

Just Wills Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2011

(Registered Number: 2427464)



Contents

Directors' report	3
Statement of directors' responsibilities in respect of the directors' report and the financial statements	5
Independent auditors' report to the members of Just Wills Limited	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes	11

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company is the provision of will writing and storage services

Just Wills Limited is a private limited company registered in England and Wales, registered number, 2427464

BUSINESS REVIEW

Overview of the business

Just Wills Limited provides will writing services to private individuals. During the year the Company acquired shareholdings in several will writing, storage, and probate groups of Companies, resulting in a reorganisation of operations in Just Wills Limited

The Company has recorded a loss before tax of £439,000 for the year ended 31 December 2011 (7 months ended December 2010 loss £57,000)

ACQUISITION OF COMPANY

On 8 February 2011, 100% of the shares of the Company's parent company Just Wills Group Limited were purchased by Just Wills Holdings Limited

Following the transaction the accounting reference date was changed from 31 May to 31 December. The financial statements are prepared for the 12 month period from 1 January 2011 to 31 December 2011. The Company's comparative financial information is presented for the seven month period from 1 June 2010 to 31 December 2010

GOING CONCERN

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities, which the Directors believe to be appropriate. The Company is dependent for its working capital on funds provided to it by Connells Limited, its intermediate parent company. Connells Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds if required by the Company. The Directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Objectives and strategy of the Company

The Company's objectives are to maximise the long-term value for its shareholder and to deliver a high quality service to customers.

Operational performance and key performance indicators

The Directors monitor the business by using the following KPI's. Monthly board meetings are held at which the results are discussed in detail.

Operational review

	12 months ended 31 December 2011	7 months ended 31 December 2010
	£000	£000
Revenue	310	278
Loss before tax	(439)	(57)
Total assets	1,351	274

Risks and uncertainties

The Company's objective is to appropriately manage all the risks that arise from its activities. Skipton Building Society, the ultimate parent undertaking, has a formal structure for managing risks throughout the Group, which applies to all its subsidiaries.

This has three elements

- First, we have documented our risk appetite in detailed policy risk statements, which are reviewed and approved annually by the Board. There is a separate risk committee, responsible for managing the Group's risk.
- Secondly, whilst the primary responsibility for managing risk and ensuring controls are in place to manage risk lies with the Company's management, Skipton Building Society has relevant risk management functions which cover the Company's risks. Their role is to provide a monitoring and oversight role in relation to these.
- Finally the Skipton Group Board Audit Committee, through the internal audit department, monitors the effectiveness of the risk management framework.

Directors' Report - (continued)

DIVIDENDS

During the year no interim dividend was paid (2010 £nil) The Directors do not propose the payment of a final dividend (2010 £nil)

DIRECTORS

The directors who served during the year were

D J McMaster	
AD Neale	(resigned 13th September 2011)
ADD Crichton	(resigned 13th September 2011)
A Barnes	(appointed 8th February 2011, resigned 8th August 2012)
RS Shipperley	(appointed 13th September 2011)
DC Livesey	(appointed 13th September 2011)
AS Gill	(appointed 13th September 2011, resigned 29th June 2012)
MJ Oliver	(appointed 13th September 2011)
JP Cosson	(appointed 14th December 2011)

CHARITABLE AND POLITICAL DONATIONS

During the year the Company made no donations to charities (2010 £nil) No contributions were made for political purposes (2010 £nil)

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

AUDITORS

The Directors of the Company appointed KPMG Audit Plc as auditors during the year Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board

MJ Oliver
Director



10 August 2012

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 period. 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 AUDITORS' REPORT TO THE MEMBERS OF JUST WILLS LIMITED

We have audited the financial statements of Just Wills Limited for the year ended 31 December 2011 as set out on pages 7 to 19. 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 auditors' 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 5, 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its loss 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

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.

B. J Stapleton 3 September 2012

B J Stapleton (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 2011

	Notes	Year ended 31 Dec 2011 £000	Unaudited Restated 7 Month Period ended 31 Dec 2010 £000
Revenue	1	310	278
Administrative expenses	2	<u>(516)</u>	<u>(335)</u>
Loss from operations		(206)	(57)
Finance costs	3	<u>(233)</u>	<u>-</u>
Loss before tax		(439)	(57)
Taxation	5	<u>57</u>	<u>-</u>
Loss for the period being total comprehensive income		<u><u>(382)</u></u>	<u><u>(57)</u></u>

In both the current and preceding period the Company had no discontinued operations

There were no recognised income and expense items in the current period (2010 £nil) 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 11 to 19 form part of these financial statements

Statement of Financial Position

AT 31 DECEMBER 2011

	Notes	£000	31 December 2011 £000	£000	Unaudited Restated 31 December 2010 £000
Current assets					
Trade and other receivables	6	166		272	
Tax receivable		57		-	
Cash and cash equivalents		145		-	
Total current assets			368		272
Non-current assets					
Property, plant, and equipment	8	11		2	
Investments	7	972		-	
Total non-current assets			983		2
Total assets			1,351		274
Current liabilities					
Trade and other payables	9	3,608		2,149	
Total current liabilities			3,608		2,149
Total liabilities			3,608		2,149
Equity – attributable to equity holders of the Company					
Share capital	10	100		100	
Retained earnings / (deficit)	10	(2,357)		(1,975)	
Total equity			(2,257)		(1,875)
Total equity and liabilities			1,351		274

These financial statements were approved by the Board of Directors on 10 August 2012 and signed on its behalf by



MJ Oliver
Director

Company registration number 2427464

The notes on pages 11 to 19 form part of these financial statements

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2011	100	(1,975)	(1,875)
Total comprehensive income for the year	-	(382)	(382)
Balance at 31 December 2011	100	(2,357)	(2,257)
Balance at 1 June 2010	100	(1,918)	(1,818)
Total comprehensive income for the period	-	(57)	(57)
Balance at 31 December 2010 (restated) unaudited	100	(1,975)	(1,875)

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Year ended 31 Dec 2011 £000	Unaudited Restated Period ended 31 Dec 2010 £000
Cash flows from operating activities			
Loss for the period		(382)	(57)
Adjustments for			
Depreciation charges	2	3	1
Interest expense	3	233	-
Tax credit	5	(57)	-
Operating loss before changes in working capital and provisions		(203)	(56)
Decrease / (increase) in trade and other receivables		(90)	(17)
Increase in trade and other payables		414	70
Cash inflow / (outflow) from operations		121	(3)
Interest paid		-	-
Taxes paid		-	-
Net cash inflow / (outflow) from operating activities		121	(3)
Cash flows from investing activities			
Purchases of property, plant and equipment		(12)	-
Acquisition of subsidiaries		(972)	-
Net cash outflow from investing activities		(984)	-
Cash flows from financing activities			
Proceeds from loan with group undertaking		1,030	-
Dividends paid		-	-
Net cash inflow from financing activities		1,030	-
Net increase / (decrease) in cash and cash equivalents		167	(3)
Cash and cash equivalents at 1 January / 1 June		(22)	(19)
Cash and cash equivalents at 31 December		145	(22)

The notes on pages 11 to 19 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Just Wills Limited (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

Transition to adopted IFRSs

The Company is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1 First time adoption of International Financial Reporting Standards. An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 14.

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 2011. The Directors have adopted IAS 24, Related Parties (Revised 2009) and Defined Benefit Asset (Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction). There is no impact on these financial statements as a result of adopting these accounting standards.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

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, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The financial position of the Company, its cash flows, and liquidity position are shown on pages 7 to 10. 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.

As described in the Directors Report on page 3, the Company has reported a loss for the year and following funding provided for acquisitions made in the year has significant net liabilities within its Statement of Financial Position. Confirmation has been received from Connells Limited, that it will provide such support if Just Wills Limited requires, enabling it to meet its liabilities as and when they fall due for a period of not less than one year from the date of approval of these financial statements.

The Directors have concluded that the combination of these circumstances gives a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in the financial statements.

b) Revenue recognition

Revenue, which excludes value added tax, represents amounts receivable for services. Will writing income 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) Property, plant and equipment

Property, plant and equipment are stated in the Statement of Financial Position at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives on the following bases:

Fixtures and fittings	-	5 to 10 years
Office Equipment	-	4-5 years
Leasehold premises	-	Over the unexpired term of the lease in equal instalments

All depreciation is charged on a straight-line basis.

d) Trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1 Accounting policies *(continued)*

e) Trade and other payables

Trade and other payables are stated at their fair value

f) Taxation

Income tax on the result for the period 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 or expense for the period, using tax rates enacted or substantially enacted on the period 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 periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the year end.

g) 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.

h) Net financing costs

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

2 Expenses and auditors' remuneration

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Included in loss for the period is the following		
Depreciation of property, plant and equipment	3	1
Impairment loss on trade receivables	28	-
Staff costs (see note 4)	518	175
Management recharges to other group companies	(333)	-
Rentals payable under operating leases		
- Plant & machinery	2	7
- Other	34	-
Auditors' remuneration		
Audit of these financial statements	<u>2</u>	<u>-</u>

3 Finance costs

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Interest payable to group undertakings	37	-
Other non-operating costs	<u>196</u>	<u>-</u>
	<u>233</u>	<u>-</u>

Other non-operating costs relate to the impairment of amounts due from other group companies.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4 Staff numbers and costs

The average monthly number of persons employed by the company (including Directors) during the period was as follows

	Year ended 31 Dec 2011 No	Unaudited Period ended 31 Dec 2010 No
Directors	5	3
Other	14	11
	<u>19</u>	<u>14</u>

The aggregate payroll costs of these persons was as follows

	£000	£000
Wages and salaries	468	158
Social security costs	50	17
Other pension costs	-	-
	<u>518</u>	<u>175</u>

A proportion of staff costs are recharged to other group companies

Directors' emoluments

	£000	£000
Directors' emoluments	<u>194</u>	<u>74</u>

The aggregate of emoluments of the highest paid director were £100,000. No contributions were made to defined contribution pension schemes in either the current or prior period. Five of the Directors at the year end are remunerated by another group company and do not receive any remuneration from Just Wills Limited.

5 Tax credit

a) Analysis of credit in the period at 26.5% (2010: 21%)

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Current tax credit		
Current tax at 26.5% (2010: 21%)	(57)	-
Total current tax	<u>(57)</u>	<u>-</u>
Tax credit	<u>(57)</u>	<u>-</u>

b) Factors affecting current tax credit in the period

The credit for the period can be reconciled to the loss per the Statement of Comprehensive Income as follows

Loss before tax	(439)	(57)
Tax on loss at UK standard rate of 26.5% (2010: 21%)	(116)	(12)
Effects of		
Expenses not deductible for tax purposes	53	-
Tax losses	6	12
Tax credit	<u>(57)</u>	<u>-</u>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This change would have no impact on these financial statements. Deferred tax losses have not been recognised.

6 Trade and other receivables

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Trade receivables	41	50
Amounts owed by group undertakings	112	206
Prepayments and accrued income	17	10
Other debtors	24	6
Bad debt provision	(28)	-
	<u>166</u>	<u>272</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6 Trade and other receivables (continued)

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

	31 December 2011 £000	31 December 2010 £000
At 1 January / 1 June	-	-
Provision made during the year	(28)	-
Receivables written off during the year	-	-
Provision no longer required	-	-
At 31 December	<u>(28)</u>	<u>-</u>

7 Investments

	Shares in Group Undertakings £000
Cost	
At 1 January 2011	-
Additions	972
At 31 December 2011	<u>972</u>

Impairment losses

At 1 January and 31 December 2011	<u>-</u>
-----------------------------------	----------

Net Book Value

At 1 January 2011	-
At 31 December 2011	<u>972</u>

	Shares in Group Undertakings £000
Cost	
At 1 June and 31 December 2010	<u>-</u>

Impairment losses

At 1 June and 31 December 2010	<u>-</u>
--------------------------------	----------

Net Book Value

At 1 June and 31 December 2010 (unaudited)	<u>-</u>
--	----------

During the year, the Company acquired 100% of the ordinary share capital of the following companies

Name of subsidiary undertaking	Nature of business	Proportion of ordinary shares held
The Willmaster Limited	Will writing and associated services	100%
The Willmaster (Storage) Limited	Will writing and associated services	100%
Legal Services (UK) Limited	Will writing and associated services	100%
Legal Services Probate Limited	Probate and associated services	100%
Executry Services (Scotland) Limited	Probate and associated services	100%

The Company owns equity share capital in its principal trading subsidiary undertakings, which are incorporated in the UK

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8 Property, plant and equipment

	Leasehold improvements £000	Fixtures & fittings £000	Office Equipment £000	Total £000
Cost				
At 1 January 2011	12	12	27	51
Additions	-	3	9	12
Disposals	(12)	(12)	(27)	(51)
At 31 December 2011	-	3	9	12
Accumulated depreciation and impairment				
At 1 January 2011	12	12	25	49
Depreciation charge for the year	-	-	3	3
Disposals	(12)	(12)	(27)	(51)
At 31 December 2011	-	-	1	1
Carrying amounts				
At 1 January 2011	-	-	2	2
At 31 December 2011	-	3	8	11

	Leasehold improvements £000	Fixtures & fittings £000	Office Equipment £000	Total £000
Cost				
At 1 June and 31 December 2010	12	12	27	51
Accumulated depreciation and impairment				
At 1 June 2010	12	12	24	48
Depreciation charge for the period	-	-	1	1
At 31 December 2010	12	12	25	49
Carrying amounts				
At 1 June 2010 (unaudited)	-	-	3	3
At 31 December 2010 (unaudited)	-	-	2	2

9 Trade and other payables

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Bank overdraft	-	22
Trade payables	-	96
Other taxes and social security costs	-	22
Amounts owed to group undertakings	3,544	1,917
Accruals and deferred income	64	92
	<u>3,608</u>	<u>2,149</u>

10 Share capital

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10 Share capital (continued)

Management of capital

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

	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Capital		
Ordinary shares	100	100
Retained earnings	(2,357)	(1,975)
	<u>(2,257)</u>	<u>(1,875)</u>

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

11 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

	Ultimate parent undertaking £000	2011 Immediate parent undertaking £000	Other group companies £000	Ultimate parent undertaking £000	2010 Immediate parent undertaking £000	Other group companies £000
a) Net interest						
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	(37)	-	-	-
Total	<u>-</u>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>-</u>	<u>-</u>
b) Sales of goods and services						
Management recharges	-	-	333	-	-	-
Total	<u>-</u>	<u>-</u>	<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>
c) Purchase of goods and services	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
d) Outstanding balances						
Sale of goods and services	-	-	-	-	-	-
Purchase of goods and services	-	-	-	-	-	-
Other receivables	-	-	112	-	-	206
Other payables	-	(1,329)	(2,215)	-	(1,329)	(588)
Total	<u>-</u>	<u>(1,329)</u>	<u>(2,103)</u>	<u>-</u>	<u>(1,329)</u>	<u>(382)</u>

There is no cash held on deposit with the Skipton Building Society held within cash and cash equivalents at the year end (2010 £nil). Tax receivable balances are recoverable via the Skipton Group tax computation

All transactions are dealt with on normal credit terms

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

12 Capital Commitments

There were no capital commitments at the year end (2010 £nil)

The Company has commitments due under operating leases in respect of rent payable on land and buildings. Total commitments under these non-cancellable operating leases are as follows

<i>Amounts falling due</i>	Year ended 31 Dec 2011 £000	Unaudited Period ended 31 Dec 2010 £000
Less than one year	36	28
Between one and five years	125	-
More than five years	-	-
	<u>161</u>	<u>28</u>

13 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.

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	64	64	64	-	-	-
Amounts owing to group companies	3,544	3,544	3,544	-	-	-
Total	<u>3,608</u>	<u>3,608</u>	<u>3,608</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 external interest bearing liabilities, excluding intra-group loans. The Company monitors any exposure to interest rate risk 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. As the Company has limited receivables from customers, no impairment provision is necessary. 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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

14 Explanation of transition to IFRS

As stated in note 1, these are the Company's first financial statements prepared in accordance with IFRSs. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2011, the comparative information for the period ended 31 December 2010 and in the preparation of an opening IFRS balance sheet at 1 June 2010.

In preparing its opening Statement of Financial Position, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with UK GAAP. An explanation of how the transition from UK GAAP to IFRSs has affected the Company's financial position, financial performance and cash flows from incorporation is set out in the following tables and notes.

Reconciliation of statement of financial position

	Note	UK GAAP £000	Effect of transition to IFRSs £000 At 1 June 2010	IFRS £000	UK GAAP £000	Effect of transition to IFRSs £000 At 31 December 2010	IFRS £000
Non-current assets							
Property, plant and equipment	3	-	-	3	2	-	2
Current assets							
Trade and other receivables		255	-	255	272	-	272
Cash and cash equivalents		-	-	-	-	-	-
Total assets		258	-	258	274	-	274
Current liabilities							
Trade and other payables (a)		2,074	2	2,076	2,146	3	2,149
		2,074	2	2,076	2,146	3	2,149
Equity							
Share capital		100	-	100	100	-	100
Retained earnings (a)		(1,916)	(2)	(1,918)	(1,972)	(3)	(1,975)
Total equity and liabilities		258	-	258	274	-	274

Notes to the reconciliation of statement of financial position

(a) The only adjustments in the transition from UK GAAP to IFRS relate to the restatement of will storage income.

Reconciliation of loss for the seven month period ended 31 December 2010

	Note	UK GAAP £000	Effect of transition to IFRSs £000	IFRS £000
Revenue		279	(1)	278
Administrative expenses	(a)	(335)	-	(335)
Loss before tax		(56)	(1)	(57)
Tax expense		-	-	-
Loss for the period		(56)	(1)	(57)

Notes to the reconciliation of loss

(a) The only adjustments in the transition from UK GAAP to IFRS relate to the restatement of will storage income. Under UK GAAP the Company was not required to, and did not prepare a Statement of Cash Flows.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

15 Adoption of new and revised International Financial Reporting Standards

Disclosed below are new standards and interpretations, which have been adopted during the year

- IAS 24, Related Parties (Revised 2009) The revised standard must be applied for annual periods beginning on or after 1 January 2011 and amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities The revised standard has had no impact on these financial statements
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense These amendments have had no impact on these financial statements

16 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