

FAMILY FUNERALS TRUST LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2013

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FAMILY FUNERALS TRUST LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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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
Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

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 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

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

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 2013

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 28/5/2014

FAMILY FUNERALS TRUST LIMITED

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

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Family Funerals Trust Limited for the year ended 31 December 2013 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 April 2008) (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 2013 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.

Menzies LLP

Heathrow Business Centre
65 High Street
Egham
Surrey TW20 9EY

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

2 June 2014

FAMILY FUNERALS TRUST LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER		805,437	850,757
Cost of sales		<u>756,737</u>	<u>798,057</u>
GROSS PROFIT		48,700	52,700
Administrative expenses		140,657	86,641
Other operating income	2	<u>(441,500)</u>	<u>(385,513)</u>
OPERATING PROFIT	3	349,543	351,572
Interest receivable		50	50
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>349,593</u>	<u>351,622</u>
Tax on profit on ordinary activities	4	122,578	(10,489)
PROFIT FOR THE FINANCIAL YEAR		<u>227,015</u>	<u>362,111</u>

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 2013

	2013	2012
	£	£
Profit for the financial year attributable to the shareholders	227,015	362,111
Unrealised profit on revaluation of fixed asset investments	940,587	729,033
Total gains and losses recognised since the last annual report	<u>1,167,602</u>	<u>1,091,144</u>

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

FAMILY FUNERALS TRUST LIMITED

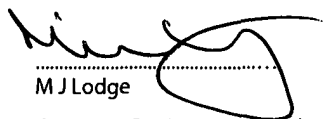
BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	£	2012 £	£
FIXED ASSETS					
Investments	6		11,796,748		10,084,828
CURRENT ASSETS					
Debtors due within one year	7	452,269		405,745	
Debtors due after one year	7	260,016		1,172,894	
Cash at bank		240,834		263,627	
		953,119		1,842,266	
CREDITORS: Amounts falling due within one year	8	164,578		22,500	
NET CURRENT ASSETS			788,541		1,819,766
TOTAL ASSETS LESS CURRENT LIABILITIES			12,585,289		11,904,594
CREDITORS: Amounts falling due after more than one year	9		10,557,635		9,544,542
			2,027,654		2,360,052
CAPITAL AND RESERVES					
Called-up equity share capital	12		2		2
Revaluation reserve	13		1,525,034		1,000,737
Profit and loss account	14		502,618		1,359,313
SHAREHOLDERS' FUNDS			2,027,654		2,360,052

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 April 2008).

These accounts were approved by the directors and authorised for issue on 28/5/2014, and are signed on their behalf by:


M J Lodge

Company Registration Number: 2230971

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 2013

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 April 2008).

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.

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 are 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.

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.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

2. OTHER OPERATING INCOME

	2013 £	2012 £
Dividends receivable and interest on investments	312,687	303,532
Profit/(loss) on disposal of investments	128,813	81,981
	<u>441,500</u>	<u>385,513</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2013 £	2012 £
Directors' remuneration	—	—
Auditor's fees	5,943	5,057
	<u>5,943</u>	<u>5,057</u>

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2013 £	2012 £
Current tax:		
UK Corporation tax based on the results for the year at 23.50% (2012 - 24.50%)	122,578	(10,489)
Total current tax	<u>122,578</u>	<u>(10,489)</u>

5. DIVIDENDS

Equity dividends

	2013 £	2012 £
Paid during the year:		
Equity dividends on ordinary shares	<u>1,500,000</u>	<u>1,250,000</u>

6. INVESTMENTS

Listed
Investments

£

COST OR VALUATION

At 1 January 2013	10,084,828
Additions	4,208,653
Disposals	(3,437,320)
Revaluations	940,587
At 31 December 2013	<u>11,796,748</u>

NET BOOK VALUE

At 31 December 2013	<u>11,796,748</u>
At 31 December 2012	<u>10,084,828</u>

At the year the year end, the company had a commitment to invest a further £57,814 (2012: £80,439) in connection with net prepaid funeral income received in December 2013.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

7. DEBTORS

	2013 £	2012 £
Trade debtors	436,721	374,708
Amounts owed by group undertakings	260,016	1,172,894
Corporation tax repayable	–	10,489
Other debtors	15,548	20,548
	<u>712,285</u>	<u>1,578,639</u>

The debtors above include the following amounts falling due after more than one year:

	2013 £	2012 £
Amounts owed by group undertakings	<u>260,016</u>	<u>1,172,894</u>

8. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Corporation tax	122,578	–
Other creditors	42,000	22,500
	<u>164,578</u>	<u>22,500</u>

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

	2013 £	2012 £
Other creditors	<u>10,557,635</u>	<u>9,544,542</u>

Included within other creditors are amounts totalling £10,557,635 (2012: £9,544,542) 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:

	2013 £	2012 £
Other timing differences	<u>345,519</u>	<u>528,538</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 No 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2013 No	£	2012 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 2013

13. REVALUATION RESERVE

	2013 £	2012 £
Balance brought forward	1,000,737	682,778
Revaluation of fixed assets	940,587	729,033
Transfer to the Profit and Loss Account	(416,290)	(411,074)
Balance carried forward	<u>1,525,034</u>	<u>1,000,737</u>

14. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
Balance brought forward	1,359,313	1,836,128
Profit for the financial year	227,015	362,111
Equity dividends	(1,500,000)	(1,250,000)
Transfer from revaluation reserve	416,290	411,074
Balance carried forward	<u>502,618</u>	<u>1,359,313</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Lodge Bros. (Funerals) Limited, a company incorporated in England. There is no ultimate controlling party.