

Just Wills plc

Report and Financial Statements

**Year Ended
31 March 2003**



BDO

BDO Stoy Hayward
Chartered Accountants

JUST WILLS PLC

Annual report and financial statements for the year ended 31 March 2003

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Directors

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Directors

A D D Crichton
N J M Bell
D J McMaster
S Whale

Secretary and registered office

Company Secretary: Caversham Secretaries, Malzard House, 15 Union Street, St Helier, Jersey,
Channel Islands, JE4 8TY
Registered Office: Medway House, Cantelupe Road, East Grinstead, West Sussex, RH19 3BJ

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 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Results and dividends

The profit and loss account is set out on page 5 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 result for the year and anticipate growth in the future.

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

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 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 company.

The number of average days purchases of the company represented by trade creditors at 31 March 2003 was 20 (2002 - 28).

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	
	2003	2002
J F de Frias (resigned 20 June 2002)	-	-
A E de Frias (resigned 20 June 2002)	-	-
S J Macwhinnie (resigned 20 June 2002)	-	-
A D D Crichton (appointed 20 June 2002)	-	-
N J M Bell (appointed 20 June 2002)	-	-
D J McMaster (appointed 20 June 2002)	-	-
S Whale (appointed 20 June 2002)	-	-

The interests of the directors in the ordinary share capital of its immediate parent company, The Universal Trust Corporation and its ultimate parent company Caversham Holdings Limited, are shown in the financial statements of those companies.

JUST WILLIS PLC

Report of the directors for the year ended 31 March 2003 (*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.

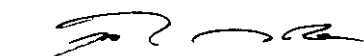
Close company

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



Caversham Secretaries Limited
Secretary

Date: 24 October 2003

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 5 to 17 which have been prepared under the accounting policies set out on pages 9 and 10.

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.

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 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.

JUST WILLS PLC

Report of the independent auditors (*Continued*)

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 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', with a horizontal line drawn under the name.

BDO STOY HAYWARD

*Chartered Accountants
and registered Auditors*
Reading

Date: 27 October 2003

JUST WILLIS PLC

Profit and loss account for the year ended 31 March 2003

	Note	2003	2002
		£	£
Turnover	2	276,051	223,931
Cost of sales		114,812	39,879
		<hr/>	<hr/>
Gross profit		161,239	184,052
Distribution costs		5,617	10,349
Selling expenses		35,687	21,506
Establishment expenses		54,792	16,256
Administrative expenses		491,039	90,460
		<hr/>	<hr/>
		587,135	138,571
		<hr/>	<hr/>
Operating (loss)/profit	5	(425,896)	45,481
Interest receivable		84	734
Interest payable and similar charges	6	(1,490)	(5,365)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(427,302)	40,850
Taxation on (loss)/profit on ordinary activities	7	(3,072)	3,072
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation and accumulated/retained for the year	15	(424,230)	37,778
		<hr/>	<hr/>

All amounts relate to continuing activities

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

There were no movements on shareholders' funds apart from the result for the year

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

JUST WILLIS PLC

Note of historical cost profits and losses for the year ended 31 March 2003

	2003 £	2002 £
Note of historical cost profits and losses		
Reported (loss)/profit on ordinary activities before taxation	(427,302)	40,850
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 (loss)/profit on ordinary activities before taxation	(427,242)	40,910
	<hr/>	<hr/>
Retained historical cost (loss)/profit for the year after taxation	(424,170)	37,838
	<hr/>	<hr/>

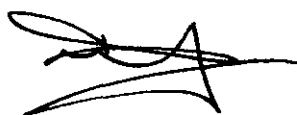
The notes on pages 9 to 17 form part of these financial statements

JUST WILLS PLC

Balance sheet at 31 March 2003

	Note	2003	2002
		£	£
Fixed assets			
Tangible assets	8	-	46,194
Current assets			
Stocks	9	-	5,738
Debtors	10	10,225	33,457
Cash at bank and in hand		81	21,270
		<u>10,306</u>	<u>60,465</u>
Creditors: amounts falling due within one year	11	<u>389,862</u>	<u>53,768</u>
Net current (liabilities)/assets		<u>(379,556)</u>	<u>6,697</u>
Total assets less current liabilities		<u>(379,556)</u>	<u>52,891</u>
Creditors: amounts falling due after more than one year	12	-	8,217
Capital and reserves			
Called up share capital	14	100,000	100,000
Revaluation reserve	15	2,134	2,134
Profit and loss account	15	(481,690)	(57,460)
Equity shareholders' (deficit)/funds		<u>(379,556)</u>	<u>44,674</u>
		<u>(379,556)</u>	<u>52,891</u>

The financial statements were approved by the Board on 24 October 2003



D J McMaster
Director

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

JUST WILLIS PLC

Cash flow statement for the year ended 31 March 2003

	Note	2003	2002
		£	£
Net cash (outflow)/inflow from operating activities	20	(17,361)	38,960
Returns on investments and servicing of finance			
Interest received	84		734
Interest paid	-		(3,112)
Interest element of finance lease rental payments	(1,490)		(2,253)
Net cash outflow from returns on investments and servicing of finance		(1,406)	(4,631)
Taxation			
UK corporation tax		(3,072)	3,111
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(2,410)		(2,776)
Receipts from sale of tangible fixed assets	8,730		1
Net cash inflow/(outflow) from capital expenditure and financial investment		6,320	(2,775)
Net cash (outflow)/inflow before financing		(15,519)	34,665
Financing			
Capital element of finance lease rental payments	(12,678)		(5,161)
Net cash outflow from financing		(12,678)	(5,161)
(Decrease)/increase in cash	21, 22	(28,197)	29,504

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on the revaluation surplus for plant & machinery unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- 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.

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (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 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

	2003 £	2002 £
Staff costs for all employees (including directors) consist of:		
Wages and salaries	171,884	47,450
Social security costs	14,270	4,049
Pension costs	6,667	1,235
	<hr/>	<hr/>
	192,821	52,734
	<hr/>	<hr/>

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

	2003 Number	2002 Number
Management	3	2
Administration	4	2
	<hr/>	<hr/>
	7	4
	<hr/>	<hr/>

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

4	Directors' emoluments	2003	2002
		£	£
	Remuneration	90,600	32,450
	Benefits in kind	9,059	2,520
	Compensation for loss of office	44,197	-
	Pension contributions	6,667	1,235
		<hr/>	<hr/>
		150,523	36,205
		<hr/>	<hr/>
		2003	2002
		Number	Number
	Number of directors for whom contributions are made to a pension scheme	1	1
		<hr/>	<hr/>
5	Operating (loss)/profit	2003	2002
		£	£
	This has been arrived at after charging:		
	Depreciation	3,619	8,333
	Auditors' remuneration - audit services	4,500	2,625
	- other services	875	875
	Loss on sale of fixed assets	36,255	456
	Hire of office equipment – operating leases	18,098	-
		<hr/>	<hr/>
6	Interest payable and similar charges	2003	2002
		£	£
	Bank overdraft	-	3,112
	Finance lease and hire purchase contracts	1,490	2,253
		<hr/>	<hr/>
		1,490	5,365
		<hr/>	<hr/>

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

7 Taxation on (loss)/profit on ordinary activities	2003 £	2002 £
<i>Current tax</i>		
UK corporation tax on result of the year	(3,072)	3,072
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	(3,072)	3,072
	<hr/>	<hr/>

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

	2003 £	2002 £
(Loss)/profit on ordinary activities before taxation	(427,302)	40,850
	<hr/>	<hr/>
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 20%)	(81,187)	8,170
Effect of:		
Expenses not deductible for tax purposes	1,222	1,371
Depreciation in excess of capital allowances	6,474	(1,102)
Unused tax losses carried forward	70,486	-
Utilisation of tax losses	-	(5,152)
Other items	(67)	(215)
	<hr/>	<hr/>
Tax charge for the year	(3,072)	3,072
	<hr/>	<hr/>

Factors affecting future tax charge

The company has tax losses of £370,977 available to carry forward for offset against future taxable profits.

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

8 Tangible assets	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<i>Cost or valuation</i>				
At beginning of year	30,188	18,003	17,950	66,141
Additions	1,236	1,174	-	2,410
Disposals	(31,424)	(19,177)	(17,950)	(68,551)
At end of year	-	-	-	-
<i>Depreciation</i>				
At beginning of year	7,870	6,063	6,014	19,947
Provided for the year	1,812	1,101	706	3,619
Disposals	(9,682)	(7,164)	(6,720)	(23,566)
At end of year	-	-	-	-
<i>Net book value</i>				
At 31 March 2003	-	-	-	-
At 31 March 2002	22,318	11,940	11,936	46,194

Included in the total net book value of tangible fixed assets held at 31 March 2003 was £nil (2002 - £16,683) in respect of assets held under finance lease and hire purchase contracts. The related depreciation charge for the year was £1,148 (2002 - £4,680).

9 Stocks	2003 £	2002 £
Stationery	-	5,738

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

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

10 Debtors	2003 £	2002 £
Trade debtors	4,817	30,813
Amounts due from other group undertakings	-	2,644
Other debtors	5,408	-
	<u>10,225</u>	<u>33,457</u>

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

11 Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdraft	7,008	-
Trade creditors	33,177	15,091
Amount due to the immediate parent undertaking	2,377	-
Amount due to other group undertakings	297,323	-
Taxation and social security	-	26,068
Obligations under finance leases and hire purchase contracts	701	5,162
Corporation tax	-	3,072
Accruals and deferred income	49,276	4,375
	<u>389,862</u>	<u>53,768</u>

12 Creditors: amounts falling due after more than one year	2003 £	2002 £
Obligations under finance leases and hire purchase contracts	-	8,217
	<u>-</u>	<u>8,217</u>
Obligations under finance leases and hire purchase contracts fall due as follows:	2003 £	2002 £
In more than one year but not more than two years	-	8,217
	<u>-</u>	<u>8,217</u>

13 Deferred taxation

At 31 March 2003, there was an unprovided deferred tax asset amounting to £74,632 (2002 - £2,327 liability). The deferred tax asset has not been provided as there is currently insufficient evidence to suggest that the asset will be recoverable.

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

14 Share capital

Authorised, called up and fully paid			
2003 Number	2002 Number	2003 £	2002 £
Ordinary shares of £1 each	100,000	100,000	100,000

15 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2002	2,134	(57,460)
Loss for the year	-	(424,230)
At 31 March 2003	2,134	(481,690)

16 Commitment under operating leases

As at 31 March 2003, the company had annual commitments under non-cancellable operating leases as set out below:

	2003 Land and buildings £	2003 Other £	2002 Land and buildings £	2002 Other £
Operating leases which expire:				
In two to five years	-	16,785	-	-
Over five years	27,500	-	-	-
	27,500	16,785	-	-

17 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any 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 those consolidated financial statements.

18 Ultimate parent company

At 31 March 2003 the company's immediate 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 company's ultimate parent company is Caversham Holdings Limited, a company registered in Jersey.

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

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 (loss)/profit to net cash (outflow)/inflow from operating activities

	2003 £	2002 £
Operating (loss)/profit	(425,896)	45,481
Depreciation	3,619	8,333
Loss on sale of fixed assets	36,255	456
Decrease in stocks	5,738	1,456
Decrease in debtors	26,304	11,720
Increase/(decrease) in creditors	336,619	(28,486)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(17,361)	38,960
	<hr/>	<hr/>

21 Reconciliation of net cashflow to movement in net debt

	2003		2002	
	£	£	£	£
(Decrease)/increase in cash in the year	(28,197)		29,504	
Cash inflow from lease financing	12,678		5,161	
	<hr/>		<hr/>	
Change in net debt		(15,519)		34,665
Net debt at 1 April 2002		7,891		(26,774)
		<hr/>		<hr/>
Net debt at 31 March 2003		(7,628)		7,891
		<hr/>		<hr/>

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

22 Analysis of changes in net debt

	1 April 2002 £	Cashflow £	31 March 2003 £
Cash at bank and in hand	21,270	(21,189)	81
Bank overdrafts	-	(7,008)	(7,008)
	<hr/>	<hr/>	<hr/>
	21,270	(28,197)	(6,927)
Finance leases	(13,379)	12,678	(701)
	<hr/>	<hr/>	<hr/>
	7,891	(15,519)	(7,628)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>