

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

FAMILY FUNERALS
TRUST LIMITED



MENZIES
BRIGHTER THINKING

FAMILY FUNERALS TRUST LIMITED

REGISTERED NUMBER:02230971

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

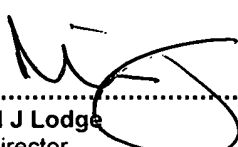
	Note	2016 £	2015 £
Fixed assets			
Investments	4	15,884,944	12,205,407
		<u>15,884,944</u>	<u>12,205,407</u>
Current assets			
Debtors: amounts falling due within one year	5	764,989	484,496
Cash at bank and in hand	6	833,505	670,755
		<u>1,598,494</u>	<u>1,155,251</u>
Creditors: amounts falling due within one year	7	(787,033)	(355,224)
Net current assets		<u>811,461</u>	<u>800,027</u>
Total assets less current liabilities		<u>16,696,405</u>	<u>13,005,434</u>
Creditors: amounts falling due after more than one year	8	(14,225,578)	(12,616,786)
Provisions for liabilities			
Deferred tax	10	(360,337)	-
		<u>(360,337)</u>	<u>-</u>
Net assets		<u><u>2,110,490</u></u>	<u><u>388,648</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		2,110,488	388,646
		<u><u>2,110,490</u></u>	<u><u>388,648</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


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M J Lodge
Director

The notes on pages 2 to 9 form part of these financial statements.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

These financial statements have been prepared in compliance with FRS 102 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland.'

Family Funerals Trust Limited is a private company limited by shares and incorporated in England and Wales. The address of its registered office can be found on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and financial liabilities measured at fair value through profit or loss in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 1A as at 1 January 2015.

2.2 Revenue

The turnover of the company represents membership income which is recognised when the contracts are issued. Turnover also represents the provision of funeral services conducted during the period upon the death of a member.

2.3 Valuation of investments

Investments held beneficially by the group are recorded initially at historic cost. The investments are revalued each year, with any gain or loss being realised in the profit and loss account.

The scheme assets are held separately to the group assets and are managed on behalf of the custodian trustees by HSBC Global Asset Management (UK) Limited.

The company is able to access the value of these assets on the death of a prepaid funeral scheme member at a rate determined by the actuary. When investments are sold by the trust Fund any net realised capital losses are reimbursed to the Trust on a quarterly basis by Family Funerals Trust Limited. Any net realised gains are remitted to Family Funerals Trust Limited on a quarterly basis. This treatment is in accordance with the Fund pre-emption agreement in Part Twelve of the Trust Deed and ensures that members of the Trust are insulated from any capital movements in the investments held by the Trust Fund.

Interest receivable from investments are included in the profit and loss account on an accruals basis. Dividend income is accounted for on a cash basis.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.6 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.10 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 0 (2015 - 0).

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2016	12,205,407
Additions	16,747,600
Disposals	(14,055,781)
Revaluations	987,718
At 31 December 2016	<u>15,884,944</u>
Net book value	
At 31 December 2016	<u>15,884,944</u>
At 31 December 2015	<u>12,205,407</u>

At the year end, the company had a commitment to invest a further £41,008 (2015: £22,965) in connection with net prepaid funeral income received in December 2016.

5. Debtors

	2016 £	2015 £
Trade debtors	718,711	454,339
Other debtors	46,278	111
Deferred taxation	-	30,046
	<u>764,989</u>	<u>484,496</u>

6. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	833,505	670,755
	<u>833,505</u>	<u>670,755</u>

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	410	-
Amounts owed to group undertakings	560,231	-
Corporation tax	214,392	308,224
Accruals and deferred income	12,000	47,000
	<u>787,033</u>	<u>355,224</u>

8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	-	284,593
Other creditors	14,225,578	12,332,193
	<u>14,225,578</u>	<u>12,616,786</u>

Included within other creditors are amounts totalling £14,225,578 (2015: £12,332,193) relating to liabilities for the provision of funeral services on the death of a scheme member. As there is subjectivity over the timing of this liability crystallising it is not possible to split this amount accurately between creditors due within one year and creditors due greater than one year.

9. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	15,884,944	12,205,407
Financial assets measured at amortised cost	764,989	454,450
	<u>16,649,933</u>	<u>12,659,857</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(14,798,219)	(12,663,786)
	<u>(14,798,219)</u>	<u>(12,663,786)</u>

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Deferred taxation

	2016 £
At beginning of year	30,046
Charged to profit or loss	(390,383)
At end of year	<u>(360,337)</u>

The deferred taxation balance is made up as follows:

	2016 £
Other revaluation	(360,337)
	<u>(360,337)</u>

11. Auditors' information

The auditors' report for the year ended 31 December 2016 gave an unmodified audit opinion.

The audit report was signed by Janice Matthews FCA (Senior Statutory Auditor) for and on behalf of Menzies LLP, Chartered Accountants and Statutory Auditor.

12. Parent company

The consolidated accounts are prepared by Lodge Bros. (Funerals) Limited, a company incorporated in England and Wales. Their registered office is Ludlow House, Ludlow Road, Feltham, TW12 7JF.

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

	<i>As previously stated 1 January 2015</i>	<i>Effect of transition 1 January 2015</i>	<i>FRS 102 (as restated) 1 January 2015</i>	<i>As previously stated 31 December 2015</i>	<i>Effect of transition 31 December 2015</i>	<i>FRS 102 (as restated) 31 December 2015</i>
Note	£	£	£	£	£	£
Fixed assets	12,931,510	-	12,931,510	12,205,407	-	12,205,407
Current assets	690,440	-	690,440	1,125,205	-	1,125,205
Creditors: amounts falling due within one year	(7,000)	-	(7,000)	(355,224)	-	(355,224)
Net current assets	683,440	-	683,440	769,981	-	769,981
Total assets less current liabilities	13,614,950	-	13,614,950	12,975,388	-	12,975,388
Creditors: amounts falling due after more than one year	(12,161,647)	-	(12,161,647)	(12,616,786)	-	(12,616,786)
Provisions for liabilities	-	(270,857)	(270,857)	(270,857)	300,903	30,046
Net assets	1,453,303	(270,857)	1,182,446	87,745	300,903	388,648
Capital and reserves	1,453,303	(270,857)	1,182,446	358,602	30,046	388,648

FAMILY FUNERALS TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 December 2015 £	Effect of transition 31 December 2015 £	FRS 102 (as restated) 31 December 2015 £
Turnover		1,304,359	-	1,304,359
Cost of sales		(1,316,865)	-	(1,316,865)
		(12,506)	-	(12,506)
Gain/(Loss) on sale of fixed asset investments		365,357	-	365,357
Dividend from fixed asset investments		345,978	-	345,978
Gain/(Loss) on fair value adjustment of fixed asset investments		-	(13,464)	(13,464)
Administrative expenses		(159,194)	-	(159,194)
Operating profit		539,635	(13,464)	526,171
Interest receivable and similar income		5,122	-	5,122
Taxation		(308,224)	300,903	(7,321)
Profit on ordinary activities after taxation and for the financial year		236,533	287,439	523,972

Explanation of changes to previously reported profit and equity:

- 1 Fixed asset investments revaluation is taken directly to the Statement of Comprehensive Income instead of reserves. The gain or loss however is non distributable.
- 2 Deferred taxation is now accounted for on all timing differences resulting in additional deferred taxation provision.