

Wooljon Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2007

Registered Number 3447312

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Wooljon Limited

Directors' Report

The directors present their annual report and the audited financial statements for the period ended 31 December 2007

Principal activities and future developments

The principal activity of the company continued to be that of a dormant holding company and will continue to be so for the foreseeable future

Business review

The company is the 100% parent company of Parnell Fisher Child and Co Limited

The company's sole activity is the receipt of dividends from its subsidiary company and the payment of dividends to its own shareholders

On 26 September 2007, 75% of the shares within Wooljon Limited were acquired by Skipton Group Holdings Limited, a subsidiary of Skipton Building Society

As a result of the acquisition of its parent company by Skipton Building Society the accounting period has been changed to calendarised years ending on 31 December. Therefore these financial statements have been prepared for the 18 month period until 31 December 2007

Skipton Building Society prepares its accounts under International Financial Reporting Standards (IFRS) and its interpretations as adopted by the EU. Consequently the company has prepared its accounts under the same accounting basis

Dividends

A dividend of £609,290 (2006 £233,772) was paid during the period

Directors

The directors who served during the period were

P M Craddock	(appointed 26 September 2007)
D J Cutter	(appointed 26 September 2007)
J G Goodfellow	(appointed 26 September 2007)
D A Jones	(resigned 26 September 2007)
P Rapley	
N D J Woolven	(resigned 26 September 2007)

Creditor payment policy

The company has been dormant throughout the period and has no suppliers

Charitable donations

The company made no charitable donations during the period (2006 £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

Company secretary

G M Davidson	(appointed 26 September 2007)
J Rutter	(resigned 26 September 2007)

Auditors

A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the next Annual General Meeting

By order of the board

G M Davidson
Secretary
The Bailey
Skipton
North Yorkshire
BD23 1DN

5 March 2008

Wooljion Limited

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 period. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law to present fairly the financial position and performance of the company, the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

Wooljon Limited

Independent auditors report to the members of Wooljon Limited

We have audited the financial statements of Wooljon Limited for the period ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow

Statement and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out on Page 5 Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

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

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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
1 The Embankment
Neville street
Leeds
LS1 4DW
Registered Auditor

5 March 2008

WoolJon Limited

Income Statement

For the period ended 31 December 2007

	Notes	18 month period ended 31 December 2007 £	Year ended 30 June 2006 £
Revenue	1	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Profit from operations		-	-
Investment income	2	609,290	233,722
Profit before tax		609,290	233,722
Tax expense	3	-	-
Profit for the period		609,290	233,722

The profit for the current and comparative financial period was derived wholly from continuing operations

There were no other recognised items of income or expenditure during the year or prior year and so no separate statement of recognised income and expenditure has been presented

The income statement is prepared on an unmodified historical cost basis

The notes on pages 7 to 9 form part of these financial statements

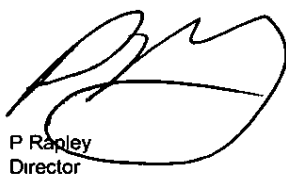
Wooljon Limited

Balance Sheet

As at 31 December 2007

	Notes	31 December 2007		30 June 2006
		£	£	£
Non-current assets				
Investments	4	505,523	505,523	
			505,523	505,523
Total assets			505,523	505,523
Current liabilities				
Amounts owed to subsidiary undertaking		204,219	213,314	
			204,219	213,314
Total liabilities			204,219	213,314
Equity				
Share capital	5	150,850	148,500	
Share premium account	5	6,745	-	
Retained earnings	6	143,709	143,709	
			301,304	292,209
Total equity and liabilities			505,523	505,523

These accounts were approved by the board of directors on 5 March 2008 and signed on its behalf by


P Rapley
Director


P M Craddock
Director

The notes on pages 7 to 9 form part of these accounts

Wooljon Limited

Cash Flow Statement

For the period ended 31 December 2007

	Notes	31 December 2007 £	30 June 2006 £
Cash flows from operating activities			
Profit before taxation		609,290	233,722
Adjustments for			
Dividends received	6	(609,290)	(233,722)
(Decrease) / increase in trade and intercompany payables		(9,095)	8,500
Net cash from operating activities		(9,095)	8,500
Cash flows from investing activities			
Dividends received	6	609,290	233,772
Net cash from investing activities		609,290	233,772
Cash Flows from financing activities			
Ordinary share dividends paid		(609,290)	(233,772)
Purchase of own shares	6	(20,360)	(8,500)
Issue of share capital	6	29,455	-
Net cash from financing activities		(600,195)	(242,272)
Net Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period		-	-

Wooljon Limited

Notes to the financial statements

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts

(a) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) in issue that have either been endorsed by the EU and effective (or available for early adoption) at 31 December 2007 for the first time, and IFRS 1 has been applied

The financial statements, which relate to the company above, are drawn up under the historical cost convention and in accordance with applicable accounting standards

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirements to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group

(b) Revenue recognition

Revenue, which excludes value added tax, represents total invoiced sales of the company and commissions receivable on an accruals basis net of clawback

The company recognises income upon fulfilment of contractual obligations with a provision for future clawbacks. Interest income is recognised on an accruals basis

(c) Cash and cash equivalents

For the purpose of the cash flow statement, 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 cash flow statement has been prepared using the indirect method

(d) Taxation

The charge for taxation is based on the profit/(loss) for the period and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes, in accordance with IAS 12, Income Taxes

2 Investment income

	18 months ended 31 December 2007 £	Year ended 30 June 2006 £
Dividends received	609,290	233,722
	<u>609,290</u>	<u>233,722</u>

Wooljon Limited

Notes to the financial statements

3 Tax expense

A reconciliation of current tax on profit / (loss) on ordinary activities at the standard UK corporation tax rate to the actual current tax (income) / expense is as follows

	18 months ended 31 December 2007 £	Year ended 30 June 2006 £
a) Analysis of charge / (credit) in the period at 30% (2006 30%)		
Current tax expense		
Current tax at 30%	-	-
Total current tax	-	-
Deferred tax expense		
Deferred tax charge / (credit) current year	-	-
Total deferred tax	-	-
Income tax expense	-	-

b) Factors affecting current tax charge in the period

The charge for the year can be reconciled to the profit per the income statement as follows

Profit on ordinary activities before tax	609,290	233,722
Tax on profit on ordinary activities at UK standard rate of 30% (2006 30%)	182,787	70,117
Effects of - other tax adjustments	(182,787)	(70,117)
Income tax expense	-	-

4 Investment in subsidiary undertakings

	31 December 2007 £	30 June 2006 £
Cost of investment		
At start and end of period	505,523	505,523

The company's investments at the balance sheet date in the share capital of unlisted companies

	Ownership 2007	Ownership 2006
Parnell Fisher Child & Co Limited	100%	100%
Aggregated capital and reserves		
At end of period	236,236	57,794

Wooljon Limited

Notes to the financial statements

5 Share Capital

	31 December 2007 £	30 June 2006 £
Authorised		
200,000 ordinary "A" shares of £1 00 each	200,000	200,000
100,000 ordinary "B" shares of £1 00 each	100,000	100,000
100,000 ordinary "C" shares of £1 00 each	100,000	100,000
100,000 ordinary "D" shares of £1 00 each	100,000	100,000
	500,000	500,000
Issued and fully paid		
"A" ordinary shares of £1 00 each	113,138	133,498
"B" ordinary shares of £1 00 each	37,712	3
"C" ordinary shares of £1 00 each	-	14,997
"D" ordinary shares of £1 00 each	-	2
	150,850	148,500

Following the sale of 75% of the shares to Skipton Building Society on 26 September 2007, the issued shares of the company were restructured on the same date as follows

37,709 of the £1 "A" ordinary shares were converted into £1 ordinary "B" shares

2,350 £1 "C" ordinary shares were allotted during the year for a consideration of £9,095 generating a share premium of £6,745

The revised total of 17,347 £1 "C" ordinary shares were converted in £1 "A" ordinary shares

The 2 £1 "D" ordinary shares were converted into £1 "A" ordinary shares

6 Reconciliation of movement in capital and reserves

	Ordinary share capital £	Share premium £	Retained earnings £	Total equity £
Balance at 1 July 2006	148,500	-	143,709	292,209
Profit for the period	-	-	609,290	609,290
Purchase of own shares	(20,360)	-	-	(20,360)
Shares allotted during the period	22,710	6,745	-	29,455
Dividends paid to shareholders	-	-	(609,290)	(609,290)
Balance at 31 December 2007	150,850	6,745	143,709	301,304
Balance at 1 July 2005	150,000	-	150,709	300,709
Profit for the period	-	-	233,722	233,722
Purchase of own shares	(1,500)	-	(7,000)	(8,500)
Dividends paid to shareholders	-	-	(233,722)	(233,722)
Balance at 30 June 2006	148,500	-	143,709	292,209

7 Capital commitments

There were no capital commitments at 31 December 2007 (30 June 2006 £Nil)

8 Ultimate parent undertaking

The company is a 75% owned subsidiary of Skipton Group Holdings Limited The ultimate parent

The Secretary
Skipton Building Society
The Bailey
Skipton
North Yorkshire