REGISTERED NUMBER: 11674376 (England and Wales)

NAFD LIMITED

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

Gardiner Fosh
Chartered Accountants and Statutory Auditor
31 St John's
Worcester
Worcestershire
WR2 5AG

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

DIRECTORS:	J Levett J N Rees J C Adams D G Barrington Ms C S Edwards B Pritchard M D Adams S P D Kershaw
REGISTERED OFFICE:	618 Warwick Road Solihull West Midlands B91 1AA
REGISTERED NUMBER:	11674376 (England and Wales)
AUDITORS:	Gardiner Fosh Chartered Accountants and Statutory Auditor 31 St John's Worcester Worcestershire WR2 5AG

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

The directors present their report with the financial statements of the company for the period 1 January 2021 to 31 March 2022.

REVIEW OF BUSINESS
This financial statement covers a period of rapidly evolving external conditions, to which NAFD Ltd responded, in a proactive and agile way, ensuring that member businesses were effectively supported by their trade body. The Directors would like to draw attention to four significant matters which had an impact on these financial statements.

Firstly, the decision to alter the financial year from 1 January-31 December to 1 April- 31 March was taken to reflect the corporate calendar, so these financial statements cover a five-quarter period from 1 January 2021 to 31 March 2022. Turnover and expenses are therefore not directly comparable with the previous year, which represented a traditional four quarter period. However, in general terms, both income and expenditure are comparable leading to an operating profit of just under £30,000.

Secondly, during this period, NAFD Ltd has made good progress in terminating its liability to financially support the Perfect Assurance Funeral Trust (PAFT) Trustees. This has incurred significant legal fees, which have only been partly offset by the PAFT dividend taken in the period. The legal process also identified defects around the transfer of 618 Warwick Road, Solihull, and the PAFT Reserve, from the Trustees of an unincorporated Association to the new Company Limited by Guarantee when incorporation occurred on 1 January 2019. Additional legal fees were incurred in order to rectify the defects. Once the process of the termination of NAFD Ltd's liability for the PAFT Trustees is concluded, there is an expectation that the NAFD will benefit from any unallocated funds.

Thirdly, the Competition and Markets Authority's investigation into the funeral sector and indications from the Ministry of Justice (MOJ) that it ought to be more formally regulated, led the NAFD Ltd to set up, on behalf of members, a new independent regulator which would cover the whole sector. The Independent Funeral Standards Organisation (IFSO) was incorporated in May 2021 and the inspection of NAFD member firm funeral homes and websites was transferred from NAFD to IFSO on 1 January 2022.

However, developments in the external policy environment significantly affected IFSO's ability to become a regulator for funeral firms beyond those already in NAFD membership and the requirement from the MOJ for an overarching standards body for the funeral sector has not yet materialised. Without the immediate prospect of being able to attract additional external funding, it was decided that IFSO should continue as an independent regulator for NAFD members with adjustments to its operational structure, until such time as the policy direction is clearer. With no prospect of recouping the set-up costs incurred during this period, and in line with accounting practice, these financial statements report the write-off of the initial investment, although it should be noted that a significant proportion of this investment has been in the establishment of the IFSO brand and operating structure, from which it will continue to benefit. NAFD Ltd will continue to support IFSO as it provides member firms with independent oversight of their standards of care.

Finally, having been delayed for a year as a result of the COVID pandemic, the National Funeral Exhibition was run successfully in 2022. This has been accurately reflected in the post-balance sheet events note.

EVENTS SINCE THE END OF THE PERIOD
Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

J Levett
J N Rees
J C Adams
D G Barrington
Ms C S Edwards

Other changes in directors holding office are as follows:

Ms A Pattenden - resigned 10 August 2021
B Pritchard - appointed 29 June 2021

M D Adams and S P D Kershaw were appointed as directors after 31 March 2022 but prior to the date of this report.

Ms A Crake ceased to be a director after 31 March 2022 but prior to the date of this report.

None of the directors held a direct or indirect beneficial interest in shares of the company.

REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Gardiner Fosh, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

J Levett - Director

23 September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NAFD LIMITED

Opinion

We have audited the financial statements of NAFD Limited (the 'company') for the period ended 31 March 2022 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the system for recording transactions and tested a sample to ensure that the system operates as expected.
We performed a detailed review of the year end adjusting entries and obtained explanations for any that appeared unusual as to nature or amount.
We investigated those transactions that were significant around the year end to ensure that cut off had been performed correctly.
We reviewed a sample of the expense claims made by staff and made enquiries to support large or unusual items.
We obtained representation from senior management that there were no litigation or claims and that to their knowledge there had been no instances of fraud or data breaches during the year.
We also obtained representation from senior management that there were no unrecorded related party transactions.

Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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.

Gavin P Gardiner (Senior Statutory Auditor)
for and on behalf of Gardiner Fosh
Chartered Accountants and Statutory Auditor
31 St John's
Worcester
Worcestershire
WR2 5AG

23 September 2022

INCOME STATEMENT
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

	Notes	Period 1.1.21 to 31.3.22 £	Year Ended 31.12.20 £
TURNOVER		**2,140,939**	1,754,369
Administrative expenses		**2,214,948**	1,832,599
		(74,009)	(78,230)
Other operating income		**53,094**	78,934
OPERATING (LOSS)/PROFIT	4	**(20,915)**	704
PAFT Dividend ex CLG	5	**50,000**	-
		29,085	704
Interest receivable and similar income		**23**	941
		29,108	1,645
Amounts written off investments	6	**177,753**	-
(LOSS)/PROFIT BEFORE TAXATION		**(148,645)**	1,645
Tax on (loss)/profit		**-**	2,612
LOSS FOR THE FINANCIAL PERIOD		**(148,645)**	(967)

The notes form part of these financial statements

NAFD LIMITED (REGISTERED NUMBER: 11674376)

BALANCE SHEET
31 MARCH 2022

	Notes	**2022** £	**2022** £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	7		**57,577**		5,277
Tangible assets	8		**53,815**		52,133
Investments	9		**850**		850
			112,242		58,260
CURRENT ASSETS					
Stocks		**1,636**		286	
Debtors	10	**482,860**		149,962	
Cash at bank and in hand		**1,634,274**		1,059,070	
		2,118,770		1,209,318	
CREDITORS					
Amounts falling due within one year	11	**1,896,769**		699,690	
NET CURRENT ASSETS			**222,001**		509,628
TOTAL ASSETS LESS CURRENT LIABILITIES			**334,243**		567,888
PROVISIONS FOR LIABILITIES			**-**		85,000
NET ASSETS			**334,243**		482,888
CAPITAL AND RESERVES					
Called up share capital			**10**		10
Perfect Choice Reserve			**150,000**		150,000
Special Reserve			**280,000**		280,000
Retained earnings			**(95,767)**		52,878
			334,243		482,888

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

The financial statements were approved by the Board of Directors and authorised for issue on 23 September 2022 and were signed on its behalf by:

J Levett - Director

J N Rees - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

	Called up share capital £	Retained earnings £	Perfect Choice Reserve £	Special Reserve £	Total equity £
Balance at 1 January 2020	10	53,845	150,000	280,000	483,855
Changes in equity					
Total comprehensive income	-	(967)	-	-	(967)
Balance at 31 December 2020	10	52,878	150,000	280,000	482,888
Changes in equity					
Total comprehensive income	-	(148,645)	-	-	(148,645)
Balance at 31 March 2022	10	(95,767)	150,000	280,000	334,243

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

1. **STATUTORY INFORMATION**

NAFD Limited 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
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

Patents and licences are being amortised evenly over their estimated useful life of five years.

Development costs are being amortised evenly over their 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.
Plant and machinery etc - 33% on cost

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation
Taxation for the period 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 period 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.

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 18 (2020 - 17).

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4. **OPERATING (LOSS)/PROFIT**

The operating loss (2020 - operating profit) is stated after charging:

	Period 1.1.21 to 31.3.22	Year Ended 31.12.20
	£	£
Depreciation - owned assets	**32,629**	29,978
Patents and licences amortisation	**-**	15,828
Development costs amortisation	**-**	20,938

5. **EXCEPTIONAL ITEMS**

	Period 1.1.21 to 31.3.22	Year Ended 31.12.20
	£	£
Covid Support	**16,435**	48,624
Exceptional items	**68,183**	(101,453)
PAFT Dividend ex CLG	**50,000**	-
	134,618	(52,829)

6. **AMOUNTS WRITTEN OFF INVESTMENTS**

Having decided to separate the inspection and compliance responsibilities, previously undertaken in house, into a new entity, the Independent Funeral Standards Organisation CIC was formed. This involved the incorporation and registration of the new organisation, and recruitment of an independent board and executive with a proven regulation and compliance background. The standards and quality compliance personnel were then transferred from the NAFD to IFSO, and inspections were undertaken by IFSO.

In light of external developments, it became apparent that the set up and initial operating costs of the independent CIC would not be recouped from additional inspection services for non-NAFD members, in the short-to-medium term and the directors decided, as a prudent step, to write off the full amounts incurred as at 31.03.2022.

7. **INTANGIBLE FIXED ASSETS**

	Other intangible assets
	£
COST	
At 1 January 2021	**141,955**
Additions	**52,300**
At 31 March 2022	**194,255**
AMORTISATION	
At 1 January 2021 and 31 March 2022	**136,678**
NET BOOK VALUE	
At 31 March 2022	**57,577**
At 31 December 2020	5,277

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2021 TO 31 MARCH 2022

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2021	-	90,053	90,053
Additions	34,311	-	34,311
At 31 March 2022	34,311	90,053	124,364
DEPRECIATION			
At 1 January 2021	-	37,920	37,920
Charge for period	-	32,629	32,629
At 31 March 2022	-	70,549	70,549
NET BOOK VALUE			
At 31 March 2022	34,311	19,504	53,815
At 31 December 2020	-	52,133	52,133

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2021 and 31 March 2022	850
NET BOOK VALUE	
At 31 March 2022	850
At 31 December 2020	850

The company's investments at the Balance Sheet date in the share capital of companies include the following:

NAFD Ventures Limited
Registered office: UK
Nature of business: Exhibition Organiser

Class of shares:	% holding
Ordinary	100.00

	2022 £	2020 £
Aggregate capital and reserves	(97,050)	17,134
Loss for the period/year	(114,184)	(92,802)

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2020 £
Trade debtors	64,392	12,379
Amounts owed by group undertakings	190,596	90,596
Other debtors	227,872	46,987
	482,860	149,962

continued...

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2020
	£	£
Trade creditors	88,423	94,898
Amounts owed to group undertakings	349,990	399,990
Taxation and social security	10,142	25,461
Other creditors	1,448,214	179,341
	1,896,769	699,690

12. POST BALANCE SHEET EVENTS

The principal activity of the company's NAFD Ventures Limited subsidiary is the delivery of the biennial National Funeral Exhibition [NFE]. The NFE was due to take place in June 2021 but was cancelled due to the pandemic. The delayed NFE was successfully held from 10 - 12 June 2022 and was generally well received by exhibitors and visitors alike.