The year end capital position is reported to the Operational Board on a monthly basis. The capital position is also given due consideration when corporate plans are prepared.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Related party transactions

The Company has related party relationships within the Skipton Group as detailed below. All such transactions are priced on an arms-length basis.

	2013 Ultimate parent undertaking £000	2013 Immediate parent undertaking £000	2013 Other group companies £000	2012 Ultimate parent undertaking £000	2012 Immediate parent undertaking £000	2012 Other group companies £000
a) Net interest						
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-
Total	-	-	-	-	-	-
b) Sales of goods and services	-	-	60	-	-	51
Total	-	-	60	-	-	51
c) Purchase of goods and services	-	-	235	-	-	255
Total	-	-	235	-	-	255
d) Outstanding balances						
Receivables from related parties	-	-	647	-	-	454
Payables to related parties	-	-	(238)	-	-	(14)
Total	-	-	409	-	-	440

There is no cash held on deposit with the Skipton Building Society held within cash and cash equivalents at the year end (2012: £nil). Tax receivable balances are recoverable via the Skipton Group tax computation.

All transactions are dealt with on normal credit terms.

9. Capital Commitments

There were no capital commitments at the year end (2012: £nil).

10. Financial instruments

Financial risks

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The principal financial risks to which the Company is exposed are liquidity risk, market risk and credit risk, these are monitored on a regular basis by management. Each of these is considered below.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's liquidity policy is to maintain sufficient liquid resources to cover imbalances and fluctuations in funding, to maintain solvency of the Company and to enable the Company to meet its financial obligations as they fall due. This is achieved through maintaining a prudent level of liquid assets and through rigorous management control of the growth of the business.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. Financial instruments (continued)

Liquidity risk (continued)

The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but not less than 1 year £000	In more than one year but not more than 5 years £000
Trade and other payables	122	122	122	-	-	-
Amounts owing to group companies	238	238	238	-	-	-
Total	360	360	360	-	-	-

There are no differences between the fair values of financial assets and liabilities and their carrying amounts showing in the Statement of Financial Position.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Currency risk

The Company is not exposed to any currency risk as all transactions are denominated in Sterling.

Interest rate risk

The Company has no interest bearing liabilities, and the Company monitors any exposure on a continuous basis.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Based on historic default rates, the Company believes that no impairment provision is necessary in respect of most of its trade receivables. For maximum credit exposure see note 5. Management carefully manages its exposure to credit risk.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

11. Ultimate Parent Undertaking

The Company is a wholly owned subsidiary of Just Wills Group Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group in which the results are consolidated is that headed by Connells Limited and the accounts of this company are available to the public and can be obtained from:

Companies House
Crown Way
Cardiff
CF4 3UZ