

296005

KENT COUNTY CREMATORIUM
PUBLIC LIMITED COMPANY

31ST MAY 1996

COMPANIES HOUSE 04/12/96

FINANCIAL STATEMENTS

I N D E X

	<u>Page</u>
DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS.....	1
DIRECTORS' REPORT	2-3
DIRECTORS' RESPONSIBILITIES AND AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
CASH FLOW STATEMENT	7
NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS	8-13



DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J. Leigh Pemberton, CBE MA MBA (*Chairman*)
M.H. Pym (*Deputy Chairman*)
R.N. Arber
M.A. Atherton, CBE JP DL
J.G. Elliott, MA VMH
M.W. Hardcastle

SECRETARY AND REGISTERED OFFICE

B. Chandler, BSc ACIS
Newcourt Wood,
Charing,
Ashford,
Kent TN27 0EB
Registered in England Number 296005

AUDITORS

Larkings,
Chartered Accountants & Registered Auditors
Cornwallis House,
Pudding Lane,
Maidstone,
Kent ME14 1NH

BANKERS

National Westminster Bank plc
91 High Street
Maidstone
Kent ME14 1XT

MERCHANT BANKERS

The Private Bank and Trust Company Limited
12 Hay Hill
London
W1X 8EE

SOLICITORS

Whitehead Monckton
72 King Street
Maidstone
Kent ME14 1BL

DIRECTORS' REPORT

Your Directors have pleasure in presenting this 61st Annual Report together with the Financial Statements of the Company for the year ended 31st May 1996. They will be laid before the shareholders at the Annual General Meeting to be held on 1st November 1996.

Principal Activity

The Company is a cremation authority operating crematoria at Charing and Barham in Kent; its principal activity of carrying out cremations is supported by the provision of a comprehensive range of memorial facilities.

Review of the Business and Future Development

The Company has operated satisfactorily throughout the year. The number of cremations carried out was 4002, an increase of 144 compared with the previous year. The average number of cremations per year over the last five years is 3865.

Fixed Assets

The changes in fixed assets are shown in Note 11 to the Financial Statements.

The Company's policy for the future continues to be that the services, memorial facilities and Gardens of Remembrance which it provides should keep pace and develop with any changing demands made by the sector of the public which it serves. Current considerations also include the need to comply with the Environmental Protection Act 1990 which accounts for the high level of capital commitments at the balance sheet date.

Freehold Land and Buildings

The Directors consider that the market value of the freehold land and buildings is in excess of the amount shown in the financial statements but, as these assets are of a specialist nature and are used in the Company's business and no disposals are envisaged, the excess is not quantified.

Results and Dividends

The profit for the year after Employee Profit Sharing and Taxation amounted to £172281.

It is recommended that this be dealt with as follows:-

Ordinary Dividend at 28.5 pence per share on 203601 shares	58026
Transfer to : Cremator Replacement Reserve	40000
: Profit and Loss Account	74255
	<hr/>
	172281
	<hr/>

The Directors recommend a dividend of 28.5 pence per share. Subject to approval at the Annual General Meeting the dividend will be paid on the 4th November 1996 to the shareholders registered at close of business on the 30th September 1996.

The Company is still actively involved in taking the necessary steps to ensure that it complies with the requirements of the Environmental Protection Act and a further £40000 of post tax profits have been transferred to the Cremator Replacement Reserve.

Employee Share Scheme

The sum of £7250 provided in the financial statements to 31st May 1995 has been paid to the Trustees who used the funds to purchase a further 1115 shares at £6.50 per share in the market. A further £8500 has been allocated in respect of the year under review.

Creditor Payment Policy

It is the Company's policy that all debts are settled within the period agreed with the supplier, or where no specific terms are agreed by the end of the month following receipt of the suppliers invoice.

Donations

Charitable donations totalling £4340 were made to various charities and local parishes in line with the Company's normal policy of involvement with the local community.

DIRECTORS' REPORT (CONTINUED)**Directors**

M.W. Hardcastle and Brigadier M.A. Atherton retire by rotation under the Articles of Association and offer themselves for re-election.

The Directors of the Company and their interests (including family interests) in the shares of the Company were as follows:-

	Ordinary Shares	
	<u>31st May 1996</u>	<u>31st May 1995</u>
R.N. Arber	100	100
Brigadier M.A. Atherton	835	835
J.G. Elliott	1204	1204
M.W. Hardcastle	1200	1200
J. Leigh Pemberton	1807	1807
M.H. Pym	2740	2740

M.W. Hardcastle, J. Leigh Pemberton and M.H. Pym have a further non-beneficial interest in 6890 shares. (1995: 7906) held as Trustees of the Employee Profit Sharing Scheme.

Shareholders' Information**Status**

The Company is an unlisted Company. It is not a close Company within the meaning of the Income and Corporation Taxes Act 1988.

Share Values

Excluding transfers for a nil or nominal consideration share transfers have been received in the last twelve months at values of between £9.50 and £10 per share.

Because the Company's shares are unlisted, members and their advisers may encounter difficulties in the disposal or valuation of their holdings. The Company is prepared to provide information which includes the most recent prices for share dealings. Enquiries should be in writing and addressed to the Company Secretary at the Registered Office.

Information regarding the value of the Company's shares for Capital Gains Tax purposes as at 31st March 1982 is available upon request.

Auditors

Messrs. Larkings have indicated their willingness to continue in office and a resolution for their re-appointment, in accordance with Section 385 (2) Companies Act 1985, will be proposed at the Annual General Meeting.

29th July 1996

Date:

BY ORDER OF THE BOARD

B. Chandler


Secretary

REGISTERED OFFICE:

Newcourt Wood
Charing
Ashford
Kent
TN27 0EB

REGISTERED IN ENGLAND Number 296005.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF 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 for the year. 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * 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 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 and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF KENT COUNTY CREMATORIUM PUBLIC LIMITED COMPANY

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective Responsibilities of Directors and Auditors

As described above 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, on those statements and to report our opinion to you.

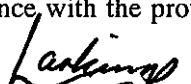
Basis of Opinion

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 as at 31st May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


LARKINGS
Chartered Accountants
and Registered Auditors
Cornwallis House
Pudding Lane
Maidstone
Kent
ME14 1NH

29th July 1996

PROFIT AND LOSS ACCOUNTYEAR ENDED 31ST MAY 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Turnover	2	925393	835482
Less Cost of Sales		461977	423386
Gross Profit		463416	412096
Less Operating Expenses		233718	219325
Other Operating Income	3	229698 288	192771 288
Operating Profit	4	229986	193059
Income from Investments	6	232	3037
Interest Payable and Similar Charges	7	230218 2456	196096 -
Profit Before Employee Profit Sharing		227762	196096
Employee Profit Sharing	8	8500	7250
Profit on Ordinary Activities Before Taxation		219262	188846
Taxation on Profit on Ordinary Activities	9	46981	24231
Profit Attributable to Ordinary Shareholders		172281	164615
Transfer to Reserves Cremator Replacement Reserve		40000	50000
Dividend	10	132281 58026	114615 52936
Retained Profits for the Financial Year		74255	61679
Balance Brought Forward From Previous Year		441800	380121
Retained Profits Carried Forward		516055	441800

The only recognised gain for the year is the profit for the year of £172281 (1995: £164615).

There were no acquisitions and no discontinued operations in the year.

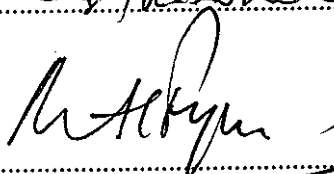
The annexed notes form part of these financial statements.

BALANCE SHEET31ST MAY 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Fixed Assets			
Tangible Assets	11	1064609	1123173
Investment	12	608	608
		<u>1065217</u>	<u>1123781</u>
Current Assets			
Stocks	13	11418	9475
Debtors (including £14507 due after more than one year 1995: £13235)	14	89306	82188
Cash at Bank and in Hand		163980	809
		<u>264704</u>	<u>92472</u>
Creditors:			
Amounts Falling Due Within One Year	15	168237	171729
			<u>(79257)</u>
Net Current Assets		<u>96467</u>	
Total Assets Less Current Liabilities		<u>1161684</u>	<u>1044524</u>
Deferred Income	1(c)	47140	44235
Net Assets		<u>1114544</u>	<u>1000289</u>
Capital and Reserves			
Called up Share Capital	17	203601	203601
Share Premium Account	18	14261	14261
Cremator Replacement Reserve	19	380627	340627
Profit and Loss Account		516055	441800
		<u>1114544</u>	<u>1000289</u>
Shareholders' Funds	20	<u>1114544</u>	<u>1000289</u>

29th July 1996

Approved by the Board on

 J. LEIGH PEMBERTON
Directors
 M.H. PYM

The annexed notes form part of these financial statements.

CASH FLOW STATEMENTYEAR ENDED 31ST MAY 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Net Cash Inflow From Operating Activities	22	317210	160006
Return on Investments and Servicing of Finance			
Interest Received	232		3037
Dividend Paid	(52936)		(49882)
Interest Paid	(2456)		-
Net Cash Outflow from Returns on Investments and Servicing of Finance		(55160)	(46845)
Taxation			
Corporation Tax Paid (Including Advance Corporation Tax)	(25304)		(42669)
Tax Paid		(25304)	(42669)
Investing Activities			
Payments to Acquire Tangible Fixed Assets	(24090)		(411433)
Payments to Acquire Long Term Investments	-		(4)
Net Cash Outflow from Investing Activities		(24090)	(411437)
Increase/(Decrease) in Cash and Cash Equivalents	24	212656	(340945)

The annexed notes form part of these financial statements.

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTSYEAR TO 31ST MAY 1996**Compliance with Accounting Standards**

The Financial Statements have been prepared in accordance with applicable accounting standards. The particulars of the only material departure is given at Note 1(d).

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and have been consistently applied within these financial statements.

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

(b) Accruals Concept

The accruals concept has been observed in preparing these accounts except in the case of the sales of memorial tablets and garden memorials, where the full sale proceeds have consistently been credited to the Profit and Loss Account in the year of sale although the memorials have been leased for a period of years.

(c) Deferred Income

In the case of the revenue received from the dedication of rose trees and azaleas one third of the amount received during the year has been credited to a deferred income account as being received in respect of the Company's obligation to maintain these memorials during the dedication period. Credit is taken for the amount deferred in equal instalments over the respective dedication periods.

(d) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:-

Freehold Land and Buildings	- Nil
Cremators and Associated Machinery	- 10 Years
Fixtures and Fittings	- 5 Years
Motor Vehicles	- 20% Reducing Balance Basis

It is the Company's policy to maintain its freehold buildings to a high standard and the Directors cannot foresee any time in the future when the residual value of the buildings will be less than the value at which they are included in the total cost of Freehold Land and Buildings shown in the Balance Sheet. For this reason they have not complied with Statement of Standard Accounting Practice No.12 so far as it requires Depreciation of Buildings.

(e) Stocks

Stocks have been valued, as in previous years, by the Directors, at the lower of cost and net realisable value.

(f) Deferred Taxation

Deferred Taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS (CONTINUED)YEAR TO 31ST MAY 19961. **Accounting Policies (Continued)**(g) **Pensions**

The Company operates a group personal pension plan covering the majority of the permanent employees of the Company. The Company cost of contributions paid are charged to Profit and Loss Account as they fall due.

Certain employees who are not members of the group personal pension plan are covered by other defined contribution arrangements and the contributions are charged against profits in the year in which they are made.

(h) **Employee Profit Sharing Scheme**

The Company operates an employee profit sharing scheme in respect of the majority of its full time employees which has been approved by the Inland Revenue under paragraph 1, schedule 9 Finance Act 1978. The scheme is established under a Deed of Trust and governed by formal rules.

The profits allocated to the scheme in accordance with the rules are charged against the profit of the year from which they are allocated.

2. **Turnover**

Turnover represents the amounts receivable, excluding value added tax, for services supplied in the normal course of business.

The turnover and pre-tax profit is attributable to one activity being the carrying out of cremations and the provision of memorials.

	<u>1996</u>	<u>1995</u>
3. Other Operating Income		
Rent Received	288	288
	<hr/>	<hr/>
4. Operating Profit for the Year		
Operating Profit is Stated After Charging:-		
Cost of Sales		
Depreciation	72188	49273
	<hr/>	<hr/>
Operating Expenses		
Auditors' Remuneration and Expenses	6341	8048
Depreciation	10466	9620
Directors' Emoluments - Fees	45000	41500
	<hr/>	<hr/>

Fees shown above include a management charge of £6000 (1995: £5500) paid to the Cremation Society of Great Britain in respect of the services of its Secretary as its nominee on the Board. Dr. J.G. Elliott was paid professional fees of £5200 (1995: £4800) in respect of the year for consultancy work which is not included in Directors Emoluments.

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS (CONTINUED)YEAR TO 31ST MAY 1996

	<u>1996</u>	<u>1995</u>
5. Staff Costs (Including Directors)		
Wages, Salaries and Fees	302276	291370
Employee Profit Sharing (Note 8)	8500	7250
Social Security Costs	24169	23454
Other Pension Costs and Medical Insurance	37371	30384
	<u>372316</u>	<u>352458</u>
The average number of persons, including Directors, employed by the Company was 27 made up as follows:-		
Service Employees	10	13
Office and Management Employees	11	10
Non-Executive Directors	6	6
	<u>27</u>	<u>29</u>
6. Income from Investments		
Listed Investments	44	44
Unlisted Investments and Short Term Deposits	188	2993
	<u>232</u>	<u>3037</u>
7. Interest Payable and Similar Charges		
Interest Payable - Bank Loans and Overdrafts and other loans repayable within five years	2456	-
8. Employee Profit Sharing		
The sum of £8500 (1995: £7250) will be paid to the Trustees for the purchase of ordinary shares in the Company for allocation to eligible employees under the scheme.		
9. Taxation on Profit on Ordinary Activities		
Corporation Tax At 25%/24% Based on the Profit for the Year	47000	24500
Tax Credits Attributable to Dividends Received	43	42
Overprovision in Previous Year	(62)	(311)
	<u>46981</u>	<u>24231</u>
10. Dividend		
Proposed: Ordinary Dividend of 28.5 pence per share on 203601 shares (1995: 26 pence on 203601 shares)	58026	52936

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS (CONTINUED)

YEAR TO 31ST MAY 1996

	Freehold Land and Buildings	Cremators and Associated Machinery	Motor Vehicle, Equipment, Fixtures and Fittings	1996 Total	1995 Total
11. Tangible Assets					
Cost					
At 1st June 1995	505159	670906	211392	1387457	998194
Additions	18037	-	6053	24090	411433
Disposals	-	-	-	-	(22170)
At 31st May 1996	523196	670906	217445	1411547	1387457
Depreciation					
At 1st June 1995	-	97794	166490	264284	227561
Charge for the Year	-	60388	22266	82654	58818
Disposals	-	-	-	-	(22095)
At 31st May 1996	-	158182	188756	346938	264284
Net Book Values					
At 31st May 1996	523196	512724	28689	1064609	1123173
Depreciation					
Charge for the Year				82654	58818
Loss on Disposals				-	75
				82654	58893

	Cost	1996 Market Value	Cost	1995 Market Value
12. Investments				
Long Term				
Listed	394	675	394	625
Unlisted	214	1915	214	1915
	608	2590	608	2540
13. Stocks				
Memorials and Consumables		11418		9475
14. Debtors				
Trade Debtors		57803		54451
Prepayments and Accrued Income		16996		14502
Recoverable A.C.T. (Recoverable in More Than One Year)		14507		13235
		89306		82188

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS (CONTINUED)

YEAR TO 31ST MAY 1996

	<u>1996</u>	<u>1995</u>
15. Creditors: Amounts Falling Due Within One Year		
Bank Overdraft	-	49485
Trade Creditors	39025	30819
Current Corporation Tax	48320	25304
Other Taxes and Social Security Costs	14358	13178
Proposed Dividends	58026	52936
Employee Profit Sharing Scheme	8508	7
	<u>168237</u>	<u>171729</u>
16. Provisions for Liabilities and Charges		
Deferred Taxation		
In view of the Company's capital expenditure programme no deferred taxation is expected to crystallise in the foreseeable future. The amount of the potential liability for deferred taxation is as follows:		
	<u>1996</u>	<u>1995</u>
	<u>Potential</u>	<u>Potential</u>
The accumulated excess of capital allowances over corresponding depreciation		
At 1st June 1995	45800	23100
Charge for the Year	7500	22700
Reduction in Rate	(1800)	-
At 31st May 1996	<u>51500</u>	<u>45800</u>
17. Share Capital		
Authorised		
400000 Ordinary Shares of £1 Each	<u>400000</u>	<u>400000</u>
Allotted, Called Up and Fully Paid		
203601 Ordinary Shares of £1 Each	<u>203601</u>	<u>203601</u>
18. Share Premium Account		
At 1st June 1995 and		
At 31st May 1996	<u>14261</u>	<u>14261</u>
19. Cremator Replacement Reserve		
Balance At 1st June 1995	340627	290627
Transferred from Profit and Loss Account	40000	50000
Balance At 31st May 1996	<u>380627</u>	<u>340627</u>

NOTES WHICH FORM PART OF THE FINANCIAL STATEMENTS (CONTINUED)

YEAR TO 31ST MAY 1996

	1996	1995
20. Reconciliation of Movements in Shareholders' Funds		
Profit for the Financial Year	172281	164615
Dividends	58026	52936
	114255	111679
Opening Shareholders' Funds	1000289	888610
Closing Shareholders' Funds	1114544	1000289
21. Capital Commitments		
Authorised and contracted for	352000	310000
Authorised but not contracted for	20000	20000
In order to meet the requirements of The Environmental Protection Act 1990, the Company has short term capital commitments in respect of the upgrading of Cremators at Charing Crematorium.		
22. Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities		
Operating Profit Less Payments to Employee		
Profit Sharing Scheme	222825	185809
Depreciation Charges	82654	58818
Loss on Sale of Tangible Fixed Assets	-	75
Increase in Stock	(1943)	(5509)
Increase in Debtors	(7118)	(23893)
Increase in Creditors	17887	(58176)
Net Income Deferred to Future Years	2905	2882
Net Cash Inflow from Operating Activities	317210	160006
23. Analysis of Changes in Cash and Cash Equivalents During the Year		
Balance At 1st June 1995	(48676)	292269
Net Cash Inflow/(Outflow)	212656	(340945)
Balance At 31st May 1996	163980	(48676)
24. Analysis of Balances of Cash and Cash Equivalents as Shown in the Balance Sheet		
	Change	
Cash at bank and in Hand	112656	63980
Short Term Investments	100000	100000
	212656	163980
		(48676)