

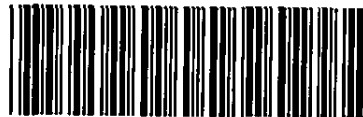
Just Wills Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2012

(Registered Number 2427464)

TUESDAY



A2HKG748

A22

24/09/2013

#138

COMPANIES HOUSE

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 2012

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

The Company has recorded a loss before tax of £9,000 for the year ended 31 December 2012 (2011 £439,000)

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

	Year ended 31 December 2012	Year ended 31 December 2012
	£000	£000
Revenue	152	310
Loss before tax	(9)	(439)
Total assets	1,351	1,351

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 which has responsibility for managing 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.

DIVIDENDS

During the year no interim dividend was paid (2011 £nil). The Directors do not propose the payment of a final dividend (2011 £nil).

Directors' Report - (continued)

DIRECTORS

The directors who served during the year were

D J McMaster
A Barnes (resigned 8th August 2012)
RS Shipperley
DC Livesey
AS Gill (resigned 29th June 2012)
MJ Oliver
JP Cosson
SN Moore (appointed 30th January 2013)

CHARITABLE AND POLITICAL DONATIONS

During the year the Company made no donations to charities (2011 £nil) No contributions were made for political purposes (2011 £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

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

DJ McMaster
Director



25 March 2013

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 year. 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 2012 as set out on pages 7 to 18. 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 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.

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 27 March 2013

Benjamin 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 2012

	Notes	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Revenue	1	152	310
Administrative expenses	2	<u>(108)</u>	<u>(516)</u>
Loss from operations		44	(206)
Finance costs	3	<u>(53)</u>	<u>(233)</u>
Loss before tax		(9)	(439)
Taxation	5	<u>4</u>	<u>57</u>
Loss for the year being total comprehensive income		<u><u>(5)</u></u>	<u><u>(382)</u></u>

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

There were no recognised income and expense items in the current year (2011 £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 18 form part of these financial statements

Statement of Financial Position

AT 31 DECEMBER 2012

	Notes	£000	31 December 2012 £000	£000	31 December 2011 £000
Non-current assets					
Intangible assets	6	19		-	
Property, plant, and equipment	7	46		11	
Investments	8	972		972	
Total non-current assets			<u>1,037</u>		<u>983</u>
Current assets					
Trade and other receivables	9	304		166	
Tax receivable		10		57	
Cash and cash equivalents		-		145	
Total current assets			<u>314</u>		<u>368</u>
Total assets			<u>1,351</u>		<u>1,351</u>
Current liabilities					
Trade and other payables	10	3,613		3,608	
Total current liabilities			<u>3,613</u>		<u>3,608</u>
Total liabilities			<u>3,613</u>		<u>3,608</u>
Equity – attributable to equity holders of the Company					
Share capital	11	100		100	
Retained earnings / (deficit)	11	(2,362)		(2,357)	
Total equity			<u>(2,262)</u>		<u>(2,257)</u>
Total equity and liabilities			<u>1,351</u>		<u>1,351</u>

These financial statements were approved by the Board of Directors on 25 March 2013 and signed on its behalf by



DJ McMaster
Director

Company registration number 2427464

The notes on pages 11 to 18 form part of these financial statements

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2012	100	(2,357)	(2,257)
Total comprehensive income for the year	-	(5)	(5)
Balance at 31 December 2012	<u>100</u>	<u>(2,362)</u>	<u>(2,262)</u>
Balance at 1 January 2011	100	(1,975)	(1,875)
Total comprehensive income for the year	-	(382)	(382)
Balance at 31 December 2011	<u>100</u>	<u>(2,357)</u>	<u>(2,257)</u>

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Cash flows from operating activities			
Loss for the year		(5)	(382)
Adjustments for			
Depreciation charges	2	7	3
Interest expense	3	53	233
Tax credit	5	(4)	(57)
Operating profit/ (loss) before changes in working capital and provisions		51	(203)
Increase in trade and other receivables		(138)	(90)
(Decrease) / increase in trade and other payables		(23)	414
Cash (outflow) / inflow from operations		(110)	121
Interest paid		(45)	-
Taxes received		51	-
Net cash (outflow) / inflow from operating activities		(104)	121
Cash flows from investing activities			
Purchases of property, plant and equipment		(42)	(12)
Purchases of computer software		(19)	-
Acquisition of subsidiaries		-	(972)
Net cash outflow from investing activities		(61)	(984)
Cash flows from financing activities			
Proceeds from loan with group undertaking		-	1,030
Net cash inflow from financing activities		-	1,030
Net (decrease) / increase in cash and cash equivalents		(165)	167
Cash and cash equivalents at 1 January		145	(22)
Cash and cash equivalents at 31 December		(20)	145

The notes on pages 11 to 18 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

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 2012. There have been no new accounting policies adopted in the year. 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 recognised on delivery of instruction and 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) Intangible Assets

The Intangible assets recognised are primarily software development costs. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the day they are available for use. The estimated useful lives are as follows:

Computer software	-	5 years
-------------------	---	---------

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end.

e) 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)*

f) Trade and other payables

Trade and other payables are stated at their fair value

g) Taxation

Income tax on the result for the year 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 year, using tax rates enacted or substantially enacted on the year 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.

h) 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.

i) 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 2012 £000	Year ended 31 Dec 2011 £000
Included in loss for the year is the following		
Depreciation of property, plant and equipment	7	3
Amortisation of Intangibles	-	-
Impairment loss on trade receivables	4	28
Staff costs (see note 4)	720	518
Management recharges to other group companies	(1,021)	(333)
Rentals payable under operating leases		
- Plant & machinery	4	2
- Other	61	34
Auditors' remuneration		
Audit of these financial statements	<u>2</u>	<u>2</u>

3 Finance costs

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Interest payable to group undertakings	53	37
Other non-operating costs	<u>-</u>	<u>196</u>
	<u>53</u>	<u>233</u>

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

4 Staff numbers and costs

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

	Year ended 31 Dec 2012 No	Year ended 31 Dec 2011 No
Directors	6	5
Other	<u>26</u>	<u>14</u>
	<u>32</u>	<u>19</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4 Staff numbers and costs *(continued)*

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
The aggregate payroll costs of these persons was as follows		
Wages and salaries	656	468
Social security costs	64	50
Other pension costs	-	-
	<u>720</u>	<u>518</u>
A proportion of staff costs are recharged to other group companies		
Directors' emoluments	£000	£000
Directors' emoluments	<u>146</u>	<u>194</u>

The aggregate of emoluments of the highest paid director were £81,667 (2011 £100,000). No contributions were made contributions to defined contribution pension schemes in either the current or prior year. Three of the Directors at the year end are remunerated by another group company and do not receive any remuneration from Just Wills Limited (2011 5).

5 Tax credit

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
a) Analysis of credit in the year at 24.5% (2011 26.5%)		
Current tax credit		
Current tax at 24.5% (2011 26.5%)	(4)	(57)
Total current tax	<u>(4)</u>	<u>(57)</u>
Tax credit	<u>(4)</u>	<u>(57)</u>

b) Factors affecting current tax credit in the year

The tax credit assessed in the Statement of Comprehensive Income is higher (2011 lower) than the standard UK corporation tax rate because of the following factors

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Loss before tax	(9)	(439)
Tax on loss at UK standard rate of 24.5% (2011 26.5%)	(2)	(116)
Effects of		
Income not taxable for tax purposes	(3)	-
Expenses not deductible for tax purposes	-	53
Tax losses	1	6
Tax credit	<u>(4)</u>	<u>(57)</u>

The tax charge for 2012 included the one-off effect on the deferred tax balances on the reduction in the corporation tax rate from 26% to 24%, which was effective from 1 April 2012.

The 2012 Budget on 23 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 further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

6 Intangible Assets

	Computer Software £000
Cost	
At 1 January 2012	-
Additions	19
At 31 December 2012	<u>19</u>
Accumulated depreciation and impairment	
At 1 January and 31 December 2012	<u>-</u>
Carrying amounts	
At 1 January 2012	-
At 31 December 2012	<u>19</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7 Property, plant and equipment

	Leasehold improvements £000	Fixtures & fittings £000	Office Equipment £000	Total £000
Cost				
At 1 January 2012	-	3	9	12
Additions	-	12	30	42
At 31 December 2012	-	15	39	54
Accumulated depreciation and impairment				
At 1 January 2012	-	-	1	1
Depreciation charge for the year	-	2	5	7
At 31 December 2012	-	2	6	8
Carrying amounts				
At 1 January 2012	-	3	8	11
At 31 December 2012	-	13	33	46

	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

8 Investments

	Shares in Group Undertakings £000
Cost	
At 1 January and 31 December 2012	972
Impairment losses	
At 1 January and 31 December 2012	-
Net Book Value	
At 1 January and 31 December 2012	972

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8 Investments (continued)

	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>

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

9 Trade and other receivables

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Trade receivables	16	41
Amounts owed by group undertakings	225	112
Prepayments and accrued income	67	17
Other taxes and social security	12	-
Other debtors	-	24
Bad debt provision	<u>(16)</u>	<u>(28)</u>
	<u>304</u>	<u>166</u>

10 Trade and other payables

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Bank overdraft	20	-
Trade payables	15	-
Amounts owed to group undertakings	3,516	3,544
Accruals and deferred income	46	64
Other creditors	16	-
	<u>3,613</u>	<u>3,608</u>

11 Share capital

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11 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 2012 £000	Year ended 31 Dec 2011 £000
Capital		
Ordinary shares	100	100
Retained earnings	(2,362)	(2,357)
	<u>(2,262)</u>	<u>(2,257)</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

12 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	2012 Immediate parent undertaking £000	Other group companies £000	Ultimate parent undertaking £000	2011 Immediate parent undertaking £000	Other group companies £000
a) Net interest						
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	(53)	-	-	(37)
Total	<u>-</u>	<u>-</u>	<u>(53)</u>	<u>-</u>	<u>-</u>	<u>(37)</u>
b) Sales of goods and services						
Management recharges	-	-	1,021	-	-	333
Total	<u>-</u>	<u>-</u>	<u>1,021</u>	<u>-</u>	<u>-</u>	<u>333</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	-	-	225	-	-	112
Other payables	-	(1,329)	(2,187)	-	(1,329)	(2,215)
Total	<u>-</u>	<u>(1,329)</u>	<u>(1,962)</u>	<u>-</u>	<u>(1,329)</u>	<u>(2,103)</u>

There is no cash held on deposit with the Skipton Building Society held within cash and cash equivalents at the year end (2011 £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)*

13 Capital Commitments and operating leases

There were no capital commitments at the year end (2011 £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

	Year ended 31 Dec 2012 £000	Year ended 31 Dec 2011 £000
<i>Amounts falling due</i>		
Less than one year	59	36
Between one and five years	143	125
More than five years	-	-
	<u>202</u>	<u>161</u>

14 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 less than 1 year £000	In more than one year but not more than 5 years £000
Trade and other payables	77	77	77	-	-	-
Amounts owing to group companies	3,516	3,516	3,516	-	-	-
Total	<u>3,593</u>	<u>3,593</u>	<u>3,593</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)*

15 Adoption of new and revised International Financial Reporting Standards

There have been no new accounting policies adopted in the year which have had a significant impact on these accounts

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