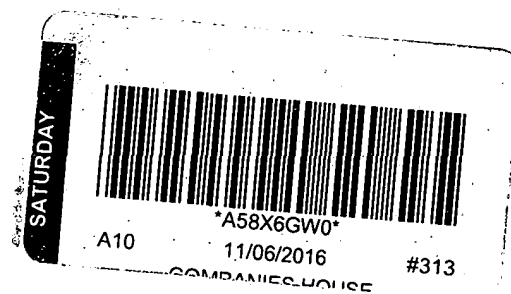


COMPANY REGISTRATION NUMBER 02230971

FAMILY FUNERALS TRUST LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2015



MENZIES LLP

Chartered Accountants & Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey TW20 9LF

FAMILY FUNERALS TRUST LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

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FAMILY FUNERALS TRUST LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

B A Harris (Mrs)
R J Lodge
A J Lodge
J R Lodge (Mrs)
C D Lodge
M J Lodge

COMPANY SECRETARY

M J Lodge

REGISTERED OFFICE

Ludlow House
Ludlow Road
Feltham
Middlesex
TW13 7JF

AUDITOR

Menzies LLP
Chartered Accountants
Centrum House
36 Station Road
Egham
Surrey TW20 9LF

BANKERS

HSBC Bank Plc
54 Clarence Street
Kingston upon Thames
Surrey
KT1 1NP

SOLICITORS

Mundays
Cedar House
78 Portsmouth Road
Cobham
Surrey
KT11 1AN

FAMILY FUNERALS TRUST LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the supply and servicing of prepaid funerals.

The progress of the company during the year accorded with expectations and the position at the year end is regarded as satisfactory.

No other significant changes in the future development of the company are proposed, nor has there occurred since the end of the year any event of such significance that reference should be made to it in the accounts.

DIRECTORS

The directors who served the company during the year were as follows:

B A Harris (Mrs)
R J Lodge
A J Lodge
J R Lodge (Mrs)
C D Lodge
M J Lodge

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

FAMILY FUNERALS TRUST LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2015

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
Ludlow House
Ludlow Road
Feltham
Middlesex
TW13 7JF

Signed by order of the directors


M J Lodge
Company Secretary

Approved by the directors on 25 May 2016

FAMILY FUNERALS TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FAMILY FUNERALS TRUST LIMITED

YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Family Funerals Trust Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 website 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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.

Menzies LLP

Centrum House
36 Station Road
Egham
Surrey TW20 9LF

9 June 2016

LINDA RICHARDSON FCA (Senior Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

FAMILY FUNERALS TRUST LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
TURNOVER		1,304,359	951,675
Cost of sales		1,316,865	903,478
GROSS (LOSS)/PROFIT		(12,506)	48,197
Administrative expenses		159,194	126,419
Other operating income	2	(711,335)	(283,983)
OPERATING PROFIT	3	539,635	205,761
Interest receivable		5,122	50
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		544,757	205,811
Tax on profit on ordinary activities	4	308,224	(8,242)
PROFIT FOR THE FINANCIAL YEAR		236,533	214,053

The notes on pages 8 to 11 form part of these financial statements.

FAMILY FUNERALS TRUST LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2015

	2015	2014
	£	£
Profit for the financial year attributable to the shareholders	236,533	214,053
Unrealised loss on fixed asset properties	(331,234)	(38,404)
Total gains and losses recognised since the last annual report	<u>(94,701)</u>	<u>175,649</u>

The notes on pages 8 to 11 form part of these financial statements.

FAMILY FUNERALS TRUST LIMITED

BALANCE SHEET

31 DECEMBER 2015

	Note	2015 £	£	2014 £	£
FIXED ASSETS					
Investments	6		12,205,407		12,931,510
CURRENT ASSETS					
Debtors due within one year	7	454,450		464,929	
Cash at bank		670,755		225,511	
		<u>1,125,205</u>		<u>690,440</u>	
CREDITORS: Amounts falling due within one year	8	<u>355,224</u>		<u>7,000</u>	
NET CURRENT ASSETS			<u>769,981</u>		<u>683,440</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,975,388</u>		<u>13,614,950</u>
CREDITORS: Amounts falling due after more than one year	9		<u>12,616,786</u>		<u>12,161,647</u>
			<u>358,602</u>		<u>1,453,303</u>
CAPITAL AND RESERVES					
Called up equity share capital	12		2		2
Revaluation reserve	13		(166,920)		1,306,702
Profit and loss account	14		525,520		146,599
SHAREHOLDERS' FUNDS			<u>358,602</u>		<u>1,453,303</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved by the directors and authorised for issue on 25 May 2016, and are signed on their behalf by:


M J Lodge

Company Registration Number: 02230971

The notes on pages 8 to 11 form part of these financial statements.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

The turnover of the company represents membership income which is recognised when the contracts are issued. Turnover also represents the provision of funeral services conducted during the period upon the death of a member.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments held beneficially by the company are recorded initially at historic cost. The investments are revalued each year, with any gain or loss being transferred to the revaluation reserve.

The scheme assets are held separately to the company assets and are managed by the custodian trustees, HSBC Trust Company (UK) Limited.

The company is only able to access the value of these assets on the death of a prepaid funeral scheme member at a rate determined by the actuary.

Interest receivable from investments is included in the profit and loss account on an accruals basis. Dividend income is accounted for on a cash basis.

Gains and losses on disposal are included in the profit and loss account to the extent that they are realised. A transfer is made between the profit and loss and revaluation reserves for any revaluation relating to a previously revalued asset which has now been disposed of.

Prepaid funeral plans

Liabilities for prepaid funeral plans are recognised within other creditors at the original agreed cost. The company has guaranteed holders of prepaid funeral plans a funeral in line with the signed contract. Any fluctuation in the market value of providing the funeral is suffered by Lodge Bros (Funerals) Limited (the parent company).

Outstanding liabilities are recognised by inclusion of a corresponding asset reflected in trade debtors, to the extent that they are considered recoverable.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES *(continued)*

Value added tax

The provision of funeral services is an exempt supply for Value Added Tax and as a consequence a proportion of the related Value Added Tax on expenses and direct costs are not recoverable and therefore included in costs and expenses.

2. OTHER OPERATING INCOME

	2015 £	2014 £
Dividends receivable and interest on investments	345,978	348,596
Profit/(loss) on disposal of investments	365,357	(64,613)
	<u>711,335</u>	<u>283,983</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
Directors' remuneration	-	-
Auditor's fees	7,915	7,000

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2015 £	2014 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2014 - 21%)	280,050	(8,242)
Over/under provision in prior year	28,174	-
Total current tax	<u>308,224</u>	<u>(8,242)</u>

5. DIVIDENDS

Equity dividends

	2015 £	2014 £
Paid during the year:		
Equity dividends on ordinary shares	<u>1,000,000</u>	<u>750,000</u>

6. INVESTMENTS

Listed Investments

COST OR VALUATION

	£
At 1 January 2015	12,931,510
Additions	10,606,492
Disposals	(11,001,361)
Revaluations	(331,234)
At 31 December 2015	<u>12,205,407</u>

NET BOOK VALUE

At 31 December 2015	<u>12,205,407</u>
At 31 December 2014	<u>12,931,510</u>

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

6. INVESTMENTS (continued)

At the year the year end, the company had a commitment to invest a further £22,965 (2014: £84,599) in connection with net prepaid funeral income received in December 2015.

7. DEBTORS

	2015	2014
	£	£
Trade debtors	454,339	448,114
Corporation tax repayable	-	8,242
Other debtors	111	8,573
	<u>454,450</u>	<u>464,929</u>

8. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Corporation tax	308,224	-
Other creditors	47,000	7,000
	<u>355,224</u>	<u>7,000</u>

9. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Amounts owed to group undertakings	284,593	413,294
Other creditors	12,332,193	11,748,353
	<u>12,616,786</u>	<u>12,161,647</u>

Included within other creditors are amounts totalling £12,332,193 (2014: £11,748,353) relating to liabilities for the provision of funeral services on the death of a scheme member. As there is subjectivity over the timing of this liability crystallising it is not possible to split this amount accurately between creditors due within one year and creditors due greater than one year.

10. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2015	2014
	£	£
Other timing differences	<u>(33,384)</u>	<u>271,000</u>

The unprovided deferred tax on other timing differences relates to an estimate of the tax liability that would crystallise on the disposal of revalued fixed asset investments. As there is no commitment to dispose of these assets at the year end, the tax liability has not been recognised in the financial statements.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard for Smaller Entities (January 2015) from the requirement to disclose transactions with group companies on the grounds that the company is a wholly owned subsidiary undertaking of the group who prepare consolidated financial statements that are publicly available.

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

13. REVALUATION RESERVE

	2015	2014
	£	£
Balance brought forward	1,306,702	1,525,034
Revaluation of fixed assets	(331,234)	(38,404)
Transfer to the Profit and Loss Account	(1,142,388)	(179,928)
Balance carried forward	<u>(166,920)</u>	<u>1,306,702</u>

14. PROFIT AND LOSS ACCOUNT

	2015	2014
	£	£
Balance brought forward	146,599	502,618
Profit for the financial year	236,533	214,053
Equity dividends	(1,000,000)	(750,000)
Transfer from revaluation reserve	1,142,388	179,928
Balance carried forward	<u>525,520</u>	<u>146,599</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Lodge Bros. (Funerals) Limited, a company incorporated in England.

16. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.