

2427464

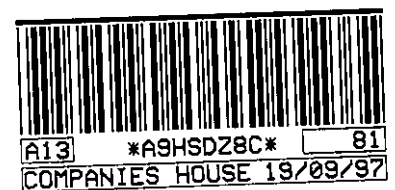
Just Wills plc

Report and Financial Statements

Year Ended
31 March 1997



BDO Stoy Hayward
Chartered Accountants



JUST WILLS PLC

Annual report and financial statements for the year ended 31 March 1997

Contents

Directors

Page:

1	Report of the directors
3	Report of the auditors
4	Profit and loss account
5	Statement of total recognised gains and losses
6	Balance sheet
7	Cash flow statement
8	Notes forming part of the financial statements

Directors

J F de Frias
A E de Frias
S J Macwhinnie
J J de Frias

Secretary and registered office

A E de Frias, Kingsway House, 123-125 Goldsworth Road, Woking, Surrey GU21 1LR

Company number

2427464

Auditors

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

JUST WILLS PLC

Report of the directors for the year ended 31 March 1997

The directors present their report together with the audited financial statements for the year ended 31 March 1997.

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The company's principal activities are to provide a home visit will writing service and the sales of will writing franchises.

Charitable donations

Charitable donations of £250 (1996 - £60) were made during the year.

Directors

The directors of the company during the year were:

Mr J F de Frias (Chairman)
Mrs A E de Frias
Mrs S J Macwhinnie
Mr J J de Frias

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

Creditors payment policy

The majority of suppliers to the group are of a long standing nature and mutually acceptable payment terms have been established over the relationship period. Generally, payments are made between 30 and 60 days from the month of delivery. New car stock purchase payments are made immediately on transfer of title.

In certain transactions payment terms will be agreed with suppliers as part of the overall terms of the transaction, and will be adhered to by the group.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

JUST WILLS PLC

Report of the directors for the year ended 31 March 1997 (*Continued*)

Directors' responsibilities (*continued*)

- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

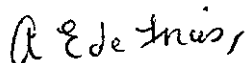
Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



A E de Frias
Secretary

Date: 1/9/97

JUST WILLS PLC

Report of the auditors

To the shareholders of Just Wills plc

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

Respective responsibilities of directors and auditors

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

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
Reading

Date: 1/9/97

JUST WILLS PLC

Profit and loss account for the year ended 31 March 1997

	Note	1997	1996
		£	£
Turnover	2	231,924	253,033
Cost of sales		59,809	56,255
Gross profit		172,115	196,778
Distribution costs		17,056	16,914
Selling expenses		36,479	25,547
Establishment expenses		31,477	46,943
Administrative expenses		86,066	87,872
		171,078	177,276
Other operating income	4	6,250	12,250
Operating profit		7,287	31,752
Interest payable	5	9,806	14,903
(Loss)/profit on ordinary activities before and after taxation	6	(2,519)	16,849
Accumulated losses brought forward		(54,134)	(70,983)
Accumulated losses carried forward		(56,653)	(54,134)

All amounts relate to continuing activities

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

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

JUST WILLS PLC**Statement of total recognised gains and losses for the year ended 31 March 1997**

	1997 £	1996 £
Statement of total recognised gains and losses		
(Loss)/profit for the financial year	(2,519)	16,849
Unrealised surplus on revaluation	-	5,000
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(2,519)	21,849
	<hr/>	<hr/>
Note of historical cost profits and losses		
Reported (loss)/profit on ordinary activities before taxation	(2,519)	16,849
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(663)	(597)
Realisation of property revaluation gains of previous year	-	6,507
	<hr/>	<hr/>
Historical cost profit on ordinary activities before and after taxation	(3,182)	22,759
	<hr/>	<hr/>

JUST WILLIS PLC

Balance sheet at 31 March 1997

	Note	1997	1996
		£	£
Fixed assets			
Tangible assets	9	93,565	89,931
Current assets			
Stocks	10	7,888	5,892
Debtors	11	53,985	103,994
Cash at bank and in hand		5,149	39
		<u>67,022</u>	<u>109,925</u>
Creditors: amounts falling due within one year	12	62,912	102,362
		<u>67,022</u>	<u>102,362</u>
Net current assets		4,110	7,563
Total assets less current liabilities		<u>97,675</u>	<u>97,494</u>
Creditors: amounts falling due after more than one year	13	37,438	34,738
Capital and reserves			
Called up share capital	15	100,000	100,000
Revaluation reserve	17	16,890	16,890
Profit and loss account		(56,653)	(54,134)
		<u>60,237</u>	<u>62,756</u>
Equity shareholders' funds		<u>60,237</u>	<u>62,756</u>
		<u>97,675</u>	<u>97,494</u>

The financial statements were approved by the Board on

11/9/97

J F de Frias

)

)

)

Directors

)

A E de Frias

)

A E de Frias

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

JUST WILLS PLC**Cash flow statement for the year ended 31 March 1997**

	Note	1997	1996
		£	£
Net cash inflow from operating activities	20	41,603	27,630
Returns on investments and servicing of finance			
Interest paid	(3,107)	(3,283)	
Interest element of finance lease rental payments	(6,699)	(11,620)	
Net cash outflow from returns on investments and servicing of finance		(9,806)	(14,903)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	(32,720)	(39,204)	
Sale of tangible fixed assets	19,200	14,748	
Net cash outflow from capital expenditure and financial investment		(13,520)	(24,456)
Net cash inflow/(outflow) before financing		18,277	(11,729)
Financing			
Inception of new finance leases	25,754	34,991	
Capital element of finance lease rental payments	(23,683)	(24,977)	
Net cash inflow from financing		2,071	10,014
Increase/(decrease) in cash	21,22	20,348	(1,715)

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

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1997

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the alternative accounting rules, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

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

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Plant and machinery	- 6%-20% straight line
Office equipment	- 6% straight line
Fixtures and fittings	- 6% straight line
Motor vehicles	- 25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less further costs to disposal.

Deferred taxation

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

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between their capital and interest components using the straight line method. The interest is charged to the profit and loss account. The capital part reduces the amounts payable to the lessor.

2 Turnover and profit

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

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1997 (Continued)

3 Employees	1997	1996
	£	£
Staff costs for all employees, including directors, consist of:		
Wages and salaries	43,536	41,208
Social security costs	4,312	3,424
Pension costs	575	-
	<u>48,423</u>	<u>44,632</u>
The average weekly number of employees during the year was as follows:	Number	Number
Management	2	2
Administration	2	2
	<u>4</u>	<u>4</u>
4 Other operating income	£	£
Management charges to other group undertakings	6,250	12,250
	<u>6,250</u>	<u>12,250</u>
5 Interest payable		
Bank overdraft	3,107	3,283
Finance lease and hire purchase contracts	6,699	11,620
	<u>9,806</u>	<u>14,903</u>
6 (Loss)/profit on ordinary activities before taxation		
This is arrived at after charging/(crediting):		
Depreciation	18,366	15,997
Auditors' remuneration - audit services	2,500	2,350
- other services	1,251	950
Profit on sale of fixed assets	(8,480)	(2,262)
Operating leases rental - buildings	-	23,829
- machinery	1,509	2,678
	<u>14,146</u>	<u>23,552</u>

Depreciation includes £17,522 (1996 - £9,374) charged on assets held under finance leases and hire purchase contracts.

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1997 (*Continued*)

7	Directors' emoluments	1997 £	1996 £
	Remuneration	43,690	26,208
	Benefits in kind	15,767	9,395
		<u>59,457</u>	<u>35,603</u>

8 Taxation on profit on ordinary activities

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

9	Tangible assets	Plant and machinery £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
	<i>Cost</i>					
	At beginning of year	28,885	15,675	5,144	50,685	100,389
	Additions	1,050	4,496	-	27,174	32,720
	Disposals	-	-	-	(24,690)	(24,690)
		<u>29,935</u>	<u>20,171</u>	<u>5,144</u>	<u>53,169</u>	<u>108,419</u>
	<i>Depreciation</i>					
	At beginning of year	1,855	899	309	7,395	10,458
	Provided for the year	4,309	1,186	308	12,563	18,366
	Disposals	-	-	-	(13,970)	(13,970)
		<u>6,164</u>	<u>2,085</u>	<u>617</u>	<u>5,988</u>	<u>14,854</u>
	<i>Net book value</i>					
	At 31 March 1997	<u>23,771</u>	<u>18,086</u>	<u>4,527</u>	<u>47,181</u>	<u>93,565</u>
	At 31 March 1996	<u>27,030</u>	<u>14,776</u>	<u>4,835</u>	<u>43,290</u>	<u>89,931</u>

Included in the total net book value of tangible fixed assets held at 31 March 1997 was £48,583 (1996 - £53,206) in respect of assets held under finance lease and hire purchase contracts.

JUST WILLS PLC**Notes forming part of the financial statements for the year ended 31 March 1997 (Continued)**

10 Stocks	1997	1996
	£	£
Stationery	7,888	5,892
	<hr/>	<hr/>
11 Debtors		
Trade debtors	27,975	75,598
Amounts due from parent undertakings	19,875	20,720
Prepayments/accrued income	6,135	7,676
	<hr/>	<hr/>
	53,985	103,994
	<hr/>	<hr/>
All amounts included in debtors fall due for payment within one year.		
12 Creditors: amounts falling due within one year		
Bank overdraft	-	15,238
Trade creditors	25,094	22,056
Other taxes and social security costs	10,705	22,708
Directors' loan account	7,374	22,648
Accruals	4,510	3,625
Obligations under finance leases and hire purchase contracts (note 14)	15,229	16,087
	<hr/>	<hr/>
	62,912	102,362
	<hr/>	<hr/>
13 Creditors: amounts falling due after more than one year		
Obligations under finance leases and hire purchase contracts (note 14)	34,163	31,234
Amount due to group undertakings	3,275	3,504
	<hr/>	<hr/>
	37,438	34,738
	<hr/>	<hr/>
14 Obligations under finance lease and hire purchase contracts fall due as follows		
Within one year	15,229	16,087
Between two and five years	34,163	31,234
	<hr/>	<hr/>
	49,392	47,321
	<hr/>	<hr/>

JUST WILLS PLC

Notes forming part of the financial statements for the year ended 31 March 1997 (*Continued*)

15 Share capital	Authorised, allotted and called up		Called up and fully paid	
	1997 £	1996 £	1997 £	1996 £
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
<hr/>				
16 Reconciliation of movements in shareholders' funds			1997 £	1996 £
(Loss)/profit for the year			(2,519)	16,849
Revaluation reserve (note 17)			16,890	16,890
Opening shareholders' funds			45,866	29,017
			<hr/>	<hr/>
Net assets at end of year			60,237	62,756
			<hr/>	<hr/>
17 Revaluation reserve				1997 £
At 1 April 1996 and 31 March 1997				16,890
				<hr/>

18 Ultimate parent company

The ultimate parent company is The Universal Trust Corporation, a company registered in England.

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

19 Commitments under operating leases

As at 31 March 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1997 £	1996 £
Operating leases which expire:		
In two to five years	-	18,250
	<hr/>	<hr/>

JUST WILLIS PLC

Notes forming part of the financial statements for the year ended 31 March 1997 (*Continued*)

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

	1997 £	1996 £
Operating profit	7,287	31,752
Depreciation	18,366	15,997
Profit on sale of fixed assets	(8,480)	(2,262)
(Increase)/decrease in stocks	(1,996)	771
Decrease/(increase) in debtors	50,009	(40,712)
(Decrease)/increase in creditors	(23,583)	22,084
	<hr/>	<hr/>
Net cash inflow from operating activities	41,603	27,630
	<hr/>	<hr/>

21 Reconciliation of net cashflow to movement in net debt

	1997		1996	
	£	£	£	£
Increase/(decrease) in cash in the year	20,348		(1,715)	
Cash inflow from increase in lease financing	(2,071)		(10,014)	
	<hr/>		<hr/>	
Change in net debt		18,277		(11,729)
Net debt at 1 April 1996		(62,520)		(50,791)
		<hr/>		<hr/>
Net debt at 31 March 1997		(44,243)		(62,520)
		<hr/>		<hr/>

22 Analysis of changes in net debt

	1 April 1996 £	Cashflows		31 March 1997 £
	£	£	£	£
Cash at bank and in hand	39	5,110		5,149
Overdrafts	(15,238)	15,238		-
		<hr/>		
Finance leases	(47,321)	(2,071)	20,348	(49,392)
		<hr/>		
			(2,071)	
	<hr/>		<hr/>	<hr/>
	(62,520)		18,277	(44,243)
	<hr/>		<hr/>	<hr/>