



**NAFD SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2001**

Company number: 2644860

**NAFD SERVICES LIMITED**

**OFFICERS AND ADVISERS**

**FOR THE YEAR ENDED 31 DECEMBER 2001**

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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  
Registered Auditors  
Chartered Accountants  
32-34 Queens Road  
Coventry  
CV1 3FJ

**NAFD SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2001**

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**INDEX**

**PAGE**

Report of the directors	1 & 2
Report of the independent auditors	3
Accounting policies	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

# **NAFD SERVICES LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the year ended 31 December 2001.

### **Principal activity**

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

### **Business review**

The profit for the year after taxation amounted to £3,459 (2000 : £2,636). 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 interests 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.

**NAFD SERVICES LIMITED**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385(2) of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'A Slater', with a long horizontal flourish extending to the right.

A Slater  
Secretary

13 August 2002

**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 2001 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.

**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.

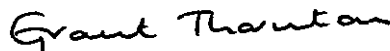
**Basis of opinion**

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 the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
COVENTRY**

13 August 2002

## **NAFD SERVICES LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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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.

#### **Basis of preparation**

NAFD Services Limited manages the Perfect Assurance Funeral Trust (PAFT), a separately constituted trust for the purposes of individuals to prepay for their funeral arrangements. The prepaid elements are paid into the trust and invested until the funds are needed. PAFT has assets of approximately £10 million.

Due to recent review of the trust documentation for the Perfect Assurance Funeral Trust, it has come to the attention of the directors that although the initial prepaid elements of the funeral plans are held specifically as assets within PAFT and thus separate to the company, the income earned on those prepayments through investment is legally the property of NAFD Services Limited. As this does not reflect the intention behind PAFT, the directors are taking immediate steps to rectify the position so that all the prepayments and income are held on trust for the planholders.

Given the above, the income that has accumulated over the life of the PAFT to date has not been included in these accounts as an asset of the company (together with the corresponding liability as NAFD Services Limited directors would mirror the intention behind the trust and recognise that the money was owed back to PAFT), as the directors do not believe this would present a true and fair view under FRS 5 Reporting the Substance of Transactions given that there is no intention that the company should benefit from the investments, and indeed the situation will be shortly remedied. The accounts of PAFT are available from 618 Warwick Road, Solihull, West Midlands B91 1AA.

#### **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 of the tangible fixed assets by equal annual 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 costs charged against profits represent the amount of contributions payable to the scheme in respect of the accounting period.

**NAFD SERVICES LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2001**

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	Note	2001 £	2000 £
<b>Turnover</b>	1	95,123	90,872
Administrative expenses		<u>(90,622)</u>	<u>(88,274)</u>
<b>Operating profit</b>		4,501	2,598
Interest receivable and similar income		<u>299</u>	<u>264</u>
<b>Profit on ordinary activities before taxation</b>	1	4,800	2,862
Tax on profit on ordinary activities	3	<u>(1,341)</u>	<u>(226)</u>
<b>Profit for the financial year transferred to reserves</b>	8	<u><u>3,459</u></u>	<u><u>2,636</u></u>

There were no recognised gains or losses other than the profit for the financial year.

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

# NAFD SERVICES LIMITED

## BALANCE SHEET AT 31 DECEMBER 2001

	Note	£	2001 £	£	2000 £
<b>Fixed assets</b>					
Tangible assets	4		1,387		2,021
<b>Current assets</b>					
Debtors	5	1,080		428	
Cash at bank and in hand		<u>37,973</u>		<u>29,785</u>	
		39,053		30,213	
<b>Creditors: amounts falling due within one year</b>	6	<u>(11,547)</u>		<u>(6,800)</u>	
<b>Net current assets</b>			<u>27,506</u>		<u>23,413</u>
			<u>28,893</u>		<u>25,434</u>
<b>Capital and reserves</b>					
Called up share capital	7		100		100
Profit and loss account	8		<u>28,793</u>		<u>25,334</u>
<b>Shareholders' funds</b>	9		<u>28,893</u>		<u>25,434</u>

The financial statements were approved by the Board of Directors on 13 August 2002



M Wilkinson  
Director

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

# NAFD SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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### 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 Trust which is engaged in the sale of prepayment funeral plans.

The profit on ordinary activities is stated after:

	2001 £	2000 £
Depreciation	634	799
Auditors' remuneration	<u>2,300</u>	<u>2,200</u>

### 2 DIRECTORS AND EMPLOYEES

No director received any remuneration during either year.

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	17,658	8,904
Social security costs	1,576	775
Pension	<u>1,411</u>	<u>-</u>
	<u>20,645</u>	<u>9,679</u>

The average number of employees of the company during the year was 4 (2000 : 3).

### 3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
Corporation tax @ 20% (2000 : 21.27%)	910	595
Adjustment in respect of prior years:		
Corporation tax	<u>431</u>	<u>(369)</u>
	<u>1,341</u>	<u>226</u>

# NAFD SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

### 4 FIXED ASSETS

	Computer equipment £	Furniture and fittings £	Total £
Cost			
At 1 January 2001 and at 31 December 2001	<u>3,415</u>	<u>1,912</u>	<u>5,327</u>
Depreciation			
At 1 January 2001	2,524	782	3,306
Provided in the year	347	287	634
At 31 December 2001	<u>2,871</u>	<u>1,069</u>	<u>3,940</u>
Net book amount at 31 December 2001	<u>544</u>	<u>843</u>	<u>1,387</u>
Net book amount at 31 December 2000	<u>891</u>	<u>1,130</u>	<u>2,021</u>

### 5 DEBTORS

	2001 £	2000 £
Other debtors	276	428
Loan - National Association for Prepaid Funeral Plans	804	-
	<u>1,080</u>	<u>428</u>

The above amounts are all due within one year.

### 6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	2,230	-
Amounts owed to parent undertaking	1,255	115
Corporation tax	910	595
Other taxes and social security costs	4,808	3,911
Accruals and deferred income	2,344	2,179
	<u>11,547</u>	<u>6,800</u>

# NAFD SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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### 7 SHARE CAPITAL

	2001 and 2000 £
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>

### 8 RESERVES

	£
At 1 January 2001	25,334
Retained profit for the year	<u>3,459</u>
At 31 December 2001	<u>28,793</u>

### 9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year and net increase in shareholders' funds	3,459	2,636
Shareholders' funds at 1 January 2001	<u>25,434</u>	<u>22,798</u>
Shareholders' funds at 31 December 2001	<u>28,893</u>	<u>25,434</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 2001 or 31 December 2000.

# **NAFD SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2001**

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### **12 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2001 or 31 December 2000.

### **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 £65,123 (2000 : £50,872).

The company paid management charges of £30,000 (2000 : £20,000) to the National Association of Funeral Directors, the company's parent undertaking.

The company paid subscriptions of £1,355 (2000 : £1,174) to the National Association for Prepaid Funeral Plans, on behalf of Perfect Assurance Funeral Trust, the latter being a member of the association.

The amounts due to these related parties are shown in note 6 to these accounts.

The company has received a management charge of £30,000 (2000 : £40,000) relating to the reimbursement of funds borne on behalf of Perfect Assurance Funeral Trust.