

Legal Services Probate Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2012

(Registered Number 05827307)

TUESDAY



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Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

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

Legal Services Probate Limited is a private limited company registered in England and Wales, registered number, 05827307

BUSINESS REVIEW

Overview of the business

Legal Services Probate Limited provides will probate services to private individuals

The Company has recorded a marginal profit before tax for the year ended 31 December 2012 (nine month period ended 31 December 2011 £12,000) Minimal probate instructions have been received or processed in 2012 This company will now transfer to a dormant status and these accounts have been prepared on a non-going concern basis accordingly

Objectives and strategy of the Company

The Company's objectives during 2012 were 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

	Year ended 31 December 2012 £000	9 months ended 31 December 2011 £000
Revenue	3	13
Profit before tax	-	12
Total assets	-	19

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 which has responsibility for managing 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

DIVIDENDS

During the year an interim dividend of £13,062 (December 2011 £32,000) was paid The Directors do not propose the payment of a final dividend (December 2011 £nil)

Directors' Report - (continued)

DIRECTORS

The directors who served during the period were

D J McMaster	
A Barnes	(resigned 8th August 2012)
RS Shipperley	
DC Livesey	
AS Gill	(resigned 29th June 2012)
MJ Oliver	
JP Cosson	
SN Moore	(appointed 30th January 2013)

CHARITABLE AND POLITICAL DONATIONS

During the period the Company made no donations to charities (December 2011 £nil) No contributions were made for political purposes (December 2011 £nil)

DISCLOSURE OF INFORMATION TO AUDITORS

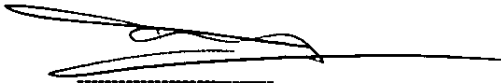
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

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

DJ McMaster
Director



25 March 2013

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 period. 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. As explained in the Directors report on page 3, the directors do not believe it is appropriate to prepare these financial statements on a going concern basis.

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 LEGAL SERVICES PROBATE LIMITED

We have audited the financial statements of Legal Services Probate Limited for the year ended 31 December 2012 as set out on pages 7 to 15. 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. These financial statements have not been prepared on a going concern basis for the reason set out on page 3.

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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 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 period for which the financial statements are prepared is consistent with the financial statements.

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 27 March 2013

Benjamin 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 2012

	Notes	Year ended 31 Dec 2012 £000	9 Month period ended 31 Dec 2011 £000
Revenue	1	3	13
Administrative expenses	2	<u>(3)</u>	<u>(1)</u>
Profit before tax		-	12
Taxation	4	<u>-</u>	<u>(3)</u>
Profit for the period being total comprehensive income		<u>-</u>	<u>9</u>

In both the current and preceding period the Company made no material acquisitions. All activities relate to discontinued operations.

There were no recognised income and expense items in the current year (December 2011: £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 15 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2012

	Notes	£000	31 December 2012 £000	£000	31 December 2011 £000
Current assets					
Trade and other receivables	6	-		17	
Cash and cash equivalents		-		2	
Total current assets			-		19
Total assets			-		19
Current liabilities					
Trade and other payables	7	-		3	
Current tax payable		-		3	
Total current liabilities					6
Total liabilities			-		6
Equity – attributable to equity holders of the Company					
Share capital	8	-		-	
Retained earnings	8	-		13	
Total equity			-		13
Total equity and liabilities			-		19

These financial statements were approved by the Board of Directors on 25 March 2013 and signed on its behalf by



DJ McMaster
Director

Company registration number 05827307

The notes on pages 11 to 15 form part of these financial statements

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2012

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2012	-	13	13
Total comprehensive income for the year	-	-	-
Dividends paid	-	(13)	(13)
Balance at 31 December 2012	-	-	-
Balance at 1 April 2011	-	36	36
Total comprehensive income for the period	-	9	9
Dividends paid	-	(32)	(32)
Balance at 31 December 2011	-	13	13

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	Year ended 31 Dec 2012 £000	9 Month period ended 31 Dec 2011 £000
Cash flows from operating activities			
Profit for the period		-	9
Adjustments for			
Tax expense	4	-	3
Operating profit before changes in working capital and provisions		-	12
Decrease in trade and other receivables		17	14
(Decrease) / increase in trade and other payables		(3)	2
Cash inflow from operations		14	28
Taxes paid		(3)	(6)
Net cash inflow from operating activities		11	22
Cash flows from investing activities			
Purchases of property, plant and equipment		-	-
Net cash outflow from investing activities		-	-
Cash flows from financing activities			
Dividends paid	5	(13)	(32)
Net cash outflow from financing activities		(13)	(32)
Net decrease in cash and cash equivalents		(2)	(10)
Cash and cash equivalents at 1 January / 1 April		2	12
Cash and cash equivalents at 31 December		-	2

The notes on pages 11 to 15 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Legal Services Probate 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 2012.

There have been no new accounting policies adopted in the year.

Measurement convention

These financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand.

Non-going concern basis

Minimal probate instructions have been received or processed in 2012, and the Company has reported a small operating profit for the period. This company will now transfer to a dormant status and these accounts have been prepared on a non-going concern basis.

b) Revenue recognition

Revenue, which excludes value added tax, 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. Probate referral fees are recognised on the fulfilment of all contractual obligations.

c) Trade and other receivables

Trade and other receivables are stated at their nominal value (discounted if material) less any impairment.

d) Trade and other payables

Trade and other payables are stated at their fair value.

e) Taxation

Income tax on the profits 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 periods.

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 period end.

f) 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.

g) Net financing costs

Interest income and interest payable are recognised in the Statement of Comprehensive Income as they accrue, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2 Expenses and auditors' remuneration

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
Included in profit for the period is the following		
Auditors' remuneration		
Audit of these financial statements	-	-
Auditors' remuneration of £810 was borne by another group company (2011 £800)		

3 Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the period was as follows

	Year ended 31 Dec 2012 No	Period ended 31 Dec 2011 No
Directors	6	6

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

4 Tax expense

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
a) Analysis of expense in the period at 24 5% (December 2011 26%)		
Current tax expense		
Current tax at 24 5% (December 2011 26%)	-	3
Total current tax	-	3
Tax expense	-	3

b) Factors affecting current tax expense in the period

The tax credit assessed in the Statement of Comprehensive Income is equal to (2011 equal to) the standard UK corporation tax rate because of the following factors

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
Profit before tax	-	12
Tax on profit at UK standard rate of 24 5% (December 2011 26%)	-	3
Effects of		
Expenses not deductible for tax purposes	-	-
Tax expense	-	3

The tax expense for 2012 included the one-off effect on the deferred tax balances on the reduction in the corporation tax rate from 26% to 24%, which was effective from 1 April 2012

The 2012 Budget on 23 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 further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. As the company will be dormant in 2013 this will have no impact on the company's future current tax charge.

5 Dividends

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
Amounts recognised as distributions to equity holders in the year		
Interim dividend for the year ended 31 December 2012 of £6,334 (December 2011 £15,797) per share	13	32

A dividend distribution in the prior period was made by the previous Directors of the business prior to the acquisition of the Company by Just Wills Limited. This was based upon the distributable reserves position at that time.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6 Trade and other receivables

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
Trade receivables	-	12
Amounts owed by group undertakings	-	5
	<u>-</u>	<u>17</u>

7 Trade and other payables

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
Accruals and deferred income	-	1
Other payables	-	2
	<u>-</u>	<u>3</u>

8 Share Capital

	Year ended 31 Dec 2012 £	Period ended 31 Dec 2011 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Management of capital

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

	Year ended 31 Dec 2012 £000	Period ended 31 Dec 2011 £000
Capital		
Ordinary shares	-	-
Retained earnings	<u>-</u>	<u>13</u>
	<u>-</u>	<u>13</u>

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 period 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)*

9 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.

	December 2012			December 2011		
	Ultimate parent undertaking £000	Immediate parent undertaking £000	Other group companies £000	Ultimate parent undertaking £000	Immediate parent undertaking £000	Other group companies £000
a) Net interest						
Interest receivable	-	-	-	-	-	-
Interest payable	-	-	-	-	-	-
Total	-	-	-	-	-	-
b) Sales of goods and services						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
c) Purchase of goods and services						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
d) Outstanding balances						
Other receivables	-	-	-	-	5	-
Other payables	-	-	-	-	-	-
Total	-	-	-	-	5	-

There are no provisions in respect of goods and services to Related Parties, either at 31 December 2012 or at 31 December 2011. There is no cash held on deposit with the Skipton Building Society held within cash and cash equivalents at the year end (December 2011: £nil). All transactions are dealt with on normal credit terms.

10 Capital Commitments

There were no capital commitments at the year end (December 2011: £nil).

11 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.

There are no contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

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.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

11 Financial instruments (continued)

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 period. The Company is not subject to externally imposed capital requirements.

12 Adoption of new and revised International Financial Reporting Standards

There have been no new accounting policies adopted in the year which have had a significant impact on these accounts.

13 Ultimate Parent Undertaking

The Company is a wholly owned subsidiary of Just Wills 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 group in 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:

Companies House
Crown Way
Cardiff
CF4 3UZ