

Just Wills Plc

Report and Financial Statements

Year Ended

31 May 2007

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BDO Stoy Hayward
Chartered Accountants

Just Wills Plc

Annual report and financial statements for the year ended 31 May 2007

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Directors

A D D Crichton
D J McMaster
E J Varley
S Whale

Secretary and registered office

Marylebone Management Services Limited, 3 Bentinck Mews, London, W1U 2AH

Company number

2427464

Auditors

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

Just Wills Plc

Report of the directors for the year ended 31 May 2007

The directors present their report together with the audited financial statements for the year ended 31 May 2007

Principal activities and future developments

The company's principal activities are to provide a home visit will writing service and the sales of will writing franchises. There have been no changes in the company's activities in the year under review.

Review of the business

The profit and loss account set out on page 5 and shows turnover for the year of £635,724 and loss for the year of £153,209. Turnover has increased by 22% and based on the 2008 results to date, the directors believe an increase of 7% or above will be achieved in the year 2007/08. The directors are pleased with the increased turnover but must now focus on costs of sales and overheads to reduce the losses for the following year.

The directors do not recommend the payment of a dividend.

There have been no material events since the balance sheet date which will materially affect the position of the company.

Principal risks and uncertainties

The market for Estate planning, Will writing and associated services remains buoyant as over 70% of the adult population in the UK do not have a Will or an updated Will. The company continues to develop and grow its distribution channels and will focus on developing its current network of agents and affiliates to increase Will production and further consolidate its position in the market. The recent announcement for the Chancellor on Inheritance Tax has had a damaging affect to the Estate Planning market but we have reacted with new tax efficient products and trust to compensate.

The company's credit risk is primarily attributable to its trade debtors, which is minimal as the majority of services are paid in advance. The company is also exposed to any major changes to Inheritance Tax legislation.

The company has an overdraft facility at Barclays Bank of £20,000 at 3.00% above the base interest rate. This facility falls for renewal on 01/08/08. £18,427 of this facility was used at the year end. This facility is secured by a cross guarantee from Caversham Fiduciary Services Limited.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures facilities are available to be drawn upon as necessary.

Creditors payment policy

The majority of suppliers to the company are of a long standing nature and mutually acceptable payment terms have been established over the relationship period. Generally payments are made between 45 and 60 days from the month of delivery.

The number of average days purchases of the company represented by trade creditors at 31 May 2007 was 100 days (2006 60 days).

Just Wills Plc

Report of the directors for the year ended 31 May 2007 (Continued)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 year. 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, and
- state whether applicable accounting standards have been followed, subject to any material departures 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

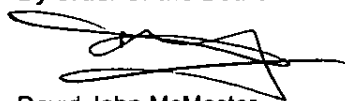
Each of the persons who is a director at the date of approval of this report confirms that

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 this Companies Act 1985

BDO Stoy Hayward LLP 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



David John McMaster

Director

Date 18/05/08

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 for the year ended 31 May 2007 which comprise the profit and loss account, the balance sheet, cash flow statement 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. 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 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.

Just Wills Plc

Report of the independent auditors (*Continued*)

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 May 2007 and of the company's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Directors' Report is consistent with the financial statements

John Day Hayu LLP

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

12 Jun 2008

Just Wills Plc

Profit and loss account for the year ended 31 May 2007 (Continued)

	Note	Year ended 31 May 2007		Year ended 31 May 2006	
		£	£	£	£
Turnover	2		635,724		522,329
Cost of sales			(209,327)		(125,392)
Gross profit			426,397		396,937
Selling expenses		32,131		28,963	
Establishment expenses		31,380		33,316	
Administrative expenses		511,797		408,432	
			(575,308)		(470,711)
Other operating income			-		3,210
Operating loss	5		(148,911)		(70,564)
Interest receivable			-		81
Interest payable and similar charges	6		(4,298)		(2,600)
Loss on ordinary activities before taxation			(153,209)		(73,083)
Taxation on loss from ordinary activities	7		-		-
Loss on ordinary activities after taxation for the year	14		(153,209)		(73,083)

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 16 form part of these financial statements

Just Wills Plc

Consolidated balance sheet at 31 May 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	8		11,043		10,155
Current assets					
Debtors – due within 1 year	9	51,714		15,432	
Debtors – due after more than 1 year	9	212,859		181,615	
		<u>264,573</u>		<u>197,047</u>	
Creditors' amounts falling due within one year	10	<u>373,400</u>		<u>247,069</u>	
Net current liabilities			<u>(108,827)</u>		<u>(50,022)</u>
Total assets less current liabilities			<u>(97,784)</u>		<u>(39,867)</u>
Creditors' amounts falling due after more than one year	11		<u>1,142,033</u>		<u>1,046,741</u>
Net liabilities			<u>(1,239,817)</u>		<u>(1,086,608)</u>
Capital and reserves					
Called up share capital	13	100,000		100,000	
Profit and loss account	14	(1,339,817)		(1,186,608)	
Equity shareholders' deficit	15		<u>(1,239,817)</u>		<u>(1,086,608)</u>

The financial statements were approved by the Board on 13/5/08

DJ McMaster
Director



The notes on pages 8 to 16 form part of these financial statements

Just Wills Plc

Cash flow statement for the year ended 31 May 2007

	Note	Year ended 31 May 2007		Year ended 31 May 2006	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	20		9,015		(50,547)
Returns on investments and servicing of finance					
Interest received		-		81	
Interest paid		(4,298)		(2,600)	
Net cash inflow/(outflow) from returns on investments and servicing of finance			4,717		(2,519)
Taxation					
UK corporation tax			-		-
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets			(8,263)		(5,854)
Increase/(decrease) in cash	21,22		(3,546)		(58,920)

The notes on pages 9 to 17 form part of these financial statements

Just Wills Plc

Notes forming part of the financial statements for the year ended 31 May 2007

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Going concern

These financial statements have been prepared on a going concern basis as it is the director's opinion that the company will have sufficient resources to meet its liabilities as these fall due for the foreseeable future. Shale Investments Limited, a company controlled by A D D Crichton, a director of the company has given the following undertakings

- It will not call in the amount due to it of £1,194,095 (see note 17), until such time as the company is able to settle this amount, and
- It will continue to support the company to the extent necessary to enable liabilities to be met as they fall due

Turnover

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

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. 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

Leasehold improvements	-	33 3% straight line
Fixtures and fittings	-	33 3% straight line
Office equipment	-	33 3% straight line

Impairment of fixed assets

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

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Pension costs

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

Just Wills Plc

Notes forming part of the financial statements for the year ended 31 May 2007 (Continued)

1 Accounting policies (Continued)

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they have been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. 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 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.

2 Turnover and result

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

3 Employees

	2007 £	2006 £
Staff costs for all employees (including directors) consist of		
Wages and salaries	323,326	294,256
Social security costs	32,526	33,115
Pension costs	11,432	8,957
	<hr/>	<hr/>
	367,284	336,328
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows

	2007 Number	2006 Number
Management	4	5
Administration	14	13
	<hr/>	<hr/>
	18	18
	<hr/>	<hr/>

Just Wills Plc

Notes forming part of the financial statements
for the year ended 31 May 2007 *(Continued)*

4 Directors' emoluments

	2007 £	2006 £
Remuneration	237,675	158,367
Benefits in kind	4,711	3,020
Pension contributions	11,432	8,957
	<hr/> 253,818	<hr/> 170,344
	<hr/>	<hr/>
	2007 Number	2006 Number
Number of directors for whom contributions are made to a pension scheme	4	2
	<hr/>	<hr/>

5 Operating loss

	2007 £	2006 £
This has been arrived at after charging		
Depreciation	7,374	9,225
Auditors' remuneration – audit services	8,284	5,460
- other services	16,985	10,635
Operating leases - land and buildings	27,500	27,500
- other	2,450	4,955
	<hr/>	<hr/>

6 Interest payable and similar charges

	2007 £	2006 £
Other interest	4,298	2,600

Just Wills Plc

Notes forming part of the financial statements
for the year ended 31 May 2007 (*Continued*)

7 Taxation on loss on ordinary activities

	2007 £	2006 £
<i>Current tax</i>		
UK corporation tax on result of the year	-	-
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below:

	2007 £	2006 £
Loss on ordinary activities before taxation	(153,209)	(73,083)
	<hr/>	<hr/>
Loss on ordinary activities at the lower rate of corporation tax In the UK of 20% (2006: 19%)	(30,642)	(13,886)
Effect of		
Expenses not deductible for tax purposes	407	671
Depreciation in excess of capital allowances	1,209	1,269
Unused tax losses carried forward	24,306	9,280
Group relief surrendered	3,440	2,666
Other short term timing differences	1,280	-
	<hr/>	<hr/>
Tax charge for the year	-	-
	<hr/>	<hr/>

Factors affecting future tax charge

The company has tax losses of approximately £1,162,000 (2006: £990,000) available to carry forward for offset against future taxable profits, subject to the agreement of the Inland Revenue.

Just Wills Plc

Notes forming part of the financial statements
for the year ended 31 May 2007 (*Continued*)

8 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost</i>				
At 1 June 2006	12,217	11,968	8,349	32,534
Additions	-	-	8,263	8,263
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2007	12,217	11,968	16,612	40,797
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 June 2006	10,945	10,105	1,329	22,379
Provided for the year	1,272	1,863	4,240	7,375
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2007	12,217	11,968	5,569	29,754
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 May 2007	-	-	11,043	11,043
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2006	1,272	1,863	7,020	10,155
	<hr/>	<hr/>	<hr/>	<hr/>

9 Debtors

	2007 £	2006 £
Trade Debtors	42,627	15,432
Amounts due from other group undertakings	212,859	181,615
Other debtors	9,087	-
	<hr/>	<hr/>
	264,573	197,047
	<hr/>	<hr/>

With the exception of amounts due from other group undertakings, all amounts shown under debtors fall due for payment within one year

Just Wills Plc

Notes forming part of the financial statements for the year ended 31 May 2007 (Continued)

10 Creditors amounts falling due within one year

	2007 £	2006 £
Bank overdraft	18,427	14,881
Trade creditors	112,082	88,245
Amount due to the immediate parent undertaking	117,089	63,227
Taxation and social security	46,503	15,382
Directors current accounts	53,087	11,537
Other creditors	-	39,588
Accruals and deferred income	26,212	14,209
	<u>373,400</u>	<u>247,069</u>

The bank overdraft is secured by a cross guarantee from Caversham Fiduciary Services Limited

11 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Amount due to other group undertakings	1,142,033	979,142
Other creditors (see note 17)	-	67,599
	<u>1,142,033</u>	<u>1,046,741</u>

12 Deferred taxation

At 31 May 2007, there was an unprovided deferred tax asset amounting to approximately £252,000 (2006 £203,000). The deferred tax asset has not been provided as there is currently insufficient evidence to suggest that the company will generate sufficient taxable profits in the future.

13 Share capital

	Authorised, called up and fully paid			
	2007 Number	2006 Number	2007 £	2006 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Just Wills Plc

Notes forming part of the financial statements
for the year ended 31 May 2007 (*Continued*)

14 Reserves

	Profit and Loss account £
At 1 June 2006	(1,186,608)
Loss for the year	(153,209)
	<hr/>
At 31 May 2007	(1,339,817)
	<hr/>

15 Reconciliation of movement in equity shareholders' deficit

	2007 £	2006 £
Loss for the financial year	(153,209)	(73,083)
	<hr/>	<hr/>
Net reduction in equity shareholders' deficit	(153,209)	(73,083)
Opening equity shareholders' deficit	(1,086,608)	(1,013,525)
	<hr/>	<hr/>
Closing equity shareholders' funds	(1,239,817)	1,086,608
	<hr/>	<hr/>

16 Commitment under operating leases

As at 31 May 2007, the company had annual commitments under non-cancellable operating leases as set out below

	2007 Land and buildings £	2007 Other £	2006 Land and buildings £	2006 Other £
Operating leases which expire				
In less than one year	-	-	-	1,985
Over five years	-	-	27,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	27,500	1,985
	<hr/>	<hr/>	<hr/>	<hr/>

Just Wills Plc

Notes forming part of the financial statements for the year ended 31 May 2007 (Continued)

17 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by The Universal Trust Corporation on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in its consolidated financial statements

During the year, £1,046,741, due to related parties as at 31 May 2006, was transferred to Shale Investments Limited, a company controlled by A D D Crichton, a director of the company. As at 31 May 2007, the company owed £1,194,095 (2006: nil) to Shale Investments

The company entered into transactions with Caversham Fiduciary Services Limited, a company controlled by A D D Crichton, a director of the company. As at 31 May 2007, the company owed £Nil (2006: £12,599) to Caversham Fiduciary Services Limited

At the balance sheet date, the company owed A D D Crichton, a director of the company nil (2006: £55,000)

18 Ultimate parent company

At 31 May 2007 the company's immediate parent company was The Universal Trust Corporation, a company registered in England. The company's ultimate parent company is Caversham Holdings Limited, a company registered in Jersey

19 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)

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

	2007 £	2006 £
Operating loss	(153,208)	(70,564)
Depreciation	7,374	9,225
Decrease in debtors	(67,526)	(32,895)
Increase in creditors	218,077	43,687
Net cash inflow/(outflow) from operating activities	4,717	(50,547)

Just Wills Plc

Notes forming part of the financial statements
for the year ended 31 May 2007 *(Continued)*

21 Reconciliation of net cashflow to movement in net debt

	2007 £	2006 £
Decrease in cash, being movement in net funds	(3,546)	(58,920)
Opening net (debt)/funds	(14,881)	44,039
Closing net debt	(18,427)	(14,881)

22 Analysis of changes in net debt

	1 June 2006	Cashflow	31 May 2007
Cash at bank and in hand	-	-	-
Bank overdraft	(14,881)	(3,546)	(18,427)
	(14,881)	(3,546)	(18,427)