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Just Wills plc

Report and Financial Statements

Year Ended
31 March 2002



BDO Stoy Hayward
Chartered Accountants

JUST WILLS PLC

Annual report and financial statements for the year ended 31 March 2002

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Directors

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Directors

J F de Frias
A E de Frias
S J Macwhinnie

Secretary and registered office

A E de Frias, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

Company number

2427464

Auditors

BDO Stoy Hayward, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

JUST WILLS PLC

Report of the directors for the year ended 31 March 2002

The directors present their report together with the audited financial statements for the year ended 31 March 2002.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The company's principal activities are to provide a home visit will writing service and the sales of will writing franchises. The directors are pleased with the result for the year and anticipate a continuing strong performance in 2002/2003.

Charitable donations

Charitable donations of £nil (2002 - £260) were made during the year.

Creditors payment policy

The majority of suppliers to the group are of a long standing nature and mutually acceptable payment terms have been established over the relationship period. Generally, payments are made between 30 and 60 days from the month of delivery.

In certain transactions payment terms will be agreed with suppliers as part of the overall terms of the transaction, and will be adhered to by the group.

Directors

The directors of the company during the year and their beneficial interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	2002	2001
J F de Frias (Chairman)	1	1
A E de Frias	-	-
S J Macwhinnie	-	-

The interests of the directors in the ordinary share capital of its ultimate parent company, The Universal Trust Corporation, are shown in its financial statements.

JUST WILLS PLC

Report of the directors for the year ended 31 March 2002 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 departure disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

A E de Frias
Secretary

A E de Frias,

Date: 19/6/02

JUST WILLS PLC

Report of the independent auditors

To the shareholders of Just Wills Plc

We have audited the financial statements of Just Wills plc on pages 4 to 15 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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.

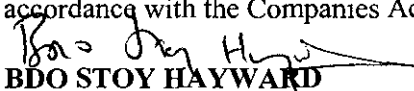
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants
and registered Auditors
Reading

Date: 19 June 2002

JUST WILLIS PLC

Profit and loss account for the year ended 31 March 2002

	Note	2002	2001
		£	£
Turnover	2	223,931	123,706
Cost of sales		39,879	31,370
Gross profit		184,052	92,336
Distribution costs		10,349	17,236
Selling expenses		21,506	24,985
Establishment expenses		16,256	37,911
Administrative expenses		90,460	99,819
		138,571	179,951
Operating profit/(loss)	5	45,481	(87,615)
Interest receivable		734	-
Interest payable and similar charges	6	(5,365)	(7,613)
Profit/(loss) on ordinary activities before taxation		40,850	(95,228)
Taxation on profit/(loss) from ordinary activities	7	3,072	(2,825)
Profit/(loss) on ordinary activities after taxation and retained for the year	15	37,778	(92,403)

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The movements in shareholders' funds is represented by the retained profit for the year

The notes on pages 8 to 15 form part of these financial statements

JUST WILLIS PLC

Note of historical cost profits and losses for the year ended 31 March 2002

	2002 £	2001 £
Note of historical cost profits and losses		
Reported profit/(loss) on ordinary activities before taxation	40,850	(95,228)
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	60	60
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities before taxation	40,910	(95,168)
	<hr/>	<hr/>
Retained historical cost profit/(loss) for the year after taxation	37,838	(92,343)
	<hr/>	<hr/>

The notes on pages 8 to 15 form part of these financial statements

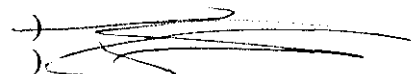
JUST WILLS PLC

Balance sheet at 31 March 2002

	Note	2002	2001
		£	£
Fixed assets			
Tangible assets	8	46,194	52,208
Current assets			
Stocks	9	5,738	7,194
Debtors	10	33,457	48,288
Cash at bank and in hand		21,270	22
		<u>60,465</u>	<u>55,504</u>
Creditors: amounts falling due within one year	11	<u>53,768</u>	<u>69,782</u>
Net current assets/(liabilities)		6,697	(14,278)
Total assets less current liabilities		<u>52,891</u>	<u>37,930</u>
Creditors: amounts falling due after more than one year	12	8,217	31,034
Capital and reserves			
Called up share capital	14	100,000	100,000
Revaluation reserve	15	2,134	2,134
Profit and loss account	15	(57,460)	(95,238)
Equity shareholders' funds		<u>44,674</u>	<u>6,896</u>
		<u>52,891</u>	<u>37,930</u>

The financial statements were approved by the Board on 19/6/02

J F de Frias



) Directors

A E de Frias

) A E de Frias,

The notes on pages 8 to 15 form part of these financial statements

JUST WILLS PLC

Cash flow statement for the year ended 31 March 2002

	Note	2002	2001
		£	£
Net cash inflow from operating activities	18	38,960	7,330
Returns on investments and servicing of finance			
Interest received	734	-	-
Interest paid	(3,112)	(2,935)	(2,935)
Interest element of finance lease rental payments	(2,253)	(4,678)	(4,678)
Net cash outflow from returns on investments and servicing of finance		(4,631)	(7,613)
Taxation			
UK corporation tax		3,111	(3,397)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(2,776)	-	-
Receipts from sale of tangible fixed assets	1	13,717	13,717
Net cash (outflow)/inflow from capital expenditure and financial investment		(2,775)	13,717
Net cash inflow before financing		34,665	10,037
Financing			
Capital element of finance lease rental payments	(5,161)	(26,429)	(26,429)
Net cash outflow from financing		(5,161)	(26,429)
Increase/(decrease) in cash	19, 20	29,504	(16,392)

The notes on pages 8 to 15 form part of these financial statements

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the invoiced amount of goods sold and services provided less refunds and net of value added tax.

Tangible fixed assets

The company is adopting FRS 15. In future, all additions to tangible fixed assets will be stated at cost. Where existing unimpaired tangible fixed assets are stated at valuation the company has taken advantage of the transitional arrangements in FRS 15 to retain these book values. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Plant and machinery	- 6%-20% straight line
Fixtures and fittings	- 6% straight line
Motor vehicles	- 25% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred taxation

The group has adopted FRS 19 – Deferred Tax in the current year. No adjustments to prior periods have arisen as a result of the introduction of this accounting standard.

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Deferred tax assets and liabilities recognised are not discounted.

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between their capital and interest components using the straight line method. The interest is charged to the profit and loss account. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover and profit

The company's turnover and profit before taxation for the year arose wholly from its principal activity, conducted entirely in the United Kingdom.

3 Employees

	2002 £	2001 £
Staff costs for all employees (including directors) consist of:		
Wages and salaries	47,450	41,232
Social security costs	4,049	3,604
Pension costs	1,235	10,000
	<hr/>	<hr/>
	52,734	54,836
	<hr/>	<hr/>
The average weekly number of employees during the year was as follows:	2002 Number	2001 Number
Management	2	2
Administration	2	2
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>

JUST WILLS PLCNotes forming part of the financial statements for the year ended 31 March 2002 *(Continued)*

4 Directors' emoluments	2002 £	2001 £
Remuneration	32,450	26,800
Benefits in kind	2,520	2,649
Pension contributions	1,235	5,850
	<u>36,205</u>	<u>35,299</u>
	2002 Number	2001 Number
Number of directors for whom contributions are made to a pension scheme	<u>1</u>	<u>2</u>
5 Operating profit/(loss)	2002 £	2001 £
This has been arrived at after charging:		
Depreciation	8,333	16,246
Auditors' remuneration - audit services	2,625	2,625
- other services	875	875
Loss on sale of fixed assets	456	17,917
	<u></u>	<u></u>
6 Interest payable and similar charges	2002 £	2001 £
Bank overdraft	3,112	2,935
Finance lease and hire purchase contracts	2,253	4,678
	<u>5,365</u>	<u>7,613</u>

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 2002 (*Continued*)

7 Taxation on profit/(loss) from ordinary activities	2002	2001
	£	£
<i>Current tax</i>		
UK corporation tax on profits of the year	3,072	(3,111)
Adjustment in respect of previous periods	-	286
	<hr/>	<hr/>
Total current tax	3,072	(2,825)
	<hr/>	<hr/>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2002	2001
	£	£
Profit/(loss) on ordinary activities before taxation	40,850	(95,228)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 20% (2001- 20%)	8,170	(19,046)
Effect of:		
Expenses not deductible for tax purposes	1,371	1,533
Capital allowances in excess of depreciation	(1,102)	4,233
Unused tax losses carried forward	-	5,152
Adjustment to tax charge in respect of prior periods	-	(2,825)
Losses created in the year	-	8,177
Utilisation of tax losses	(5,152)	-
Other items	(215)	(49)
	<hr/>	<hr/>
Tax charge for the year	3,072	(2,825)
	<hr/>	<hr/>

Factors affecting future tax charge

The company has now used all brought forward tax losses which reduced tax payments in the previous year.

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

8 Tangible assets	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost or valuation</i>				
At beginning of year	27,412	18,003	28,910	74,325
Additions	2,776	-	-	2,776
Disposals	-	-	(10,960)	(10,960)
At end of year	30,188	18,003	17,950	66,141
<i>Depreciation</i>				
At beginning of year	6,225	4,982	10,910	22,117
Provided for the year	1,645	1,081	5,607	8,333
Disposals	-	-	(10,503)	(10,503)
At end of year	7,870	6,063	6,014	19,947
<i>Net book value</i>				
At 31 March 2002	22,318	11,940	11,936	46,194
At 31 March 2001	21,187	13,021	18,000	52,208

The historical cost net book values of the revalued assets are as follows:

	Plant & machinery £
Cost at 31 March 2002	5,080
Accumulated depreciation at 31 March 2002	(2,134)
Historical cost net book value at 31 March 2002	2,946
Historical cost net book value at 31 March 2001	3,252

Included in the total net book value of tangible fixed assets held at 31 March 2002 was £16,683 (2001 - £21,019 in respect of assets held under finance lease and hire purchase contracts. The related depreciation charge for the year was £4,680 (2001 - £2,561).

JUST WILLIS PLC**Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)**

9 Stocks	2002 £	2001 £
Stationery	5,738	7,194

There is no material difference between the replacement cost of stocks and the amounts stated above.

10 Debtors	2002 £	2001 £
Trade debtors	30,813	40,442
Amounts due from parent undertaking	2,644	-
Other debtors	-	3,111
Prepayments and accrued income	-	4,735
	33,457	48,288

Amounts included in debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	-	8,256
Trade creditors	15,091	44,445
Taxation and social security	26,068	6,618
Obligations under finance leases and hire purchase contracts	5,162	5,162
Other creditors	-	1,801
Corporation tax	3,072	-
Accruals and deferred income	4,375	3,500
	53,768	69,782

12 Creditors: amounts falling due after more than one year	2002 £	2001 £
Obligations under finance leases and hire purchase contracts	8,217	13,378
Amount due to other group undertakings	-	17,656
	8,217	31,034

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

12 Creditors: amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts fall due as follows:	2002 £	2001 £
In more than one year but not more than two years	8,217	5,162
In more than two years but not more than five years	-	8,216
	<u>8,217</u>	<u>13,378</u>

13 Deferred taxation

At 31 March 2002, there was an unprovided deferred tax liability amounting to £2,327 (2001 - unprovided deferred tax asset of £3,927).

14 Share capital

	Authorised, called up and fully paid			
	2002 Number	2001 Number	2002 £	2001 £
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

15 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2001	2,134	(95,238)
Profit for the year	-	37,778
	<u>2,134</u>	<u>(57,460)</u>

16 Ultimate parent company

At 31 March 2002 the company's ultimate parent company was The Universal Trust Corporation, a company registered in England, which is the parent of both the smallest and largest groups of which the company is a member. Copies of the consolidated financial statements of The Universal Trust Corporation are available from Companies House.

17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund (see note 3).

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2002 (Continued)

18 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2002 £	2001 £
Operating profit/(loss)	45,481	(87,615)
Depreciation	8,333	16,246
Loss on sale of fixed assets	456	17,917
Decrease/(increase) in stocks	1,456	(1,373)
Decrease in debtors	11,720	30,062
(Decrease)/increase in creditors	(28,486)	32,093
	<hr/>	<hr/>
Net cash inflow from operating activities	38,960	7,330
	<hr/>	<hr/>

19 Reconciliation of net cashflow to movement in net debt

	2002		2001	
	£	£	£	£
Increase/(decrease) in cash in the year	29,504		(16,392)	
Cash inflow from lease financing	5,161		26,429	
New finance leases	-		(16,950)	
	<hr/>		<hr/>	
Change in net debt		34,665		(6,913)
Net debt at 1 April 2001		(26,774)		(19,861)
		<hr/>		<hr/>
Net debt at 31 March 2002		7,891		(26,774)
		<hr/>		<hr/>

20 Analysis of changes in net debt

	1 April 2001 £	Cashflow £	31 March 2002 £
Cash at bank and in hand	22	21,248	21,270
Bank overdrafts	(8,256)	8,256	-
	<hr/>	<hr/>	<hr/>
	(8,234)	29,504	21,270
Finance leases	(18,540)	5,161	(13,379)
	<hr/>	<hr/>	<hr/>
	(26,774)	34,665	7,891
	<hr/>	<hr/>	<hr/>