

Company No: 3075159

THE AFFORDABLE FUNERAL PLAN LTD

REPORT AND FINANCIAL STATEMENTS

15 MONTHS TO 31st MARCH 2003



THE AFFORDABLE FUNERAL PLAN LTD

CONTENTS

	PAGE
COMPANY INFORMATION	1
REPORT OF THE DIRECTORS	2
AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7 to 11

THE AFFORDABLE FUNERAL PLAN LTD

COMPANY INFORMATION

Directors :	C P J Field C M Field W E Fry (resigned 22 August 2002) C A Fry (resigned 22 August 2002)
Secretary :	C M Field
Registered Office :	2/4 Cayton Street London EC1V 9EH
Registered number :	3075159
Auditors :	RSM Robson Rhodes LLP Bryanston Court Selden Hill Hemel Hempstead Herts HP2 4TN

THE AFFORDABLE FUNERAL PLAN LTD

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the 15 months ended 31st March 2003.

Principal activity

The principal activity of the company is the provision of funeral benefits.

Review

Despite an extensive advertising campaign, the company failed to show an improvement in its trading results. It is hoped that prospects will improve in the current year.

Results and dividends

The company made a retained loss for the period, after tax, of £25,525 (year ended 31st December 2001 £16,250). The directors do not propose a dividend (2001 nil).

Directors

The directors of the company during the period and their interests in the shares of the company as recorded in the register of directors interests were as follows:-

	Ordinary shares of £1 each	
	31st March 2003	31st December 2001
C P J Field	0	1
Mrs CM Field	0	0

Mr CPJ Field and Mrs CM Field are also directors of the Traditional Family Funeral Company Ltd and its 100% owned subsidiary companies, Heritage and Sons Ltd, Deric Scott Ltd, Attree & Kent Ltd, Cooper and Sons Funeral Services Ltd.

Their shareholdings in the Traditional Family Funeral Company Ltd were as follows:-

	Ordinary shares of £1 each	
	31st March 2003	31st December 2001
C P J Field	1,965,712	1,965,712
Mrs CM Field	554,432	554,432

THE AFFORDABLE FUNERAL PLAN LTD

REPORT OF THE DIRECTORS (continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements the directors have:

- * selected suitable accounting policies and applied them consistently
- * made judgements and estimates that are reasonable and prudent
- * followed applicable UK accounting standards, and
- * prepared the financial statements on the going concern basis

The directors are responsible for keeping proper accounting records which 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 1985. 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.

Auditors

On 3 May 2003, RSM Robson Rhodes, the company's auditors, transferred their business to RSM Robson Rhodes LLP. A board resolution to extend the appointment of RSM Robson Rhodes to RSM Robson Rhodes LLP, with effect from 3 May 2003, was passed on 19 May 2003. RSM Robson Rhodes LLP have agreed to offer themselves for re-appointment as auditors to the company.

The report of the directors was approved by the Board on 24 September 2003 and signed on its behalf by:



Christine Mary Field
Secretary

THE AFFORDABLE FUNERAL PLAN LTD

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE AFFORDABLE FUNERAL PLAN LIMITED

We have audited the financial statements on pages 5 to 11.

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

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 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 company's state of affairs as at 31st March 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditor
Hemel Hempstead
24 September 2003

THE AFFORDABLE FUNERAL PLAN LTD

PROFIT AND LOSS ACCOUNT for the 15 months ended 31st March 2003

	Note	31.03. 2003 £	31.12. 2001 £
Turnover - continuing operations	1	2,488	3,126
Cost of sales		0	(97)
Gross Profit		2,488	3,029
Administrative expenses		(32,241)	(19,283)
Operating loss-continuing operations	2	(29,753)	(16,254)
Interest receivable and similar income	3	1	4
Other income		0	0
Loss on ordinary activities before taxation		(29,752)	(16,250)
Tax on profit/loss on ordinary activities	6	4,227	0
Loss for the financial year		(25,525)	(16,250)
Dividends		0	0
Retained Loss for the year	11	(25,525)	(16,250)

There were no recognised gains or losses other than those reported above

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the period ended 31st March 2003

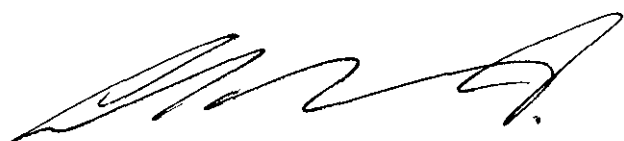
	2003 £	2001 £
Total recognised losses	(25,525)	(16,250)
Opening shareholders' funds	(31,908)	(15,658)
Closing shareholders' funds	(57,433)	(31,908)

THE AFFORDABLE FUNERAL PLAN LTD

Balance Sheet at 31st March 2003

	Note	2003 £	31.12 2001 £
Fixed Assets			
Tangible assets	7	1,123	2,245
Current assets			
Debtors	8	0	2,169
Cash and bank balances		0	7,430
		0	9,599
Creditors:			
Amounts falling due within one year	9	(750)	(43,750)
Net current liabilities		(750)	(34,151)
Total assets less current liabilities		373	(31,906)
Creditors:			
Amounts falling due after more than one year	10	(57,804)	0
Net liabilities		(57,431)	(31,906)
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	(57,433)	(31,908)
Shareholders' funds - equity		(57,431)	(31,906)

The financial statements were approved by the Board on 24 September 2003 and signed on its behalf by:



Colin Peter John Field
Director

THE AFFORDABLE FUNERAL PLAN LTD**NOTES TO THE FINANCIAL STATEMENTS****31 March 2003****1 ACCOUNTING POLICIES****Basis of accounting**

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

Turnover

Turnover consists of the invoiced value (excluding VAT) for services supplied in the period.

Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of the tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for these assets are:

Computer equipment	Between 10 and 50%
Fixtures and fittings	15%

Leased assets

Where assets are financed by leasing agreements (' finance leases ') the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding

Taxation

The charge for taxation is based on the profit or (loss) for the period as adjusted for tax purposes. In accordance with FRS19, full provision is made at current rates for taxation deferred in respect of all timing differences. Deferred tax balances are not discounted. Deferred tax assets are only recognised where they arise from timing differences, where their recoverability in the short term is regarded as more likely than not. The company previously accounted for deferred tax using the liability method to the extent that it was probable that a liability would crystallise.

THE AFFORDABLE FUNERAL PLAN LTD

NOTES TO THE FINANCIAL STATEMENTS

31 March 2003

2 OPERATING LOSS

The operating loss is arrived at after charging :

Auditors' remuneration

Depreciation of tangible fixed assets

2003

£

750

1,122

2001

£

750

1,122

3 INTEREST RECEIVABLE AND SIMILAR INCOME

2003

£

2001

£

Interest receivable

1

4

4 EMPLOYEES

2003

£

2001

£

Average weekly number of employees, including directors :

Administration

2

4

There were no staff costs in the period (2001 £nil).

5 DIRECTORS

2003

£

2001

£

Emoluments of the company's directors

As directors

0

0

THE AFFORDABLE FUNERAL PLAN LTD

NOTES TO THE FINANCIAL STATEMENTS

31 March 2003

6 TAXATION

a) Analysis of tax charge for the period

	15 months to 31.03.2003	2001
	£	£
Current tax:		
Group relief receivable	(4,227)	0
UK corporation tax on profits for the period	<u>(4,227)</u>	<u>0</u>

b) Factors affecting the tax charge for the period

No tax charge arises in respect of the current period or the prior year, due to losses incurred, as explained below:

	15 months to 31.03.2003	2001
	£	£
Loss on ordinary activities before tax	<u>(29,745)</u>	<u>(16,250)</u>
Theoretical tax at UK corporation tax rate of 30%	(8,924)	(4,875)
Effects of:-		
Accelerated capital allowances	257	0
Increase in tax losses	4,440	4,875
Current tax charge for the period	<u>(4,227)</u>	<u>0</u>

c) Factors that may affect future tax charges

The company's tax losses as at 31st March 2003 amount to £52,801 (2001:£38,000)

The resultant deferred tax asset of £15,840 (£2001:£11,400) has not been recognised due to uncertainties as to the extent and timing of its future recovery

THE AFFORDABLE FUNERAL PLAN LTD

NOTES TO THE FINANCIAL STATEMENTS

31 March 2003

7 TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 January 2002	8,717	238	8,955
Additions during the period	0	0	0
At 31st March 2003	<u>8,717</u>	<u>238</u>	<u>8,955</u>
Depreciation			
At 1 January 2002	6,472	238	6,710
Charged during the period	1,122		1,122
At 31st March 2003	<u>7,594</u>	<u>238</u>	<u>7,832</u>
Net book value			
At 31st March 2003	<u>1,123</u>	<u>0</u>	<u>1,123</u>
At 1st January 2002	<u>2,245</u>	<u>0</u>	<u>2,245</u>

8 DEBTORS

	2003 £	2001 £
Trade debtors	0	2,169
	<u>0</u>	<u>2,169</u>

9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2001 £
Trade creditors	0	9,593
Director's Loan account	0	31,076
Accruals and other deferred income	750	3,081
	<u>750</u>	<u>43,750</u>

THE AFFORDABLE FUNERAL PLAN LTD

NOTES TO THE FINANCIAL STATEMENTS

31 March 2003

10 CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR	2003	2001
	£	£
Ultimate parent company and controlling party - The Traditional Family Funeral Company Limited	57,804	0

This amount due is payable after 5 years

The Traditional Family Funeral Company Limited has undertaken to continue to support financially the Affordable Funeral Plan Limited for the foreseeable future. The amount payable to the Traditional Family Funeral Company Limited has been subordinated in favour of third party liabilities.

11 SHARE CAPITAL	2001	2000
	£	£
Authorised 100 Ordinary shares of £1 each	100	100
Allotted and fully paid 2 Ordinary shares of £1 each	2	2

12 RESERVES	Profit and loss account
At 1st January 2002	(31,908)
Loss for the financial period	(25,525)
At 31st March 2003	(57,433)

13 CONTROLLING PARTY

On 22 August 2002, 100% ownership of the company was transferred from Mr WE Fry and Mr CPJ Field to the Traditional Family Funeral Company Ltd. The ultimate parent company at 31 March 2003 is the Traditional Family Funeral Company Ltd, which is registered in England and Wales.

14 RELATED PARTY TRANSACTIONS

During the period the parent company, The Traditional Family Funeral Company Ltd, paid certain administration expenses on behalf of Affordable Funeral Plan Ltd. The parent company has also paid Affordable Funeral Plan Ltd £4,227 for group relief of tax losses. At the period end, the company owed £57,804 to the Traditional Family Funeral Company Ltd.

At the beginning of the period, the company owed £31,076 to the directors, Mr WAFry and Mr CPJ Field. These loans were repaid during the period.