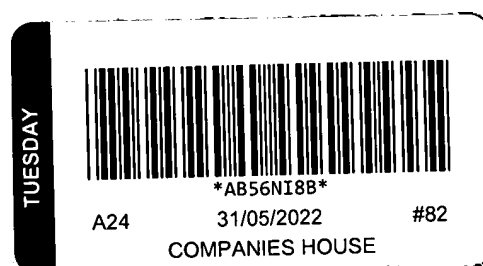


REGISTERED NUMBER: 03534103 (England and Wales)

Financial Statements
for the Year Ended 29 September 2021
for
Capital Life Funeral Planning Ltd



Capital Life Funeral Planning Ltd (Registered number: 03534103)

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for the Year Ended 29 September 2021**

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Capital Life Funeral Planning Ltd

**Company Information
for the Year Ended 29 September 2021**

DIRECTORS:

J A Elder
C Darlaston

SECRETARY:

S P Vanstone

REGISTERED OFFICE:

Brooke Court
Lower Meadow Road
Handforth
Wilmslow
SK9 3ND

REGISTERED NUMBER:

03534103 (England and Wales)

AUDITORS:

SB&P
Chartered Accountants & Statutory Auditors
Oriel House
2-8 Oriel Road
Bootle
Liverpool
Merseyside
L20 7EP

Capital Life Funeral Planning Ltd (Registered number: 03534103)

Balance Sheet
29 September 2021

	Notes	29.9.21 £	29.9.20 £
CURRENT ASSETS			
Debtors	6	19,232,238	11,033,450
Investments	7	230,291	94,113
Cash at bank		5,267,675	1,741,240
		<u>24,730,204</u>	<u>12,868,803</u>
CREDITORS			
Amounts falling due within one year	8	9,384,695	3,326,419
		<u>15,345,509</u>	<u>9,542,384</u>
NET CURRENT ASSETS			
		<u>15,345,509</u>	<u>9,542,384</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>15,345,509</u>	<u>9,542,384</u>
CREDITORS			
Amounts falling due after more than one year	9	(15,291,172)	(9,540,585)
PROVISIONS FOR LIABILITIES		<u>(5,839)</u>	<u>-</u>
NET ASSETS		<u><u>48,498</u></u>	<u><u>1,799</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Retained earnings		48,398	1,699
		<u>48,498</u>	<u>1,799</u>
SHAREHOLDERS' FUNDS		<u><u>48,498</u></u>	<u><u>1,799</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2022 and were signed on its behalf by:


J A Elder - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Capital Life Funeral Planning Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

The Company ("Capital Life Funeral Planning Limited") markets and sells pre-paid funeral plans and services.

The Company operates in conjunction with a legal trust known as Capital Life Independent Protection Trust ("The Trust"), its purpose, to safeguard the capital prepayments received from customers.

Pre-paid plans are recognised in the company accounts as they are sold, but only to the extent of recording an asset and corresponding creditor. No income is recorded in the accounts of the company relating to plans sold. The balances recorded represent amounts owed to the company by the customer for the sale of the plan, and amounts that are due to be paid to the Trust once payments and instalments have been received by the company. Such amounts are then paid to the Trust, in line with the terms of the trust deed.

In line with the terms of the Plan Document and the Trust Deed, the company receives a contribution from the sale of plans to cover all of its marketing, operational and overhead costs. This income is recorded and recognised in the company's accounts at the same time it incurs such costs. All costs are recorded in the company.

The company provides a will writing service. Income derived from such services are recognised at the point of delivery of the service.

On the death of a policy holder the Trust will pay the lesser of the the maximum amount payable under the contractual relationship between the customer and the company and the amount required to pay for the funeral products. Such income is recognised immediately the costs are incurred.

In the event of a cancellation of a plan by the policy holder during the policy holders life, then subject to terms and conditions agreed with the Company, monies can be paid to it to fulfil their contractual obligations on cancellation. Such income is recognised immediately the cost of refund to the customer is made.

Under the terms of the Trust, in the event of a surplus arising, the Trustees in their absolute discretion, may pay some or all of a surplus to the company by way of a distribution. Such a distribution would be recognised in the company immediately upon receipt and may be used for its own use and benefit absolutely. Any such surplus must be certified prior to any payment by an actuary who is a fellow of the Institute of Actuaries.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Payments to funeral directors

Payments to funeral directors relate to those funeral plan commitments which have crystallized and which have either been paid out or provided for in the year.

Current asset investments

Current asset investments are investments held in portfolios which can be quickly converted into cash at short notice without incurring a financial penalty.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 27 (2020 - 9).

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 30 September 2020	
and 29 September 2021	9,600
AMORTISATION	
At 30 September 2020	
and 29 September 2021	9,600
NET BOOK VALUE	
At 29 September 2021	-
At 29 September 2020	-

Notes to the Financial Statements - continued
for the Year Ended 29 September 2021

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 30 September 2020 and 29 September 2021	<u>3,416</u>	<u>5,992</u>	<u>9,408</u>
DEPRECIATION			
At 30 September 2020 and 29 September 2021	<u>3,416</u>	<u>5,992</u>	<u>9,408</u>
NET BOOK VALUE			
At 29 September 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 29 September 2020	<u>-</u>	<u>-</u>	<u>-</u>

6. DEBTORS

	29.9.21 £	29.9.20 £
Amounts falling due within one year:		
Trade debtors	3,622,907	1,490,415
Amounts owed by group undertakings	295,755	-
Other debtors	<u>22,404</u>	<u>2,450</u>
	<u>3,941,066</u>	<u>1,492,865</u>
Amounts falling due after more than one year:		
Trade debtors	<u>15,291,172</u>	<u>9,540,585</u>
Aggregate amounts	<u>19,232,238</u>	<u>11,033,450</u>

7. CURRENT ASSET INVESTMENTS

	29.9.21 £	29.9.20 £
Listed investments	<u>230,291</u>	<u>94,113</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29.9.21 £	29.9.20 £
Trade creditors	170,136	37,020
Amounts owed to group undertakings	4,145,527	1,036,218
Taxation and social security	44,037	26,521
Other creditors	<u>5,024,995</u>	<u>2,226,660</u>
	<u>9,384,695</u>	<u>3,326,419</u>

Notes to the Financial Statements - continued
for the Year Ended 29 September 2021

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	29.9.21	29.9.20
	£	£
Other creditors	15,291,172	9,540,585

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			29.9.21	29.9.20
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	100	100

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Suzanne Draper FCCA ACA (Senior Statutory Auditor)
for and on behalf of SB&P

12. CONTINGENT ASSET

In the event of a surplus arising in the related Trust, The Capital Life Independent Protection Trust, the Trustees may in their absolute discretion, pay some or all of the surplus to the company for its own use and benefit. The company is also responsible for funding any deficit.

The last formal valuation was carried out at 30 September 2021.

On a neutral valuation basis it disclosed a funding surplus of £7,824,000. However, this surplus is contingent on achieving a projected expected return and is yet to be realised, therefore no asset has been recognised in the company.

The next formal valuation is due no later than 30 September 2022.

13. **GOING CONCERN**

These accounts have been prepared on a going concern basis.

The directors consider the basis to be appropriate despite there being material uncertainty in the pre-paid funeral plan industry at this time.

The sale of pre-paid funeral plans has currently ceased, although at this time we continue to administer the existing plans, and discharge liabilities as they fall due.

The company continues to concentrate on its other revenue activities, whilst at the same time developing new income streams. It has no intention to either liquidate the company or to cease trading.

The government legislated in January 2021 to bring all pre-paid funeral plan providers within the regulatory remit of the Financial Conduct Authority (FCA). Legislation allowed for an 18-month transition period, ending on 29 July 2022. The transition period allowed the time for funeral plan providers to take necessary steps to familiarize themselves with the new regulatory requirements and apply for FCA registration.

The government now intends to make an amendment to the above regulations, which will allow some providers, in limited circumstance, a longer transition period, to 31 October 2022. This will give firms more time to achieve authorization, wind down their business or find an authorised provider to take on their funeral plans. The extension allows for providers to deliver existing funeral plans to that date, but they will not be permitted to enter any new funeral plan contracts beyond 29 July 2022, if they are not FCA authorised.

Capital Life Funeral Planning Limited submitted their initial application to the FCA during 2021. However, after careful consideration, they have since taken the decision to withdraw it for the time-being, but with a view to reapplying in the very near future. The company meets the criteria of limited circumstances, and therefore benefits from the extended time to October 2022 for any reapplication to be considered. To date, a new application has not been submitted. The company has committed to selling no further pre-paid plans at this time.

In the event that the company is unable to achieve FCA authorization by 31 October 2022, and in order to safeguard its existing customer plans, it will look to transfer/sell all existing policies to a suitably FCA-approved funeral plan provider. The FCA have committed to assist in this process. Contact has been made with three potential buyers, all are suitable providers who could take over and administer the existing plans. As yet, there are no legally binding agreements in place to transfer/sell the existing policies.

As a result of the FCA incorporating new subsections into Section 215 of FSMA, which allows them to seek recovery from the trust assets that underpin funeral plan contracts, it follows that any transfer of our existing customer plans would also include the transfer of the assets and the operational control of the related protected trust (The Capital Life Independent Protection Trust). The Trust accounts at 30 September 2021 disclose net assets of £7,985,281 after allowing for all known liabilities.