

NAFD Services Limited

Financial statements

For the year ended 31 December 2004

Grant Thornton 



Company no.2644860

Officers and advisers

Company registration number:	2644860
Registered office:	618 Warwick Road Solihull West Midlands B91 1AA
Directors:	S A Truelove K O Goodchild M Wilkinson
Secretary:	A B Slater
Bankers:	The Royal Bank of Scotland plc 141 High Street Solihull West Midlands B91 3SR
Auditors:	Grant Thornton UK LLP Registered Auditors Chartered Accountants Enterprise House 115 Edmund Street Birmingham B3 2HJ

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Report of the directors

The directors present their report together with financial statements for the year ended 31 December 2004.

Principal activity

The company is principally engaged in the administration of services on behalf of the Perfect Assurance Funeral Trust and the Perfect Assurance Funeral Trust 2004 which are engaged in the sale of pre-payment funeral plans.

Business review

The loss for the year after taxation amounted to £ 27,308 (2003 : profit £4,049). The directors consider the results for the year to be satisfactory and anticipate that they will continue to remain so in the forthcoming year. The directors do not recommend payment of a dividend and the profit has been transferred to reserves.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

K O Goodchild
S A Truelove
M Wilkinson

None of the directors held any shares in the company or had any interest in the parent undertaking during any part of the year.

Directors' responsibilities for the financial statements

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 or loss of the company for that period. In preparing those 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:
- 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 proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP and the directors have agreed to extend the appointment to Grant Thornton UK LLP with effect from 1 July 2004 under section 26(5) of the Companies Act 1989.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



Secretary

Date: 10 May 2005

Report of the independent auditors to the members of NAFD Services Limited

We have audited the financial statements of NAFD Services Limited for the year ended 31 December 2004 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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. 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 state of affairs of the company's as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BIRMINGHAM**

Date : *10 May 2005*

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company for services provided, excluding VAT. Plan registration fees are taken to profit in the period in which they are received.

Interest received

Interest received is recognised in the profit and loss account on a received basis.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of the tangible fixed assets by equal instalments over their expected useful lives. The rates generally applicable are:

Furniture and fittings	15%
Computer equipment	15%

Contribution to pension funds

Defined Contribution Scheme

The pension cost charged against profits represents the amount of the contributions payable to the scheme in respect of the accounting period.

Profit and loss account

	Note	2004 £	2003 £
Turnover	1	175,736	142,774
Administrative expenses		(204,938)	(138,465)
Operating (loss)/profit		(29,202)	4,309
Interest received and similar income		1,127	634
(Loss)/profit on ordinary activities before taxation	1	(28,075)	4,943
Tax on (loss)/profit on ordinary activities	3	767	(894)
(Loss)/profit transferred to reserves	8	(27,308)	4,049

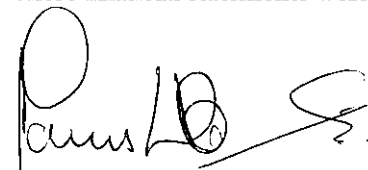
There were no recognised gains or losses other than the (loss)/profit for the financial year.

The principal accounting policies and accompanying notes form part of these financial statements.

Balance sheet

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	4	638	794
Current assets			
Debtors	5	104,135	1,501
Cash at bank and in hand		21,892	57,630
		<u>126,027</u>	<u>59,131</u>
Creditors: amounts falling due within one year	6	<u>(97,497)</u>	<u>(3,449)</u>
Net current assets		<u>28,530</u>	<u>55,682</u>
Total assets less current liabilities		<u>29,168</u>	<u>56,476</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	29,068	56,376
Shareholders' funds	9	<u>29,168</u>	<u>56,476</u>

These financial statements were approved by the directors on 10 May 2005



M Wilkinson
Director

The principal accounting policies and accompanying notes form part of these financial statements.

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to one activity being the administration of services on behalf of the Perfect Assurance Funeral Trusts which are engaged in the sale of prepayment funeral plans.

The profit on ordinary activities is stated after:

	2004	2003
	£	£
Depreciation	156	600
Auditors' remuneration	2,200	2,200

2 Directors and employees

No director received any remuneration during either year.

Staff costs during the year were as follows:

	2004	2003
	£	£
Wages and salaries	16,764	19,358
Social security costs	3,980	1,838
Pension	1,300	1,248
	22,044	22,444

The average number of employees of the company during the year was 4 (2003 : 4).

3 Tax on profit on ordinary activities

The tax charge represents:

	2004 £	2003 £
Corporation tax	-	894
Adjustment in respect of prior years: Corporation tax	(767)	-
	<u>(767)</u>	<u>894</u>

The tax assessed for the period is not significantly different than the standard rate of corporation tax in the UK of 19% (2003 : 19.25%)

4 Fixed assets

	Computer equipment £	Furniture and fittings £	Total £
Cost			
At 1 January 2004 and 31 December 2004	<u>4,082</u>	<u>1,912</u>	<u>5,994</u>
Depreciation			
At 1 January 2004	3,526	1,674	5,200
Provided in the year	89	67	156
At 31 December 2004	<u>3,615</u>	<u>1,741</u>	<u>5,356</u>
Net book value			
At 31 December 2004	<u>467</u>	<u>171</u>	<u>638</u>
Net book value			
At 31 December 2003	<u>556</u>	<u>238</u>	<u>794</u>

5 Debtors

	2004 £	2003 £
Amount due from Perfect Assurance Funeral Trust	103,090	-
Other debtors	820	1,143
Income tax recoverable	225	-
Loan - National Association for Prepaid Funeral Plans	-	358
	<u>104,135</u>	<u>1,501</u>

The above amounts are all due within one year.

6 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	61,025	482
Amounts owed to group undertakings	2,631	-
Corporation tax	-	767
Social security and other taxes	141	-
Accruals and deferred income	33,700	2,200
	<u>97,497</u>	<u>3,449</u>

7 Share capital

	2004	2003
	£	£
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Reserves

	2004	2003
	£	£
At 1 January 2004	56,376	52,327
Retained (loss)/profit for the year	<u>(27,308)</u>	<u>4,049</u>
At 31 December 2004	<u>29,068</u>	<u>56,376</u>

9 Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
(Loss)/profit for financial year	(27,308)	4,049
Shareholders' funds at 1 January 2004	<u>56,476</u>	<u>52,427</u>
Shareholders' funds at 31 December 2004	<u>29,168</u>	<u>56,476</u>

10 Pensions

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

11 Capital commitments

There were no capital commitments at 31 December 2004 or 31 December 2003.

12 Contingent liabilities

There were no contingent liabilities at 31 December 2004 or 31 December 2003.

13 Ultimate parent undertaking

The ultimate parent undertaking of this company is the National Association of Funeral Directors.

14 Related party interests

The company's sole activity is to provide services to the Perfect Assurance Funeral Trust for which it received registration fees of £175,736 (2003 : £142,774).

The company paid management charges of £12,400 (2003 : £64,400) to the National Association of Funeral Directors, the company's parent undertaking. Amounts owed to group undertakings include £2,631 (2003: £Nil) owed to the National Association of Funeral Directors.

The company paid subscriptions of £100 (2003 : £563) to the National Association for Prepaid Funeral Plans, on behalf of Perfect Assurance Funeral Trust, the latter being a member of the association.