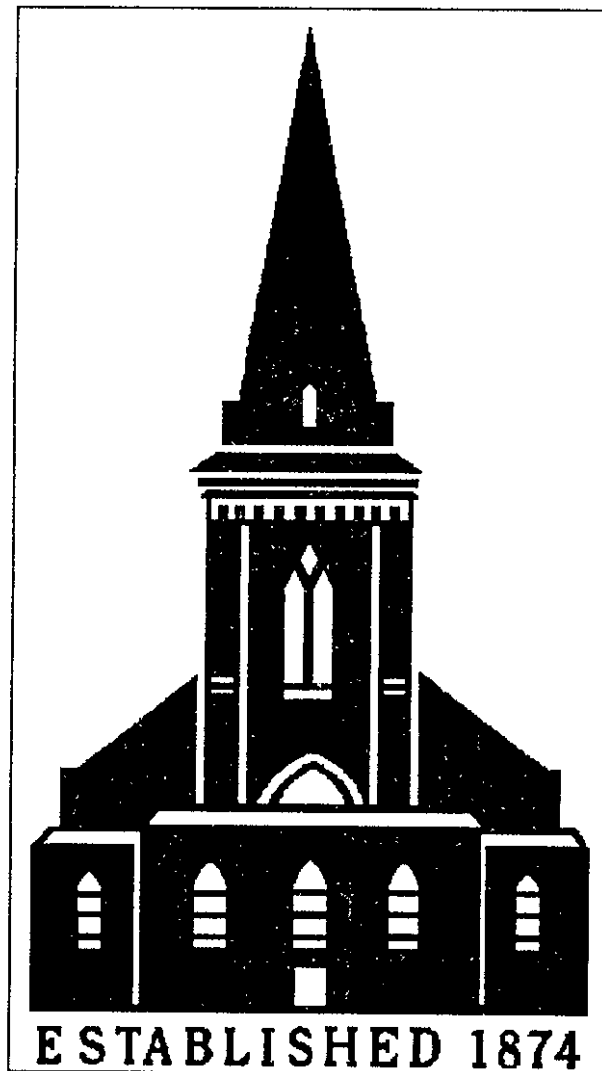


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THE MANOR PARK CEMETERY COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1997



Manor Park Cemetery & Crematorium



THE MANOR PARK CEMETERY COMPANY LIMITED



THE MANOR PARK CEMETERY COMPANY LIMITED

BOARD OF DIRECTORS

Richard S. Heaver F.C.A. (Chairman)
Dennis R. Jeffryes
Brian J. Birdsall
Angela S. Rutteman B.A.
Brian T. Cook Bsc. F.C.A.

COMPANY INFORMATION

Secretary	Brian T. Cook Bsc. F.C.A.
Registered Office	Sebert Road, Forest Gate, London E7 ONP
Solicitors	Bankes Ashton
Auditors	Sterling Milne
Bankers	National Westminster Bank PLC
Registered in England	Company Number 8415

NOTICE OF MEETING

Notice is hereby given that the One Hundred and Twenty-fourth Annual General Meeting of THE MANOR PARK CEMETERY COMPANY LIMITED will be held at the Registered Offices of the Company, Sebert Road, Forest Gate, London E7 ONP, on Wednesday, 10th June 1998 at 2 p.m. for the following purposes:

1. To receive the Company's Financial Statements for the year ended 31st December 1997 together with the Report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To re-elect the following Directors retiring in accordance with the Articles of Association:
R.S. Heaver F.C.A.
B.T. Cook BSc. F.C.A.
4. To re-appoint Sterling Milne (formerly Milne & Co.) Chartered Accountants, to act as Auditors to the Company.
5. To authorise the Directors to fix the remuneration of the Auditors.

The Share Transfer Books of the Company will be closed from 16th May to 12th June 1998, both dates inclusive.

Any Member of the Company entitled to attend and vote at the above Meeting may appoint another person (whether a Member or not) as his proxy to attend and on a poll, to vote on his behalf, in accordance with Section 372 of the Companies Act, 1985. Instruments appointing proxies must be deposited at the Registered Offices of the Company not less than forty-eight hours before the time fixed for holding the Meeting.

By order of the Board
B.T. Cook.
Secretary.

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4/5 Report of the Directors	
6 Profit and Loss Account	

THE MANOR PARK CEMETERY COMPANY LIMITED

CHAIRMAN'S STATEMENT

I am pleased to present to you my third report as Chairman of the Company.

The accompanying financial statements show that the Company had another successful year and set out below is a summary of the results for the year, adjusted for a one-off expense, giving a true comparison to the previous year.

	1997	1996
Total turnover	<u>714,277</u>	<u>634,879</u>
Operating Profit	67,652	92,939
Adjustment:		
Compensation for loss of office paid to retiring Director	<u>17,500</u>	<u>-</u>
Profit before tax	85,152	92,939
Income from Investment	<u>37,686</u>	<u>44,572</u>
Total profit before tax	<u>122,838</u>	<u>137,511</u>

This shows that profit was some 10% down on the 1996 figures, but was still an encouraging result considering the effect and cost of investing and improving the site and building, in particular refurbishment of both chapels. As most work has now been completed, and no further large investment is envisaged, the Board has decided that our proposed dividend can be increased to take this into account. The dividend for 1997 is therefore proposed as follows:-

	1997	1996
Proposed dividend at 8p per share	61,484	61,484
Special dividend at 10p per share	<u>76,855</u>	<u>-</u>
Total proposed dividend	<u>138,339</u>	<u>61,484</u>

Following payment of the above dividend, the Company will still have over £350,000 available investments which will provide a useful reserve for the future.

THE MANOR PARK CEMETERY COMPANY LIMITED

Now that we have raised the profile of the Company and the facilities we offer and are the proud owners of an attractive cemetery and grounds, we feel confident in pursuing an extensive advertising and marketing programme, which will involve media advertisements and contact with local community groups.

As was reported last year, Mr. Brian Kuhrt took early retirement and moved back to the Petts Wood area. Brian had lived locally and worked at Manor Park for some 35 years. During this time he strived long and hard in maintaining and setting our excellent standards. We wish him well in his new venture.

With the introduction of our new Superintendent Norman Stephens, we have taken the opportunity of reviewing and enhancing staff service conditions which include a pension scheme for all members of staff, additional leave in line with proposed EEC regulations and a new management structure.

The Board continues to suffer from ill-health within its ranks as mentioned in the previous year's report, but is confident that the Company will continue to be well-managed and will progress and succeed in future years.

Richard Heaver
Chairman.

THE MANOR PARK CEMETERY COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors present the ONE HUNDRED AND TWENTY-FOURTH ANNUAL REPORT and FINANCIAL STATEMENTS for the financial year ended 31st December 1997.

PRINCIPAL ACTIVITY

The principal activity of the Company is the operation of a Cemetery and Crematorium with all the appropriate facilities and services for the disposal and commemoration of the dead.

REVIEW OF DEVELOPMENTS

The state of the Company's affairs is as set out in the Financial Statements on Pages 7 to 11. The profit for the year before tax amounted to £105,338 (1996 - £137,511) and taxation for the year amounted to £21,605 (1996 - £34,819) leaving a net profit after tax amounting to £83,733 (1996 - £102,692).

Detailed comments on the year's operations are included in the Chairman's Statement.

DIVIDEND

The Directors recommend the payment of an unchanged Dividend of 8p per share, plus a Special Dividend of 10p per share, both payable on 10th June 1998, giving rise to a deficit of £54,606 (1996 - £41,208 retained profit). The Special Dividend has the effect of depleting retained profits as the Directors are of the opinion that reserves could be reduced because the Company has now dealt with foreseeable major costs.

SHARE CAPITAL

There were no alterations to Share Capital in the year.

FIXED ASSETS

Movements in Fixed Assets are shown in note 4 to the Financial Statements. In the Directors' opinion, the value of land and buildings as shown in the Balance Sheet is not substantially different from the market value assessed by way of a revaluation in early 1998.

INSURANCE OF OFFICERS

The Company purchases insurance for its officers, against liabilities in relation to the Company. The premium cost charged against profit in the year amounted to £1,286 (1996 - £1,538).

FUTURE DEVELOPMENTS

There are no current plans for any major future developments although the Board intends to continue with general improvements to the Estate and facilities.

THE MANOR PARK CEMETERY COMPANY LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The Directors who served during 1997, and their interests in the Shares of the Company were as shown below. In accordance with Articles No.90 and 95 of the Company's Articles of Association, Mr. R.S. Heaver and Mr. B.T. Cook retire as Directors of the Company, and, being eligible, offer themselves for re-election.

	Number of 25p shares held as at		Nature of interest
	1st January 1997	31st December 1997	
Mr. D.R. Jeffryes	128,940	70,190	Beneficial
Mr. D.R. Jeffryes	47,500	47,500	Trustee
Mr. B.O. Kuhrt (resigned 28 February 1998)	8,795	8,795	Beneficial
Mr. R.S. Heaver, F.C.A.	45,455	32,455	Beneficial
Mr. B. Birdsall	11,730	11,730	Beneficial
Mrs. A.S. Rutteman B.A.	35,535	64,910	Beneficial
Mr. B.T. Cook BSc. F.C.A. (appointed 11 June 1997)	-	-	

As far as the Directors are aware at 18th March 1998, there were no Directors holdings amounting in aggregate to a 10% or more beneficial interest in the share capital of the Company.

CHARITABLE & POLITICAL CONTRIBUTIONS

During the year the Company made no contributions to charitable organisations (1996 - £300) and made no contributions to political parties.


AUDITORS

A resolution will be proposed at the Annual General Meeting that Sterling Milne (formerly Milne & Co.) Chartered Accountants be re-appointed as auditors.

By Order of the Board

B.T. Cook

Secretary



Sebert Road,
Forest Gate,
London E7 ONP.

18th March 1998

THE MANOR PARK CEMETERY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	1		
Sale of private graves, interment fees etc.		505,001	411,702
Crematorium fees		<u>209,276</u>	<u>223,177</u>
		714,277	634,879
ESTATE AND ADMINISTRATIVE EXPENSES		646,625	541,940
OPERATING PROFIT		<u>67,652</u>	<u>92,939</u>
Income from investments		32,128	32,951
Other interest receivable		3,259	11,621
Profit on sale of investments		2,299	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	105,338	137,511
Tax on Profit on Ordinary Activities	5	21,605	34,819
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		83,733	102,692
PROPOSED DIVIDENDS			
Ordinary at 8.0p per share (1996 - 8.0p per share)		61,484	61,484
Special at 10.0p per share (1996 - nil)		76,855	-
(DEFICIT)/RETAINED PROFIT FOR YEAR		<u>£(54,606)</u>	<u>£ 41,208</u>
STATEMENT OF RETAINED PROFITS			
(DEFICIT)/RETAINED PROFIT FOR YEAR		(54,606)	41,208
RETAINED PROFITS AT 1ST JANUARY 1997		924,035	876,368
AMORTISATION OF REVALUATION SURPLUS 10		<u>6,483</u>	<u>6,459</u>
RETAINED PROFITS AT 31ST DECEMBER 1997		<u>£875,912</u>	<u>£924,035</u>

The difference between the result as disclosed in the Profit and Loss Account (as set out above) and the result on an unmodified historical cost basis is not material.

None of the company's activities were acquired or discontinued during 1997 or 1996.

The Company has no recognised gains or losses in 1997 or 1996 other than the profits shown above.

THE MANOR PARK CEMETERY COMPANY LIMITED


BALANCE SHEET AT 31ST DECEMBER 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		913,264		876,309
Investments	6		455,130		494,397
CURRENT ASSETS					
Debtors	7	52,451		35,419	
Investments		35,928		29,130	
Cash at bank and in hand		<u>29,976</u>		<u>29,876</u>	
		118,355		94,425	
CREDITORS					
Due within one year	8	<u>225,429</u>		<u>146,181</u>	
NET CURRENT (LIABILITIES) ASSETS			(107,074)		(51,756)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,261,320		1,318,950
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	5		-		(3,024)
			<u>£1,261,320</u>		<u>£1,315,926</u>
CAPITAL and RESERVES					
Called up Share Capital	9		192,139		192,139
Revaluation Reserve	10		193,269		199,752
Profit and Loss Account - retained profits			<u>875,912</u>		<u>924,035</u>
Equity Shareholders' Funds	11		<u>£1,261,320</u>		<u>£1,315,926</u>

Approved by the Board on 18th March 1998

RICHARD S. HEAVER (Chairman)

DENNIS R. JEFFRYES

) R. S. Heaver
) Directors
) 

THE MANOR PARK CEMETERY COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

(a) The financial statements have been prepared under the historical cost convention as modified to include the revaluation of freehold land, buildings and roadways.

(b) Turnover is the amount (exclusive of value added tax) received by the company in respect of interments, memorials and cremations, although the company has a commitment to maintain certain memorials for a number of years.

(c) It is company policy to maintain its buildings to the highest standards but, in order to recognise that buildings have a limited life which may be affected by environmental changes and to allow for the reduction in value of land arising from the sale of private burial grounds, depreciation of tangible land and buildings is on a straight line basis calculated at 1.5% per annum in compliance with SSAP 12. Depreciation of other fixed assets is on a straight line basis calculated at annual rates estimated to write off the cost of each asset over its useful life. (see note 4).

(d) Deferred taxation is provided under the liability method on the difference between the tax and book written down value of fixed assets subject to capital allowances, with the exception of land. Deferred taxation is not provided in respect of land subject to capital allowances since there is no intention of disposing of these assets.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997	1996
The profit is stated after:	£	£
Charging:		
Directors' remuneration:		
Emoluments	110,512	95,283
Compensation for loss of office (Ex gratia)	17,500	-
Pension contributions	17,920	13,836
Auditors' remuneration	2,800	2,646
Audit work		
Non-Audit work	296	237
Operating lease rental - plant and equipment	1,537	805
Depreciation	45,225	31,436
Crediting:		
Investment income:		
From Listed investments	11,099	12,625
From Unlisted investments	21,029	20,326
Other interest receivable	<u>3,259</u>	<u>11,621</u>

3. STAFF COSTS (INCLUDING DIRECTORS)

The average number of employees (including Directors) during the year was 23 (1996 - 22). Due to the size of the company there is no formal classification of duties. Their total remuneration was:

Wages and Salaries	359,979	299,580
Social Security costs	32,047	27,715
Other pension costs	<u>27,222</u>	<u>21,891</u>

This company operates defined contribution pension schemes for the directors. The assets of the scheme are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to £17,920 (1996: £13,836).

Certain employees have personal pension schemes and the company contributes 5% of their earnings, annually, to these schemes. Contributions in 1997, in respect of 3 employees, amounted to £2,742 (1996: £2,745).

An ex-gratia pension of £1,560 per annum is payable to a former employee for the remainder of his life, guaranteed for five years from January 1995. An ex-gratia pension at the rate of £5,000 per annum is payable to the widow of a former Director. Both of these pensions are allowable deductions for Corporation Tax purposes.

The figure for 'Other pension costs' noted above is made up as follows:

Defined contributions for directors	17,920	13,836
Contributions to staff personal pension schemes	2,742	2,745
Pension to widow of former Director	5,000	3,750
Ex gratia pension to former employee	<u>1,560</u>	<u>1,560</u>
	<u>£27,222</u>	<u>£21,891</u>
Pension premiums prepaid at 31/12/1997 amounted to	<u>£ 8,876</u>	<u>£10,952</u>

THE MANOR PARK CEMETERY COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

4. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings and Roadways	Plant and Machinery	Boundary Fencing	Fixtures and Fittings	Total
Cost or valuation	£	£	£	£	£
At 1st January 1997	678,619	326,396	13,864	95,432	1,114,311
Additions	18,919	4,489	16,940	41,832	82,180
At 31st December 1997	<u>697,538</u>	<u>330,885</u>	<u>30,804</u>	<u>137,264</u>	<u>1,196,491</u>
At Valuation	500,000	-	-	-	500,000
At cost	<u>197,538</u>	<u>330,885</u>	<u>30,804</u>	<u>137,264</u>	<u>696,491</u>
	<u>697,538</u>	<u>330,885</u>	<u>30,804</u>	<u>137,264</u>	<u>1,196,491</u>
Depreciation					
At 1st January 1997	63,548	95,887	11,809	66,758	238,002
Charge for year	<u>10,300</u>	<u>21,397</u>	<u>882</u>	<u>12,646</u>	<u>45,225</u>
At 31st December 1997	<u>73,848</u>	<u>117,284</u>	<u>12,691</u>	<u>79,404</u>	<u>283,227</u>

Net Book Value

31st December 1997	<u>623,690</u>	<u>213,601</u>	<u>18,113</u>	<u>57,860</u>	<u>913,264</u>
31st December 1996	<u>615,071</u>	<u>230,509</u>	<u>2,055</u>	<u>28,674</u>	<u>876,309</u>

	Historical Cost	Depreciation based on cost Opening	Charge	Closing	Net Historical cost value
For the freehold land, buildings and roadways included at cost or valuation:					
31st December 1997	354,996	73,783	3,867	77,650	277,346
31st December 1996	<u>336,056</u>	<u>70,766</u>	<u>3,017</u>	<u>73,783</u>	<u>262,273</u>

Freehold land and buildings were professionally revalued as at December 1988. The basis of valuation was the current open market value assuming a willing buyer and a willing seller. No tax liability has been provided, or quantified, on the surplus arising since there is no intention to dispose of the land and buildings.

Depreciation is provided on revaluation value or cost of fixed assets at the following rates:

Freehold land, buildings and roadways	1.5%	Boundary fencing	7.5%
Plant and machinery	7% to 15%	Fixtures and fittings	20.0%

At 31st December 1997 Capital Expenditure commitments were as follows -

Contracted for but not provided for in the accounts £-nil- (1996 - £2,855)

Authorised but not contracted for £-nil- (1996 £-nil-).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
The tax charge based on the profit for the year comprises:	£	£
Corporation tax at 21%/24% (1996 - 24%/25%)	13,404	28,761
Transfer to deferred tax	<u>8,201</u>	<u>6,058</u>
	<u>21,605</u>	<u>34,819</u>
Tax liabilities are payable as follows:		
Corporation Tax payable January 1998	132	-
Corporation Tax payable 1st October 1997	-	6,844
Advance Corporation Tax payable 14th July 1998	<u>34,585</u>	<u>15,371</u>
Current Corporation Tax liability as Note 8	<u>34,717</u>	<u>22,215</u>
Deferred tax at 21% (1996 - 24%) comprises:		
Arising by reason of accelerated capital allowances	(26,596)	(18,395)
Advance Corporation Tax recoverable in future accounting periods	<u>38,770</u>	<u>15,371</u>
Deferred tax liability as Balance Sheet	-	(3,024)
Advance Corporation Tax recoverable as Note 7 -		
Current	4,185	-
Recoverable after more than one year	<u>7,989</u>	-

THE MANOR PARK CEMETERY COMPANY LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

	1997 £	1996 £
6. INVESTMENTS		
At cost:		
Listed	108,831	162,226
Unlisted (Government investments)	<u>346,299</u>	<u>332,171</u>
	<u>455,130</u>	<u>494,397</u>
Market value	<u>469,309</u>	<u>506,753</u>
7. DEBTORS		
Due within one year:		
Trade debtors	7,211	626
Advance Corporation Tax (note 5)	4,185	-
Prepayments and accrued income	<u>33,066</u>	<u>34,793</u>
	44,462	35,419
Due after one year:		
Advance Corporation Tax (note 5)	<u>7,989</u>	-
	<u>52,451</u>	<u>35,419</u>
8. CREDITORS		
Due within one year:		
Trade creditors	2,850	11,725
Corporation Tax (Note 5)	34,717	22,215
Social security and other taxes	13,631	12,247
Accruals and deferred income	35,892	38,510
Proposed dividend	<u>138,339</u>	<u>61,484</u>
	<u>225,429</u>	<u>146,181</u>
There is a future commitment in respect of operating leases which is less than £2,000 per annum and is not, therefore, shown in detail.		
9. SHARE CAPITAL		
Authorised, issued and fully paid - 768,555 Ordinary Shares of 25p each	<u>192,139</u>	<u>192,139</u>
10. REVALUATION RESERVE		
Balance at 1st January 1997	199,752	206,211
Amortisation during the year	(6,483)	(6,459)
Balance at 31st December 1997.	<u>193,269</u>	<u>199,752</u>
11 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS		
Profits for the financial year after taxation	83,733	102,692
Dividend	<u>(138,339)</u>	<u>(61,484)</u>
	(54,606)	41,208
Shareholders' funds at 1st January 1997	<u>1,315,926</u>	<u>1,274,718</u>
Shareholders' funds at 31st December 1997	<u>1,261,320</u>	<u>1,315,926</u>

THE MANOR PARK CEMETERY COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the company's state of affairs as at the end of the year and of its profit or loss for that period. In preparing those financial statements the directors are required to:

- * select suitable accounting policies and then apply them consistently.
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

REPORT OF THE AUDITORS

TO THE MEMBERS OF THE MANOR PARK CEMETERY COMPANY LIMITED

We have audited the financial statements on pages 7 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors.

As described on this page, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

Basis of opinion.

We conducted our audit in accordance with 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 judgments 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.

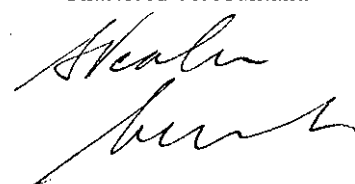
Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31st December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

59/61 The Broadway
Haywards Heath
West Sussex
RH16 3AS

18th March 1998.

STERLING MILNE
Registered Auditors
Chartered Accountants



THE MANOR PARK CEMETERY COMPANY LIMITED

TEN YEAR SUMMARY ENDED 31ST DECEMBER 1997

Year to 31st December	Turnover	Profits Before Tax	Tax	Profits after tax	Dividends	Profits retained/ (deficit)	Earnings per share (Note 3)
1988	371,649	80,008	19,776	60,232	25,362	34,870	39.19
1989	382,830	103,324	25,696	77,628	29,974	47,654	50.50
1990	458,904	101,047	26,032	75,015	29,974	45,041	48.80
1991	512,852	122,322	31,325	90,997	33,816	57,181	59.20
1992	480,039	77,575	20,136	57,439	33,816	23,623	37.37
1993	554,048	138,177	34,873	103,304	38,428	64,876	67.21
1994	594,160	158,353	38,071	120,282	61,484	58,798	15.65
1995	630,760	141,429	36,310	105,119	61,484	43,635	13.68
1996	634,879	137,511	34,819	102,692	61,484	41,208	13.36
1997	714,277	105,338	21,605	83,733	138,339	(54,606)	10.89

Notes: 1.The dividend figures exclude the tax credit available to Shareholders.

2.The tax charge excludes prior year adjustments.

3.There was a bonus issue of four shares for every share held in 1994. The earnings per share figures for 1994 to 1997 are based on the new capital and are one-fifth of the figures that would have arisen in relation to the previous capital.

4.The 1997 profit before tax is after charging £17,500 ex gratia compensation to a retiring director.