

CONVEYANCING DIRECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2004

(Registered Number 04152278)



A18
COMPANIES HOUSE

AJTXG6Z4

0457
15/07/05

CONVEYANCING DIRECT LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2004.

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

The Directors believe that the business performance has been satisfactory. No interim dividend has been paid during the year (2003: £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:

D Sugden	
RS Shipperley	
SE Ambler	Appointed 16 July 2004 (Director and Chairman)
AS Gill	Appointed 16 July 2004

No director holding office at 31 December 2004 held a beneficial interest in the company at the year end.

RS Shipperley and AS Gill are also Directors of the immediate parent company, Connells Limited and their interests in shares of group companies are disclosed in the directors' report of that company.

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 24 days purchases outstanding (2003:20).

Charitable donations

During the year the company made no donations to charities or for political purposes (2003: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.

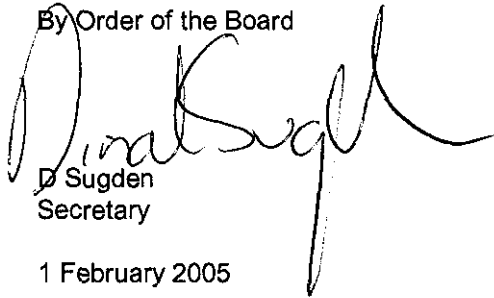
CONVEYANCING DIRECT LIMITED

DIRECTORS' REPORT

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

A handwritten signature in black ink, appearing to read 'D. Sugden', is written over the typed name and title.

D. Sugden
Secretary

1 February 2005

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 irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVEYANCING DIRECT

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 2004 and of its profit 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

1 February 2005

CONVEYANCING DIRECT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £000	2003 £000
Turnover	2	1,904	1,212
Staff costs	4	(842)	(804)
Other operating charges		(1,008)	(670)
Operating profit/(loss)		54	(262)
Interest receivable		120	109
Interest payable	5	(48)	(55)
Profit/(Loss) on ordinary activities before taxation	3	126	(208)
Tax on profit/ (loss) on ordinary activities	6	(38)	60
Profit/(Loss) for the financial year	14	88	(148)

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

There were no recognised gains or losses in the current year (2003: £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

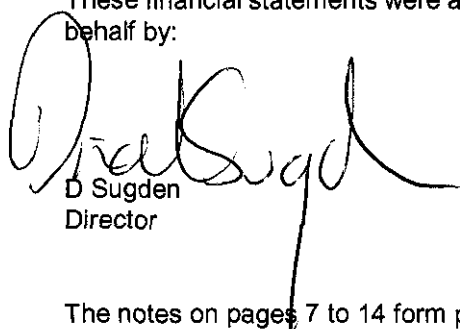
BALANCE SHEET

AT 31 DECEMBER 2004

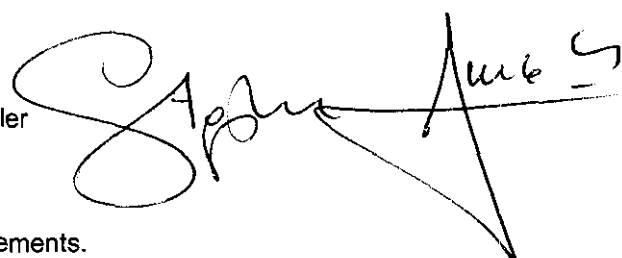
	Notes	2004		2003	
		£000	£000	£000	£000
Fixed assets					
Intangible fixed assets	7		151		216
Tangible assets	8		174		205
			<hr/>		<hr/>
			325		421
Current assets					
Debtors	9	145		164	
Cash at bank and in hand		11		11	
		<hr/>		<hr/>	
		156		175	
Creditors: amounts falling due within one year	10	(795)		(980)	
		<hr/>		<hr/>	
Net current assets			(639)		(805)
			<hr/>		<hr/>
Total assets less current liabilities			(314)		(384)
Creditors: amounts falling due after more than one year	11		(7)		(25)
			<hr/>		<hr/>
Net assets			(321)		(409)
			<hr/>		<hr/>
Capital and reserves					
Called up equity share capital	13		-		-
Profit and loss account	14		(321)		(409)
			<hr/>		<hr/>
Equity shareholders' funds	15		(321)		(409)
			<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 1 February 2005 and signed on its behalf by:


D Sugden
Director

SE Ambler
Director


SE Ambler

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) Basis of accounting

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

(b) 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

(c) 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.

(d) 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.

(e) 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)

(f) 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.

(g) 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. Profit on ordinary activities before taxation

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

	2004 £000	2003 £000
Auditors and its associates' remuneration		
For audit work	8	7
Non-audit work	-	5
Depreciation of tangible fixed assets	66	50
Amortisation of goodwill	65	65
Hire of plant and machinery under operating leases	13	21
Hire of other assets under operating leases	5	7
	<hr/>	<hr/>

4. Staff numbers and costs

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

	2004 No	2003 No
Directors	2	4
Sales and administration	43	37
	<hr/>	<hr/>
	45	41
	<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:

	2004 £000	2003 £000
Wages and salaries	768	736
Social security costs	67	59
Other pension costs	7	9
	<u>842</u>	<u>804</u>
Directors emoluments:		
	2004 £000	2003 £000
Remuneration as directors	116	85
Compensation for loss of office	-	14
	<u>-</u>	<u>14</u>

The aggregate emoluments of the highest paid director were £57,304 (2003 highest paid director: £50,911).

Retirement benefits are accruing to the following directors under:

	2004 No	2003 No
Defined contribution schemes	1	1
	<u>1</u>	<u>1</u>

5. Interest Payable

	2004 £000	2003 £000
Inter-group interest	40	48
Bank interest	8	7
	<u>48</u>	<u>55</u>

CONVEYANCING DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Taxation on profit/(loss) on ordinary activities

	2004 £000	2003 £000
(a) The taxation charge/ (credit) for the year comprises:		
UK Corporation tax calculated at 30% (2003: 30%) on the profit/(loss) for the year	44	(67)
Deferred taxation charge for the year (note 12)	(6)	7
	<hr/>	<hr/>
	38	(60)
	<hr/>	<hr/>
(b) Reconciliation of current tax charge		
Profit/(Loss) on ordinary activities before taxation	126	(208)
	<hr/>	<hr/>
Tax on Profit/(Loss) on ordinary activities at UK standard rate of corporation tax of 30%	38	(62)
Factors affecting charge for the year:		
Depreciation in excess of capital allowances and other timing differences	6	(2)
Expenses not deductible for tax purposes	0	6
Adjustment in respect of prior years	0	(9)
Other	<hr/>	<hr/>
Current tax charge/ (credit)	44	(67)
	<hr/>	<hr/>

7. Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2004	324
Additions	-
	<hr/>
At 31 December 2004	324
	<hr/>
Amortisation	
At 1 January 2004	108
Charge for the financial year	65
	<hr/>
At 31 December 2004	173
	<hr/>
Net book amount	
At 31 December 2004	151
	<hr/>
At 31 December 2003	216
	<hr/>
Goodwill is being amortised on a straight line basis over a period of 5 years.	

CONVEYANCING DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Tangible fixed assets

	Fixtures, fittings and equipment £000
Cost	
At 1 January 2004	262
Additions	35
	<hr/>
At 31 December 2004	297
	<hr/>
Depreciation	
At 1 January 2004	57
Charge for the financial year	66
	<hr/>
At 31 December 2004	123
	<hr/>
Net book amount	
At 31 December 2004	174
	<hr/>
At 31 December 2003	205
	<hr/>

9. Debtors

	2004 £000	2003 £000
Trade debtors	41	48
Prepayments and accrued income	104	56
Corporation tax	-	60
	<hr/>	<hr/>
	145	164
	<hr/>	<hr/>

CONVEYANCING DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. Creditors: amounts falling due within one year

	2004 £000	2003 £000
Trade creditors	82	45
Amounts owed to parent undertaking and fellow subsidiary undertakings	517	826
Other creditors	23	21
Deferred tax (note 12)	5	11
Other taxation and social security	66	53
Accruals and deferred income	91	24
Corporation tax (note 6)	11	-
	<u>795</u>	<u>980</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	<u>7</u>	<u>25</u>
-----------------	----------	-----------

12. Deferred taxation

The amounts provided for deferred taxation at 30% (2003:30%) are set out below:

	2004 £000	2003 £000
Accelerated capital allowances	11	11
Other timing differences	(6)	-
	<u>5</u>	<u>11</u>
Deferred tax liability (note 10)		
	<u>5</u>	<u>11</u>
Provision at 1 January	11	4
Charge for the year	(6)	7
	<u>5</u>	<u>11</u>
Provision at 31 December		
	<u>5</u>	<u>11</u>

CONVEYANCING DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. Called up equity share capital

	2004 £	2003 £
Authorised £1 Ordinary shares	2	2
	<hr/>	<hr/>
Allotted, called up and fully paid £1 Ordinary shares	2	2
	<hr/>	<hr/>

14. Profit and loss account

	2004 £000	2003 £000
At 1 January 2004	(409)	(261)
Profit/(Loss) for the financial year	88	(148)
	<hr/>	<hr/>
At 31 December 2004	(321)	(409)
	<hr/>	<hr/>

15. Reconciliation of movements in shareholders' funds

	2004 £000	2003 £000
Opening shareholders' funds	(409)	(261)
Profit/(Loss) for the financial year	88	(148)
	<hr/>	<hr/>
Closing shareholders' funds	(321)	(409)
	<hr/>	<hr/>

16. Financial commitments

(a) Capital commitments

There were no capital commitments at 31 December 2004 for which no provision has been made (2003: £nil).

(b) Contingent liabilities:

There were no known material contingent liabilities at 31 December 2004 (2003: £nil).

CONVEYANCING DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17. Operating leases

At 31 December 2004, the company has annual commitments under non cancellable operating leases as follows:

	2004		2003	
	Land and buildings £000	Other assets £000	Land and buildings £000	Other assets £000
Expiring within one year	-	-	-	5
Expiring in two to five years	45	1	45	1
	<hr/>	<hr/>	<hr/>	<hr/>
	45	1	45	6
	<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 £7,055 (2003: £9,000). 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