

CONVEYANCING DIRECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2003

(Registered Number 04152278)



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COMPANIES HOUSE

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# CONVEYANCING DIRECT LIMITED

## DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2003.

### **Principal activities and future developments**

The principal activity of the company is the provision of conveyancing and associated services, and will continue to be so for the foreseeable future.

### **Business review**

On 1 May 2002 the Company commenced trading following the transfer of the assets and liabilities of Conveyancing Direct and Morris Smith Solicitors which previously traded as partnerships. The Directors believe that the business performance has been satisfactory.

No interim dividend has been paid during the year (2002: £nil). The directors do not recommend payment of a final dividend (2003: £nil).

### **Directors and directors' interests**

The directors who served during the year were:

RM Smith	Resigned 12 June 2003
D Sugden	
MS Day	Resigned 9 April 2003
RS Shipperley	

No director holding office at 31 December 2003 held a beneficial interest in the company at the year end.

RS Shipperley is also a director of the immediate parent company, Connells Limited, and his interests in shares of group companies are disclosed in the directors' report of that company.

# CONVEYANCING DIRECT LIMITED

## DIRECTORS' REPORT

### **Creditor payment policy**

The company's policy concerning the payment of suppliers for the next financial year is to agree terms of payment in advance and to pay according to those agreed terms and any other legal obligations. At the year end, there was an average of 20 days purchases outstanding (2002: 23).

### **Charitable donations**

During the year the company made no donations to charities or for political purposes (2002: nil).

### **Employees**

It is company policy to provide employees with information concerning their roles and responsibilities and the trading performance of the company. This policy is to ensure opportunities are available at every level to improve employees' and corporate performance. Regular meetings are held which involve directors, managers and staff.

### **Disabled persons**

The company continues to recognise its social and statutory duty to employ disabled persons and will do all that is practicable to meet this responsibility.

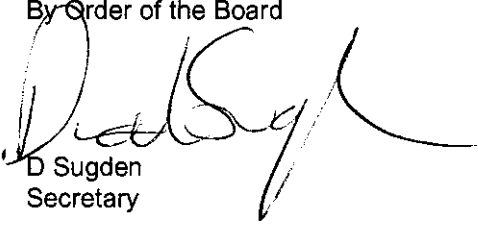
Full consideration will be given to the recruitment of disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job.

If an employee becomes disabled he or she will continue wherever possible to be employed in the same job. If this action is not practicable or possible, then every effort will be made to find suitable alternative employment.

### **Auditors**

A resolution to reappoint KPMG Audit Plc as auditors of the Company will be proposed at the next Annual General Meeting.

By Order of the Board



D Sugden  
Secretary

2 February 2004

# CONVEYANCING DIRECT LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 CONVEYANCING DIRECT LIMITED

We have audited the financial statements on pages 5 to 14.

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 are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

## **Basis of audit 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 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Leeds

2 February 2004

# CONVEYANCING DIRECT LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 £000	2002 £000
Turnover	2	1,212	498
Staff costs	4	(804)	(432)
Other operating charges		(670)	(452)
		<hr/>	<hr/>
<b>Operating loss - continuing operations</b>		(262)	(386)
Interest receivable	5	109	42
Interest payable	5	(55)	(21)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	3	(208)	(365)
Tax on loss on ordinary activities	6	60	104
		<hr/>	<hr/>
<b>Loss for the financial year</b>	14	(148)	(261)
		<hr/>	<hr/>

The loss for the year was derived wholly from continuing activities.

There were no recognised gains or losses in the current year (2002: £nil) other than those reflected in the above profit and loss account.

The profit and loss account is prepared on an unmodified historical cost basis.

The notes on pages 7 to 14 form part of these financial statements.

# CONVEYANCING DIRECT LIMITED

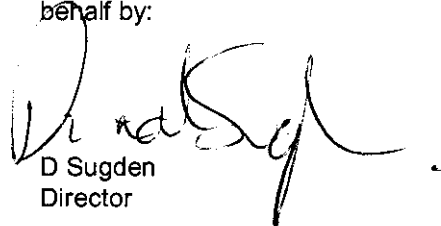
## BALANCE SHEET

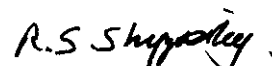
AT 31 DECEMBER 2003

	Notes	2003		2002	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible fixed assets	7		216		281
Tangible assets	8		205		218
			<hr/>		<hr/>
			421		499
<b>Current assets</b>					
Debtors	9	164		182	
Cash at bank and in hand		11		51	
		<hr/>		<hr/>	
		175		233	
<b>Creditors: amounts falling due within one year</b>	10	(980)		(947)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(805)		(714)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			(384)		(215)
<b>Creditors: amounts falling due after more than one year</b>	11		(25)		(46)
			<hr/>		<hr/>
<b>Net liabilities</b>			(409)		(261)
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up equity share capital	13		-		-
Profit and loss account	14		(409)		(261)
			<hr/>		<hr/>
<b>Equity shareholders' funds</b>	15		(409)		(261)
			<hr/>		<hr/>

A reconciliation of the movement in shareholders' funds is given in note 15.

These financial statements were approved by the board of directors on 2 February 2004 and signed on its behalf by:

  
D Sugden  
Director

  
RS Shipperley  
Director

The notes on pages 7 to 14 form part of these financial statements.

# CONVEYANCING DIRECT 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 financial statements.

#### (a) Going concern

The Directors have reviewed the results of the company's operations from 1 January 2003 to the date of approval of the financial statements and have made forecasts of its performance in the subsequent 12 months. They have also received assurance of continued financial support from the parent undertaking. In view of this the directors consider that the company will continue to be able to meet its liabilities as they fall due and that the financial statements can therefore be prepared on the going concern basis

#### (b) Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### (c) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives as follows:

Fixtures and fittings	- 5 to 10 years
Office equipment	- 3 to 5 years

#### (d) Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes as required by FRS19 Deferred Tax.

#### (e) Operating leases

Operating lease rentals for land and buildings, motor vehicles and office machinery due in each accounting period are charged to the profit and loss account on an accruals basis.

#### (f) Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable, in accordance with the rules of the scheme.



# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies (continued)

#### (g) Cash flow statement

Under Financial Reporting Standard No. 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement because it is a wholly owned subsidiary undertaking of Connells Limited, whose financial statements are publicly available.

#### (h) Goodwill

Purchased goodwill, representing the excess of the consideration paid over the fair value of assets acquired, is written off over its useful economic life, which is estimated to be 5 years.

### 2. Turnover

Turnover comprises commissions and fees receivable, exclusive of value added tax. Conveyancing fees are recognised as earned on completion of contract. All income arose within the United Kingdom.

### 3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging the following:

	2003 £000	2002 £000
Auditors and its associates' remuneration		
For audit work	7	4
Non-audit work	5	-
Depreciation of tangible fixed assets	50	11
Amortisation of Goodwill	65	43
Loss / (Profit) on sale of tangible fixed assets	-	15
Hire of plant and machinery under operating leases	21	25
Hire of other assets under operating leases	7	14
	<hr/>	<hr/>

### 4. Staff numbers and costs

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

	2003 No	2002 No
Directors	4	4
Sales and administration	37	22
	<hr/>	<hr/>
	41	26
	<hr/>	<hr/>

# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	2003 £000	2002 £000
Wages and salaries	736	392
Social security costs	59	32
Other pension costs	9	8
	<hr/>	<hr/>
	804	432

Directors emoluments:

	2003 £000	2002 £000
Remuneration as directors	85	87
Compensation for loss of office	14	-
	<hr/>	<hr/>

The aggregate emoluments of the highest paid director were £50,911 (2002 highest paid director: £56,336).

Retirement benefits are accruing to the following directors under:

	2003 No	2002 No
Defined contribution schemes	1	2
	<hr/>	<hr/>

### 5. Interest

	2003 £000	2002 £000
<b>Interest receivable</b>		
Bank interest	109	42
	<hr/>	<hr/>
<b>Interest payable</b>		
Inter-group interest	48	10
Bank interest	7	11
	<hr/>	<hr/>
	55	21
	<hr/>	<hr/>

# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Taxation on loss on ordinary activities

	2003 £000	2002 £000
(a) The taxation credit for the year comprises:		
UK Corporation tax calculated at 30% (2002: 30%) on the loss for the year	(67)	(108)
Deferred taxation charge for the year (note 12)	7	4
	<u>(60)</u>	<u>(104)</u>
(b) Reconciliation of current tax charge		
Loss on ordinary activities before taxation	(208)	(365)
	<u>(208)</u>	<u>(365)</u>
Tax credit on loss on ordinary activities at UK standard rate of Corporation tax of 30%	(62)	(109)
Factors affecting charge for the year:		
Depreciation in excess of capital allowances and other timing differences	(2)	(4)
Expenses not deductible for tax purposes	6	5
Adjustment in respect of prior years	(9)	-
Other	<u>-</u>	<u>-</u>
Current tax charge	<u>(67)</u>	<u>(108)</u>

### 7. Intangible fixed assets

The intangible fixed assets comprise goodwill arising on the purchase of business assets:

	Goodwill £000
<b>Cost</b>	
At 1 January 2003 and 31 December 2003	324
<b>Amortisation</b>	
At 1 January 2003	43
Charge for the financial year	65
	<u>108</u>
At 31 December 2003	108
<b>Net book amount</b>	
At 31 December 2003	216
At 31 December 2002	<u>281</u>

# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Tangible fixed assets

	Fixtures, fittings and equipment £000
<b>Cost</b>	
At 1 January 2003	225
Additions	37
	<hr/>
At 31 December 2003	262
	<hr/>
<b>Depreciation</b>	
At 1 January 2003	7
Charge for the financial year	50
	<hr/>
At 31 December 2003	57
	<hr/>
<b>Net book amount</b>	
At 31 December 2003	205
	<hr/>
At 31 December 2002	218
	<hr/>

### 9. Debtors

	2003 £000	2002 £000
Trade debtors	48	14
Prepayments and accrued income	56	60
Corporation tax	60	108
	<hr/>	<hr/>
	164	182
	<hr/>	<hr/>

# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 10. Creditors: amounts falling due within one year

	2003 £000	2002 £000
Trade creditors	45	55
Amounts owed to parent undertaking and fellow subsidiary undertakings	826	746
Other creditors	21	20
Deferred tax (note 12)	11	4
Other taxation and social security	53	30
Accruals and deferred income	24	92
	<u>980</u>	<u>947</u>

Monies held on behalf of clients are not included in cash balances or creditors.

### 11. Creditors: amounts falling due after more than one year

Other creditors	25	46
	<u>25</u>	<u>46</u>

### 12. Deferred taxation

The amounts provided for deferred taxation at 30% (2002: 30%) are set out below:

	2003 £000	2002 £000
Accelerated capital allowances	11	4
	<u>11</u>	<u>4</u>
Deferred tax liability (note 10)	11	4
	<u>11</u>	<u>4</u>
Provision at 1 January	4	-
Charge for the year	7	4
	<u>11</u>	<u>4</u>
Provision at 31 December	11	4
	<u>11</u>	<u>4</u>

# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 13. Called up equity share capital

	2003 £	2002 £
Authorised £1 Ordinary shares	2	2
	<u>          </u>	<u>          </u>
Allotted, called up and fully paid £1 Ordinary shares	2	2
	<u>          </u>	<u>          </u>

On 30 April 2002 a written resolution was passed to cancel the 98 unissued shares in the Capital of the Company.

### 14. Profit and loss account

	2003 £000	2002 £000
At 1 January 2003	(261)	-
Loss for the financial year	(148)	(261)
	<u>          </u>	<u>          </u>
At 31 December 2003	(409)	(261)
	<u>          </u>	<u>          </u>

### 15. Reconciliation of movements in shareholders' funds

	2002 £000	2002 £000
Opening shareholders' funds	(261)	-
Loss for the financial year	(148)	(261)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	(409)	(261)
	<u>          </u>	<u>          </u>

### 16. Financial commitments

#### (a) Capital commitments

There were no capital commitments at 31 December 2003 for which no provision has been made (2002: £nil).

#### (b) Contingent liabilities:

There were no known material contingent liabilities at 31 December 2003 (2002: £nil).

# CONVEYANCING DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 17. Operating leases

At 31 December 2003, the company has annual commitments under non cancellable operating leases as follows:

	2003		2002	
	Land and buildings £000	Other assets £000	Land and buildings £000	Other assets £000
Expiring within one year	-	5	-	4
Expiring in two to five years	45	1	45	14
Expiring after five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	45	6	45	18
	<hr/>	<hr/>	<hr/>	<hr/>

The land and buildings lease is subject to periodic rent reviews.

### 18. Defined contribution pension scheme

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company, as independently administered funds. The amount charged to the profit and loss account in respect of defined contribution schemes is the contribution payable in the year and amounted to £9,000 (2002: £8,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 19. Related party transactions

Under Financial Reporting Standard No. 8, the company is exempt from disclosing transactions with entities within the Skipton Building Society group as more than 90% of its voting rights are controlled within that group, whose financial statements are publicly available.

### 20. Parent undertakings

The company's immediate parent company is Connells Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking is Skipton Building Society, registered in the United Kingdom.

A copy of the group annual report and accounts is available from:

The Secretary  
Skipton Building Society  
The Bailey  
Skipton  
North Yorkshire  
BD23 1DN