

Just Wills plc

Report and Financial Statements

**Year Ended
31 March 1998**



BDO Stoy Hayward
Chartered Accountants

JUST WILLS PLC

Annual report and financial statements for the year ended 31 March 1998

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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, Kingsway House, 123-125 Goldsworth Road, Woking, Surrey GU21 1LR

Company number

2427464

Auditors

BDO Stoy Hayward, Bowman House, 2/10 Bridge Street, Reading, Berkshire RG1 2LU.

JUST WILLS PLC

Report of the directors for the year ended 31 March 1998

The directors present their report together with the audited financial statements for the year ended 31 March 1998.

Results and dividends

The profit and loss account is set out on page 4 and shows the result 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 satisfied with the results for the year and anticipate a continuing improvement in the forthcoming year.

Charitable donations

Charitable donations of £155 (1997 - £250) were made during the year.

Directors

The directors of the company during the year were:

Mr J F de Frias (Chairman)
Mrs A E de Frias
Mrs S J Macwhinnie
Mr J J de Frias (resigned 27 October 1997)

None of the directors has an interest in the ordinary share capital of the company. The interests of the directors in the parent company are given in the directors report of that company.

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' 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;

JUST WILLIS PLC

Report of the directors for the year ended 31 March 1998 (*Continued*)

Directors' responsibilities (*continued*)

- 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.

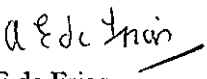
Close company

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

Date: 20/8/98

JUST WILLS PLC

Report of the auditors

To the shareholders of Just Wills plc

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 1998 and of its result 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: 20 August 1998

JUST WILLS PLC

Profit and loss account for the year ended 31 March 1998

	Note	1998	1997
		£	£
Turnover	2	273,809	231,924
Cost of sales		55,651	59,809
Gross profit		218,158	172,115
Distribution costs		21,930	17,056
Selling expenses		37,745	36,479
Establishment expenses		33,298	31,477
Administrative expenses		97,854	86,066
		190,827	171,078
Other operating income	4	-	6,250
Operating profit		27,331	7,287
Interest receivable		40	-
Interest payable	5	5,841	9,806
Profit/(loss) on ordinary activities before and after taxation	6	21,530	(2,519)
Accumulated losses brought forward		(56,653)	(54,134)
Accumulated losses carried forward		(35,123)	(56,653)

All amounts relate to continuing activities

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

The notes on pages 8 to 13 form part of these financial statements

JUST WILLS PLC**Statement of total recognised gains and losses for the year ended 31 March 1998**

	1998 £	1997 £
Statement of total recognised gains and losses		
Profit/(loss) for the financial year	21,530	(2,519)
Unrealised surplus on revaluation	-	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	21,530	(2,519)
	<hr/>	<hr/>
Note of historical cost profits and losses		
Reported profit/(loss) on ordinary activities before taxation	21,530	(2,519)
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(663)	(663)
Realisation of property revaluation gains of previous year	-	-
	<hr/>	<hr/>
Historical cost profit on ordinary activities before and after taxation	20,867	(3,182)
	<hr/>	<hr/>

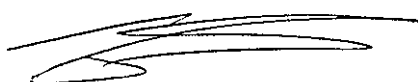
JUST WILLS PLC

Balance sheet at 31 March 1998

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	9	97,792	93,565
Current assets			
Stocks	10	6,826	7,888
Debtors	11	73,436	53,985
Cash at bank and in hand		14,084	5,149
		<u>94,346</u>	<u>67,022</u>
Creditors: amounts falling due within one year	12	77,999	62,912
		<u>16,347</u>	<u>4,110</u>
Net current assets			
		<u>114,139</u>	<u>97,675</u>
Total assets less current liabilities			
		<u>114,139</u>	<u>97,675</u>
Creditors: amounts falling due after more than one year	13	32,372	37,438
Capital and reserves			
Called up share capital	15	100,000	100,000
Revaluation reserve	17	16,890	16,890
Profit and loss account		(35,123)	(56,653)
		<u>81,767</u>	<u>60,237</u>
Equity shareholders' funds			
		<u>114,139</u>	<u>97,675</u>

The financial statements were approved by the Board on 20/8/98

J F de Frias)
)
) Directors
)
 A E de Frias)


 A E de Frias

The notes on pages 8 to 13 form part of these financial statements

JUST WILLS PLC

Cash flow statement for the year ended 31 March 1998

	Note	1998	1997
		£	£
Net cash inflow from operating activities	20	37,071	41,603
Interest received		40	-
Returns on investments and servicing of finance			
Interest paid	(1,214)		(3,107)
Interest element of finance lease rental payments	(4,627)		(6,699)
Net cash (outflow) from returns on investments and servicing of finance		(5,841)	(9,806)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(24,310)		(32,720)
Sale of tangible fixed assets	-		19,200
Net cash (outflow) from capital expenditure and financial investment		(24,310)	(13,520)
Net cash inflow before financing		6,960	18,277
Financing			
Inception of new finance leases	19,105		25,754
Capital element of finance lease rental payments	(17,130)		(23,683)
Net cash inflow from financing		1,975	2,071
Increase in cash	21,22	8,935	20,348

The notes on pages 8 to 13 form part of these financial statements

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1998

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the alternative accounting rules, 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.

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
Office equipment	- 6% straight line
Fixtures and fittings	- 6% straight line
Motor vehicles	- 25% straight line

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 disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

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.

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.

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 1998 *(Continued)*

3 Employees	1998	1997
	£	£
Staff costs for all employees, including directors, consist of:		
Wages and salaries	51,097	43,536
Social security costs	6,304	4,312
Pension costs	8,070	575
	<hr/>	<hr/>
	65,471	48,423
	<hr/>	<hr/>
The average weekly number of employees during the year was as follows:	Number	Number
Management	2	2
Administration	2	2
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>
4 Other operating income	£	£
Management charges to other group undertakings	-	6,250
	<hr/>	<hr/>
5 Interest payable		
Bank overdraft	1,214	3,107
Finance lease and hire purchase contracts	4,627	6,699
	<hr/>	<hr/>
	5,841	9,806
	<hr/>	<hr/>
6 Profit/(loss) on ordinary activities before taxation		
This is arrived at after charging/(crediting):		
Depreciation	20,083	18,366
Auditors' remuneration - audit services	2,650	2,500
- other services	750	1,251
Profit on sale of fixed assets	-	(8,480)
Operating leases rental - buildings	-	-
- machinery	-	1,509
	<hr/>	<hr/>

Depreciation includes £16,379 (1997 - £17,522) charged on assets held under finance leases and hire purchase contracts.

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 1998 (*Continued*)

7 Directors' emoluments	1998 £	1997 £
Remuneration	40,417	39,378
Benefits in kind	10,959	15,767
Pension contributions	6,900	575
	<hr/> 58,276	<hr/> 55,720
	<hr/>	<hr/>
	Number	Number
Number of directors for whom contributions are made to a pension scheme	3	3
	<hr/>	<hr/>

8 Taxation on profit on ordinary activities

No provision has been made for UK corporation tax due to the availability of losses for taxation purposes.

9 Tangible assets	Plant and machinery £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost</i>					
At beginning of year	29,935	20,171	5,144	53,169	108,419
Additions	12,170	1,180	-	10,960	24,310
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	42,105	21,351	5,144	64,129	132,729
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At beginning of year	6,164	2,085	617	5,988	14,854
Provided for the year	4,562	1,257	309	13,955	20,083
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	10,726	3,342	926	19,943	34,937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 1998	31,379	18,009	4,218	44,186	97,792
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	23,771	18,086	4,527	47,181	93,565
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of tangible fixed assets held at 31 March 1998 was £54,843 (1997 - £48,583) in respect of assets held under finance lease and hire purchase contracts.

JUST WILLS PLC**Notes forming part of the financial statements for the year ended 31 March 1998 (Continued)**

10 Stocks	1998	1997
	£	£
Stationery	6,826	7,888
	<hr/>	<hr/>
11 Debtors		
Trade debtors	42,484	27,975
Amounts due from group undertakings	22,490	19,875
Prepayments/accrued income	8,462	6,135
	<hr/>	<hr/>
	73,436	53,985
	<hr/>	<hr/>
Amounts included in debtors fall due for payment within one year, other than amounts due from group undertakings.		
12 Creditors: amounts falling due within one year		
Trade creditors	32,824	25,094
Other taxes and social security costs	14,084	10,705
Directors' loan account	4,093	7,374
Accruals	5,401	4,510
Obligations under finance leases and hire purchase contracts (note 14)	21,597	15,229
	<hr/>	<hr/>
	77,999	62,912
	<hr/>	<hr/>
13 Creditors: amounts falling due after more than one year		
Obligations under finance leases and hire purchase contracts (note 14)	29,770	34,163
Amount due to group undertakings	2,602	3,275
	<hr/>	<hr/>
	32,372	37,438
	<hr/>	<hr/>
14 Obligations under finance lease and hire purchase contracts fall due as follows		
Within one year	21,597	15,229
Between two and five years	29,770	34,163
	<hr/>	<hr/>
	51,367	49,392
	<hr/>	<hr/>

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1998 *(Continued)*

15	Share capital	Authorised, allotted and called up		Called up and fully paid	
		1998 £	1997 £	1998 £	1997 £
	Ordinary shares of £1 each	100,000	100,000	100,000	100,000
16	Reconciliation of movements in shareholders' funds			1998 £	1997 £
	Profit/(loss) for the year			21,530	(2,519)
	Revaluation reserve (note 17)			16,890	16,890
	Opening shareholders' funds			43,347	45,866
	Net assets at end of year			81,767	60,237
17	Revaluation reserve				1998 £
	At 1 April 1997 and 31 March 1998				16,890

18 Ultimate parent company

At 31 March 1998 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.

The parent company has confirmed that it shall continue to provide such financial support as the company requires for its continued operations for a period of not less than one year from the date of approval of these financial statements.

19 Commitments under operating leases

As at 31 March 1998 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1998 £	1997 £
Operating leases which expire:		
In two to five years	20,150	20,150

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1998 (*Continued*)

20 Reconciliation of operating profit to net cash inflow from operating activities

	1998 £	1997 £
Operating profit	27,331	7,287
Depreciation	20,083	18,366
Profit on sale of fixed assets	-	(8,480)
Decrease/(increase) in stocks	1,062	(1,996)
(Increase)/decrease in debtors	(19,451)	50,009
Increase/(decrease) in creditors	8,046	(23,583)
	<hr/>	<hr/>
Net cash inflow from operating activities	37,071	41,603
	<hr/>	<hr/>

21 Reconciliation of net cashflow to movement in net debt

	1998		1997	
	£	£	£	£
Increase in cash in the year	8,935		20,348	
Cash inflow from increase in lease financing	17,130		23,683	
New finance leases	(19,105)		(25,754)	
	<hr/>		<hr/>	
Change in net debt		6,960		18,277
Net debt at 1 April 1997		(44,243)		(62,520)
		<hr/>		<hr/>
Net debt at 31 March 1998		(37,283)		(44,243)
		<hr/>		<hr/>

22 Analysis of changes in net debt

	1 April 1997 £	Cashflow £	Other non-cash changes £	31 March 1998 £
Cash at bank and in hand	5,149	8,935	-	14,084
Finance leases	(49,392)	17,130	(19,105)	(51,367)
	<hr/>	<hr/>	<hr/>	<hr/>
	(44,243)	26,065	(19,105)	(37,283)
	<hr/>	<hr/>	<hr/>	<hr/>