

Phillips Funeral Plans Limited  
Directors' report and financial statements  
for the period ended 30 December 2005

Registered number 3439290

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# **Phillips Funeral Plans Limited**

## **Directors' report and financial statements for the period ended 30 December 2005**

	<b>Page</b>
Directors' report for the period ended 30 December 2005	1
Independent auditors' report to the members of Phillips Funeral Plans Limited	3
Profit and loss account for the period ended 30 December 2005	4
Statement of total recognised gains and losses	4
Note of historical cost profit and losses	4
Balance sheet as at 30 December 2005	5
Notes to the financial statements for the period ended 30 December 2005	6

# **Phillips Funeral Plans Limited**

## **Directors' report for the period ended 30 December 2005**

The directors present their report and the audited financial statements of Phillips Funeral Plans Limited ('the Company') for the period ended 30 December 2005. The Company is a subsidiary of Dignity plc and a member of the Dignity plc group ('the group').

### **Principal activities**

The principal activity of the Company is that of administering the performance of pre-arranged funeral plans already sold on behalf of Phillips Funeral Plans Trust.

### **Business review and future developments**

The directors of Dignity plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the group, which includes the Company, is discussed within the Business Review of the group's annual report which does not form part of this report.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Dignity plc group, which include those of the Company, are discussed within the Directors' Report of the group's annual report which does not form part of this report.

### **Results**

The Company's results for the period are shown on page 4. The company made no payment for dividends in the period (period ending 10 February 2005: £nil).

### **Directors and their interests**

The directors serving during the period were as follows:

P T Hindley (appointed 10 February 2005)  
M K McCollum (appointed 10 February 2005)  
A R Davies (appointed 10 February 2005)  
T J Franklin-Smith (resigned 10 February 2005)  
L M Franklin-Smith (resigned 10 February 2005)  
R A J Franklin-Smith (resigned 10 February 2005)

According to the share register required to be held under s325 of the Companies Act 1985, none of the directors had any beneficial interests in the shares of the Company as at 30 December 2005 or 10 February 2005.

The directors are also directors of the ultimate parent company, Dignity plc. The interests of the directors in the shares and debentures of other group companies are shown in that annual report, which can be obtained from Plantsbrook House, 94 The Parade, Sutton Coldfield, West Midlands, B72 1PH.

### **Donations**

The Company did not make any charitable or political donations in either period.

# **Phillips Funeral Plans Limited**

## **Directors' report for the period ended 30 December 2005 (continued)**

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements that give a true and fair view of the state of affairs of the Company for each financial period and of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been applied consistently as explained in note 1 of the financial statements.

They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 30 December 2005, and that applicable accounting standards have been followed.

The directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to 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.

### **Disclosure of information to auditors**

The directors confirm that as far as each Director is aware there is no relevant audit information of which the Group's auditors are unaware. The Directors further confirm each of them have taken all steps that they ought to have done as Directors to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

### **Auditors**

A resolution to appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the board



MK McCollum

Director

16<sup>th</sup> April 2007

## **Independent auditors' report to the members of Phillips Funeral Plans Limited**

We have audited the financial statements of Phillips Funeral Plans Limited for the period ended 30 December 2005 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 judgments 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 the 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. However the evidence available to us was limited because following our appointment as auditors of the company on 10 February 2005 we were unable to obtain sufficient audit evidence with regard to the balances included in the preceding period's financial statements. Any adjustments to these figures would affect the profit for the period ended 30 December 2005.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Qualified opinion arising from limitation on audit scope**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 December 2005 and except for any adjustment that we might have found to be necessary had we been able to satisfy ourselves as to the matter referred to above, of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the opening balances as at 10 February 2005

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit.
- We were unable to determine whether proper accounting records had been kept.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

16 April 2007

## Phillips Funeral Plans Limited

### Profit and loss account for the period ended 30 December 2005

		30 December 2005	10 February 2005
	Note	£	£
Turnover		-	74,302
Cost of sales		-	(74,493)
Gross loss		-	(191)
Other operating income/(expense)		4,639	(2,292)
Operating profit / (loss)	4	4,639	(2,483)
Interest receivable	5	268	1,077
Profit/(loss) on ordinary activities before taxation		4,907	(1,406)
Taxation	6	-	339
Profit/(loss) on ordinary activities after taxation and retained earnings for the financial period.	11	4,907	(1,067)

The results have been derived from continuing activities throughout the period

### Statement of total recognised gains and losses

There were no other recognised gains or losses other than those included within the result for the financial period, as shown above

### Note of historical cost profit and losses

There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis

# Phillips Funeral Plans Limited

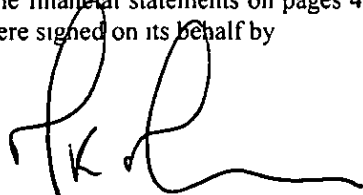
## Balance sheet as at 30 December 2005

		30 December 2005	10 February 2005
	Note	£	£
<b>Current assets</b>			
Debtors - amounts falling due within one year	7	49,998	52,667
Cash		14,993	7,613
<b>Total current assets</b>		<b>64,991</b>	<b>60,280</b>
<b>Creditors</b> amounts falling due within one year	8	<b>(30,849)</b>	<b>(31,045)</b>
<b>Total assets less current liabilities</b>		<b>34,142</b>	<b>29,235</b>
<b>Net assets</b>		<b>34,142</b>	<b>29,235</b>

### Capital and reserves

Called up share capital	9	50,000	50,000
Profit and loss account	10	(15,858)	(20,765)
<b>Total shareholders' funds</b>	11	<b>34,142</b>	<b>29,235</b>

The financial statements on pages 4 to 10 were approved by the board of directors on 16<sup>th</sup> April 2007 and were signed on its behalf by



MK McCollum  
Director

# **Phillips Funeral Plans Limited**

## **Notes to the financial statements for the period ended 30 December 2005**

### **1 Principal accounting policies**

#### **Basis of preparation**

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. A summary of the principal accounting policies, which have been consistently applied, is set out below.

The Company has taken advantage of the exemptions contained within Financial Reporting Standard ('FRS') 1, 'Cash Flow Statements' and has not prepared a cash flow statement as the Company is included in the consolidated financial statements of Dignity plc which include a consolidated cash flow statement.

Furthermore, as the Company is a wholly owned subsidiary of Dignity plc, the Company has also taken advantage of the exemptions contained within FRS 8, 'Related party transactions' and has therefore not disclosed any transactions within the Dignity plc group of companies.

The financial statements have been prepared for the period ending 30 December 2005. The financial statements for the previous period have been prepared for the period ended 10 February 2005.

#### **Pre-arranged funeral plans**

The Company no longer actively markets or sells pre-arranged funeral plans.

The Company makes payments on behalf of the Trust relating to refunds to members of the Trust in event of cancellation, and the payments made to funeral directors when the funeral is ultimately performed. All such payments are reimbursed in full by the Trust on demand, in accordance with the terms of the Trust deed.

Neither the sales value of plans nor the costs of providing funerals are recognised in the financial statements of the Company.

### **2 Turnover**

As the Company no longer actively markets pre-arranged funeral plans no turnover is expected to arise.



# **Phillips Funeral Plans Limited**

## **Notes to the financial statements for the period ended 30 December 2005 (continued)**

### **3 Staff costs**

#### **(a) Employees**

There were no staff costs in the period

The average number of people, including directors, employed by the Company during the period was

	<b>30 December 2005</b>	<b>10 February 2005</b>
	<b>Number</b>	<b>Number</b>
Administration and managerial	<b>3</b>	<b>5</b>
Total	<b>3</b>	<b>5</b>

#### **(b) Directors' remuneration**

The directors are directors of the ultimate parent company, Dignity plc and details of their emoluments are included in the financial statements of that company. They received no emoluments in respect of their services to the Company.

### **4 Operating profit / (loss)**

Auditors' remuneration is borne by a fellow subsidiary of the group

### **5 Interest receivable**

	<b>30 December 2005</b>	<b>10 February 2005</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>268</b>	<b>1,077</b>
Total	<b>268</b>	<b>1,077</b>

# Phillips Funeral Plans Limited

## Notes to the financial statements for the period ended 30 December 2005 (continued)

### 6 Taxation

#### (a) Analysis of tax charge for the period

	30 December 2005	10 February 2005
	£	£
The taxation charge for the period comprises		
Current tax	-	(339)
<b>Tax on loss on ordinary activities</b>	<b>-</b>	<b>(339)</b>

#### (b) Factors affecting tax charge for the year

The current tax charge for the period is lower (2005 lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below

	30 December 2005	10 February 2005
	£	£
Profit / (loss) on ordinary activities before tax	4,907	(1,406)
Corporation tax in the UK of 30% (2005 30%)	1,472	(422)
Effects of		
Permanent differences	-	83
Group relief claimed without charge	(1,472)	-
<b>Current tax charge for the period (note 6(a))</b>	<b>-</b>	<b>(339)</b>

# Phillips Funeral Plans Limited

## Notes to the financial statements for the period ended 30 December 2005 (continued)

### 7 Debtors: amounts falling due within one year

	30 December 2005	10 February 2005
	£	£
Trade debtors	-	2,330
Amounts due from group undertakings	49,998	49,998
Other debtors	-	339
	49,998	52,667

### 8 Creditors: amounts falling due within one year

	30 December 2005	10 February 2005
	£	£
Amounts due to group undertakings	30,849	31,045
	30,849	31,045

### 9 Called up share capital

	30 December 2005	10 February 2005
	£	£
<b>Authorised</b>		
Ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	50,000	50,000

## **Phillips Funeral Plans Limited**

### **Notes to the financial statements for the period ended 30 December 2005 (continued)**

#### **10 Profit & loss account**

	2005
	£
At beginning of period	(20,765)
Profit for the financial period	4,907
At end of period	(15,858)

#### **11 Reconciliation of movement in shareholders' funds**

	30 December 2005	10 February 2005
	£	£
Profit / (loss) for the financial period	4,907	(1,067)
Net additions to shareholder's funds	4,907	(1,067)
Opening equity shareholders' funds	29,235	30,302
Closing equity shareholders' funds	34,142	29,235

#### **12 Ultimate holding company**

The Company's ultimate holding company and controlling party at 30 December 2005 and 10 February 2005 was Dignity plc

The parent undertaking of the smallest group in which the financial statements of the Company are consolidated is Dignity (2002) Limited. Copies of the consolidated financial statements of the Dignity (2002) Limited group are available from Plantsbrook House, 94 The Parade, Sutton Coldfield, West Midlands, B72 1PH

#### **13 Post balance sheet events**

A number of changes have been proposed in the recent Chancellor's Budget to the UK Corporation tax system, including a reduction in the corporation tax rate to 28% from 30%. The impact of these changes to the financial statements is not considered to be significant