Chancery Law Services Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2011

(Registered Number 05051863)

Contents

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company continued to be the provision of will storage services

Chancery Law Services Limited is a private limited company registered in England and Wales, registered number, 05051863

BUSINESS REVIEW

Overview of the business

Chancery Law Services Limited provides will storage services to private individuals A stable performance was recorded in 2011 in comparison to previous periods

The Company has recorded a profit before tax of £376 for the year ended 31 December 2011 (7 months ended December 2010 £319)

ACQUISITION OF COMPANY

On 8 February 2011, 100% of the shares of the Company's parent company Just Wills Group Limited were purchased by Just Wills Holdings Limited

Prior to the transaction the accounting reference date was changed from 31 May to 31 December The financial statements are prepared for the 12 month period from 1 January 2011 to 31 December 2011 The Company's comparative financial information is presented for the 7 month period from 1 June 2010 to 31 December 2010

GOING CONCERN

The financial statements have been prepared on the going concern basis, notwithstanding current net liabilities, which the Directors believe to be appropriate The Company is dependent for its working capital on funds provided to it by Just Wills Limited, an associate Company Just Wills 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

	12 months ended 31 December 2011	7 months ended 31 December 2010
	£	£
Revenue	418	328
Profit before tax	376	319
Total assets	390	42

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, responsible for managing the Group's 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

Directors' Report - *(continued)*

DIVIDENDS

During the year no interim dividend was paid (2010 £nil) The Directors do not propose the payment of a final dividend (2010 £nil)

DIRECTORS

The directors who served during the year were

D J McMaster	
AD Neale	(resigned 13th September 2011)
ADD Crichton	(resigned 8th February 2011)
A Barnes	(appointed 8th February 2011, resigned 8th August 2012)
RS Shipperley	(appointed 8th February 2011)
DC Livesey	(appointed 8th February 2011)
AS Gill	(appointed 8th February 2011, resigned 29th June 2012)
MJ Oliver	(appointed 8th February 2011)
JP Cosson	(appointed 14th December 2011)

CHARITABLE AND POLITICAL DONATIONS

During the year the Company made no donations to charities (2010 £nil) No contributions were made for political purposes (2010 £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

The Directors of the Company appointed KPMG Audit Plc as auditors during the year 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

MJ Oliver
Director

10 August 2012

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 period 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 CHANCERY LAW SERVICES LIMITED

We have audited the financial statements of Chancery Law Services Limited for the year ended 31 December 2011as set out on pages 7 to 17 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 APB's web-site at www frc org uk/apb/scope/private cfm

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 2011 and of its profit 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

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited

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 3 September 2012

B J 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 2011

	Notes	Year ended 31 Dec 2011 £	Unaudited Restated 7 Month period ended 31 Dec 2010 £
Revenue	1	418	328
Administrative expenses	2	(42)	(9)
Profit before tax		376	319
Taxation	4	-	-
Profit for the period being total comprehensive income		376	319

In both the current and preceding period the Company made no material acquisitions and had no discontinued operations

There were no recognised income and expense items in the current year (2010 £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 17 form part of these financial statements

Statement of Financial Position

AT 31 DECEMBER 2011

	Notes	£	31 December 2011 £	£	Unaudited Restated 31 December 2010 £
Current assets					
Cash and cash equivalents		390		42	
Total current assets			390		42
Total assets			**390**		**42**
Current liabilities					
Trade and other payables	5	192,839		237	
Total current liabilities			192,839		237
Non-current liabilities					
Trade and other payables	5	-		192,630	
Total non-current liabilities			-		192,630
Total liabilities			192,839		192,867
Equity – attributable to equity holders of the Company					
Share capital	6	100		100	
Retained earnings / (deficit)	6	(192,549)		(192,925)	
Total equity			(192,449)		(192,825)
Total equity and liabilities			**390**		**42**

These financial statements were approved by the Board of Directors on 10 August 2012 and signed on its behalf by

MJ Oliver
Director

Company registration number 05051863

The notes on pages 11 to 17 form part of these financial statements

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

	Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 January 2011	100	(192,925)	(192,825)
Total comprehensive income for the year	-	376	376
Balance at 31 December 2011	**100**	**(192,549)**	**(192,449)**
Balance at 1 June 2010	100	(193,244)	(193,144)
Total comprehensive income for the period	-	319	319
Balance at 31 December 2010 (restated) unaudited	**100**	**(192,925)**	**(192,825)**

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Year ended 31 Dec 2011 £	Unaudited Restated Period ended 31 Dec 2010 £
Cash flows from operating activities			
Profit for the period		376	319
Adjustments for			
Interest expense		-	-
Tax expense		-	-
Operating profit before changes in working capital and provisions		**376**	**319**
Decrease in trade and other payables		(28)	(367)
Cash inflow / (outflow) from operations		**348**	**(48)**
Interest paid		-	
Taxes paid		-	-
Net cash inflow / (outflow) from operating activities		**348**	**(48)**
Cash flows from investing activities			
Purchases of property, plant and equipment		-	-
Net cash flow from investing activities		-	-
Cash flows from financing activities			
Dividends paid		-	-
Net cash flow from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		348	(48)
Cash and cash equivalents at 1 January / 1 June		42	90
Cash and cash equivalents at 31 December		**390**	**42**

The notes on pages 11 to 17 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Chancery Law Services 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 2011

Transition to adopted IFRSs

The Company is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1 First time adoption of International Financial Reporting Standards An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 10

The Directors have adopted IAS 24, Related Parties (Revised 2009) and Defined Benefit Asset (Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction) There is no impact on these financial statements as a result of adopting these accounting standards

Measurement convention

These financial statements are prepared on the historical cost basis

Currency presentation

These financial statements are presented in pounds sterling

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 an operating profit for the year and has a positive cash balance Confirmation has been received from Just Wills Limited, that it will provide such support as the Company requires to enable 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 to operate 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 represents amounts receivable for services Income received in advance for the storage of wills is recognised over the period that the customer has paid for storage

c) Trade and other payables

Trade and other payables are stated at their fair value

d) Taxation

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1 Accounting policies (continued)

e) 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

f) 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 2011	Unaudited Period ended 31 Dec 2010
Included in profit for the period is the following	£	£
Auditors' remuneration		
Audit of these financial statements	-	-

Auditors' remuneration of £800 was bourn by another group company

3 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 2011	Unaudited Period ended 31 Dec 2010
	No	No
Directors	7	3

All Directors are remunerated by another group company, and do not receive any remuneration from Chancery Law Services Limited

4 Tax expense

	Year ended 31 Dec 2011	Unaudited Period ended 31 Dec 2010
a) Analysis of expense in the period at 26 5% (2010 21%)	£	£
Current tax expense		
Current tax at 26 5% (2010 21%)	-	-
Total current tax	-	-
Tax expense	-	-

b) Factors affecting current tax expense in the period

The charge for the period can be reconciled to the profit per the Statement of Comprehensive Income as follows

	Year ended 31 Dec 2011	Unaudited Period ended 31 Dec 2010
Profit before tax	376	319
Tax on profit at UK standard rate of 26 5% (2010 21%)	100	67
Effects of		
Utilisation of tax losses	(37)	(67)
Other	(63)	-
Tax expense	-	-

The 2012 Budget on 21 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 a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012 This change would have no impact on these financial statements

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

5 Trade and other payables

	Year ended 31 Dec 2011 £	Unaudited Period ended 31 Dec 2010 £
Amounts owed to group undertakings	192,630	-
Accruals and deferred income	209	237
	192,839	237
Due after more than one year		
Amounts owed to group undertakings	-	192,630

6 Share Capital

	Year ended 31 Dec 2011 £	Unaudited Period ended 31 Dec 2010 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

Management of capital

Capital is considered to be the audited retained earnings and ordinary share capital in issue

Capital	Year ended 31 Dec 2011 £	Unaudited Period ended 31 Dec 2010 £
Ordinary shares	100	100
Retained earnings / (deficit)	(192,549)	(192,925)
	(192,449)	(192,825)

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7 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

	2011			2010		
	Ultimate parent undertaking £	Immediate parent undertaking £	Other group companies £	Ultimate parent undertaking £	Immediate parent undertaking £	Other group companies £
a) Net interest						
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-
Total	-	-	-	-	-	-
b) Sales of goods and services						
Commission receivable	-	-	-	-	-	-
Total	-	-	-	-	-	-
c) Purchase of goods and services	-	-	-	-	-	-
Total	-	-	-	-	-	-
d) Outstanding balances						
Sale of goods and services	-	-	-	-	-	-
Purchase of goods and services	-	-	-	-	-	-
Other payables	-	-	192,630	-	-	192,630
Total	-	-	192,630	-	-	192,630

There are no provisions in respect of goods and services to Related Parties, either at 31 December 2011 or at 31 December 2010 There is no cash held on deposit with the Skipton Building Society held within cash and cash equivalents at the year end (2010 £nil) All transactions are dealt with on normal credit terms

8 Capital Commitments

There were no capital commitments at the year end (2010 £nil)

9 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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

9 Financial instruments (continued)

Liquidity risk (continued)

The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements

	Carrying amount £	Contractual cash flows £	In not more than one month £	In not more than 3 months £	In more than 3 months but not less than 1 year £	In more than one year but not more than 5 years £
Amounts owing to group companies	192,630	192,630	192,630	-	-	-
Total	**192,630**	**192,630**	**192,630**	**-**	**-**	**-**

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 interest bearing liabilities, and the Company monitors any exposure 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)*

10 Explanation of transition to IFRS

As stated in note 1, these are the Company's first financial statements prepared in accordance with IFRSs The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2011, the comparative information for the period ended 31 December 2010 and in the preparation of an opening IFRS balance sheet at 1 June 2010

In preparing its opening Statement of Financial Position, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with UK GAAP An explanation of how the transition from UK GAAP to IFRSs has affected the Company's financial position, financial performance and cash flows from incorporation is set out in the following tables and notes

Reconciliation of statement of financial position

	Note	UK GAAP £	Effect of transition to IFRSs £	IFRS £	UK GAAP £	Effect of transition to IFRSs £	IFRS £
			At 1 June 2010			At 31 December 2010	
Current assets							
Cash and cash equivalents		90	-	90	42	-	42
Total assets		**90**	**-**	**90**	**42**	**-**	**42**
Current liabilities							
Trade and other payables	(a)	1,204	175	1,379	-	237	237
Non-current liabilities							
Trade and other payables		191,855	-	191,855	192,630	-	192,630
		193,059	175	193,234	192,630	237	192,867
Equity							
Share capital		100	-	100	100	-	100
Retained earnings	(a)	(193,069)	(175)	(193,244)	(192,688)	(237)	(192,925)
Total equity and liabilities		**90**	**-**	**90**	**42**	**-**	**42**

Notes to the reconciliation of statement of financial position

(a) The only adjustments in the transition from UK GAAP to IFRS relate to the restatement of will storage income

Reconciliation of profit for the seven month period ended 31 December 2010

	Note	UK GAAP £	Effect of transition to IFRSs £	IFRS £
Revenue		390	(62)	328
Administrative expenses	(a)	(9)	-	(9)
Profit before tax		**381**	**(62)**	**319**
Tax expense		-	-	-
Profit for the period		**381**	**(62)**	**319**

Notes to the reconciliation of profit

(a) The only adjustments in the transition from UK GAAP to IFRS relate to the restatement of will storage income Under UK GAAP the Company was not required to, and did not prepare a Statement of Cash Flows

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11 Adoption of new and revised International Financial Reporting Standards

Disclosed below are new standards and interpretations, which have been adopted during the year

- IAS 24, Related Parties (Revised 2009) The revised standard must be applied for annual periods beginning on or after 1 January 2011 and amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities The revised standard has had no impact on these financial statements

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense These amendments have had no impact on these financial statements

12 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 grouping 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

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