

**JOSEPH SWIFT (FUNERAL DIRECTORS) LIMITED**  
**FINANCIAL STATEMENTS FOR THE PERIOD ENDED**

**31 DECEMBER 1998**

**Company number: 421218**



**Joseph Swift (Funeral Directors) Limited**  
**REPORT OF THE DIRECTORS**

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The directors present their report and the audited financial statements of the company for the 9 month period ended 31 December 1998.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company continued to be that of Funeral Directors.

On 4 June 1998, the company was purchased by Swift & Mildred Limited, a subsidiary of Service Corporation International Plc. The trade and assets of the company, other than investments in subsidiaries, were sold to Swift and Mildred Limited at market value, generating a profit of £733,746. The company then ceased trading.

**RESULTS AND DIVIDENDS**

The results for the period are set out on the profit and loss account on page 4. The directors do not recommend the payment of a dividend.

**DIRECTORS AND THEIR INTERESTS**

The directors who held office during the period and their interests in the shares of the company, as shown in the Register of Directors' Interests, are as stated below:

	<b>31<sup>st</sup> December 1998</b>	<b>31<sup>st</sup> March 1998</b>
D Mildred (Resigned 4 June 1998)	-	69
K H Mildred (Resigned 4 June 1998)	-	-
- as joint trustee to the Mildred Family Trust	-	624
T R Mildred (Resigned 4 June 1998)	-	2,400
A R Mildred (Resigned 4 June 1998)	-	1,250
P T Hindley (Appointed 4 June 1998)	-	-
J Brown (Appointed 4 June 1998)	-	-
P Lerouge (Appointed 4 June 1998)	-	-

**YEAR 2000**

The company is participating in the Service Corporation International Plc group programme designed to address the impact of the year 2000 on all the group's businesses. The key part of this programme is the implementation of a new financial and management information system that has become operational in the third quarter of 1999. However, risk analysis has also been performed that considers the impact of year 2000 failures by our significant suppliers and customers. In appropriate cases, formal assurance is being sought from these parties.

The costs of the project are being borne by fellow group companies.

## **INTRODUCTION OF THE EURO**

Although the exposure of the company in the short term to the Euro will be minimal, the systems implementation described above will address the company's main weakness with regard to the introduction of the Euro.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit and loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable account policies and apply them consistently;
- make judgements and estimates that are reasonable; 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 maintaining 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.

By order of the board

  
P Lerouge  
Director

22 October 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
JOSEPH SWIFT (FUNERAL DIRECTORS) LIMITED**

We have audited the financial statements, on pages 4 to 13.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 2 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**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 judgements 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 affairs of the company as at 31 December 1998 and of the profit for the period then ended.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
Birmingham

24 October 1999

**PROFIT AND LOSS ACCOUNT  
for the 9 months ended 31 December 1998**

		<b>9 months to 31 December 1998 Discontinued operations</b>	<b>Year to 31 March 1998 Discontinued operations</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Turnover	1	87,141	538,427
Cost of sales		(76,869)	(402,981)
<b>Gross profit</b>		<u>10,272</u>	<u>135,446</u>
Administrative expenses		(7,150)	(78,390)
		<u>3,122</u>	<u>57,056</u>
Other operating income		-	57,902
<b>Operating profit</b>	2	<u>3,122</u>	<u>114,958</u>
Loss on sale of properties		-	(30,007)
Interest receivable		1,445	11,133
Profit on sale of discontinued operations		733,746	-
<b>Profit on ordinary activities before taxation</b>		<u>738,313</u>	<u>96,084</u>
Taxation on profit on ordinary activities	5	(4,152)	(34,368)
<b>Profit for the period after taxation</b>		<u>734,161</u>	<u>61,716</u>
Dividends paid		-	(100,000)
		<u>734,161</u>	<u>(38,284)</u>
Retained profit brought forward		209,665	247,949
<b>Retained profit carried forward</b>		<u><u>943,826</u></u>	<u><u>209,665</u></u>

Following the sale on 4 June 1998 of the trade and assets of the company, excluding investments in a subsidiary company, to Swift and Mildred Limited, a fellow subsidiary of Service Corporation International Plc; the company ceased trading.

There is no difference between the profit on ordinary activities before taxation and the retained profit above and their historical cost equivalents.

The company has no recognised gains or losses other than the profit for the above two financial periods and therefore no separate statement of total recognised gains and losses has been presented.

# Joseph Swift (Funeral Directors) Limited

## BALANCE SHEET As at 31 December 1998

	Note	At 31 December 1998		At 31 March 1998	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible Assets	6		-		55,000
Tangible Assets	7		-		40,754
Investments	8		1,000		1,000
			<u>1,000</u>		<u>96,754</u>
<b>CURRENT ASSETS</b>					
Stocks – funeral supplies			-		8,500
Debtors falling due within one year	9	947,876		79,984	
Cash at bank and in hand			-	193,943	
		<u>947,876</u>		<u>282,427</u>	
Creditors: amounts falling due within one year	10		-	(162,646)	
			<u></u>	<u></u>	
<b>NET CURRENT ASSETS</b>			947,876		119,781
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>948,876</u>		<u>216,535</u>
Provisions for liabilities and charges	11		-		(1,820)
<b>NET ASSETS</b>			<u>948,876</u>		<u>214,715</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		5,000		5,000
Other reserves	13		50		50
Profit and loss account	13		943,826		209,665
Equity shareholders' funds	13		<u>948,876</u>		<u>214,715</u>

The financial statements on pages 4 to 13 were approved by the Board of Directors on 22 October 1999 and were signed on its behalf by:

P Lerouge  
Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 9 months ended 31 December 1998**

**1. Accounting policies**

The accounting policies set out below have been applied consistently by the company in the preparation of the financial statements:

**(a) Basis of accounting**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

The company is exempt from preparing group accounts under s228 Companies Act 1985. The company is included in the Group accounts of the ultimate UK parent company, Service Corporation International Plc which is registered in England. A copy of those accounts can be obtained from Service Corporation International Plc, Farringdon House, East Grinstead, Sussex, RH19 1EW.

**(b) Turnover**

Turnover represents income receivable for funeral services provided to customers in the United Kingdom.

**(c) Depreciation**

Depreciation is provided on all tangible fixed assets 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 -	Nil
Freehold buildings -	2% per annum on written down value
Plant and machinery -	10% per annum on written down value
Fixtures and fittings -	10% per annum on written down value
Motor vehicles -	20% per annum on written down value.

**(d) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**(e) Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability will crystallise.

**(f) Pension costs**

The company operates a defined contribution pension scheme for certain of its employees. The funds of the scheme are administered by Trustees and are separate from the company, and contributions are charged in the profit and loss account as they accrue.

**(g) Goodwill**

Goodwill is stated at cost. No amortisation is provided but the value is reviewed annually by the directors and the cost written down if permanent diminution in value has occurred.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 9 months ended 31 December 1998**

**(h) Cashflow statement**

The company is a wholly owned subsidiary of Service Corporation International Plc, and the cashflows of the company are included in the consolidated cashflow statement of the ultimate parent company. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cashflow statement.

**2. Operating profit**

Operating profit is arrived at after charging:

	<b>31 December 1998 £</b>	<b>31 March 1998 £</b>
Depreciation of tangible fixed assets	1,138	11,170
Loss on sale of motor vehicles	4,964	-
	<u>          </u>	<u>          </u>

Auditors' remuneration for the period ended 31 December 1998; and year ended 31 March 1998, has been borne by a fellow subsidiary of the Service Corporation International Group.

**3. Staff Costs And Employees (including directors)**

	<b>31 December 1998 £</b>	<b>31 March 1998 £</b>
Wages and Salaries	26,120	168,989
Social Security Costs	1,893	15,578
Pension Costs	-	53
	<u>28,013</u>	<u>184,620</u>

The average number of employees (including Directors) employed by the company during the year was:

	<b>Number</b>	<b>Number</b>
Directors	1	2
Funeral Staff	3	11
	<u>4</u>	<u>13</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the 9 months ended 31 December 1998**

**4. Directors' remuneration**

	<b>31 December 1998 £</b>	<b>31 March 1998 £</b>
Aggregate emoluments	9,396	38,510

P Hindley, J Brown and P Lerouge are employed by SCI Funerals Limited, a fellow subsidiary and their emoluments are dealt with in the financial statements of that company. No charges are made in respect of their services to Joseph Swift (Funeral Directors) Limited.

**5. Taxation**

	<b>31 December 1998 £</b>	<b>31 March 1998 £</b>
Based on the profit for the period:		
UK Corporation tax at 31% (31 March 1998: 31%)	4,152	35,056
Deferred taxation	-	(432)
Under/(over) provision in respect of prior years	-	(256)
	<u>4,152</u>	<u>34,368</u>

No taxation charge arose on the profit on sale of the trade and assets of the company.

**6. Intangible fixed assets - goodwill**

	<b>Total £</b>
<b>Cost And Net Book Value</b>	
At 31 March 1998	55,000
Written off on sale of trade and assets	(55,000)
	<u>-</u>
At 31 December 1998	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 9 months ended 31 December 1998

**7. Tangible fixed assets**

	<b>Land &amp; Buildings £</b>	<b>Motor Vehicles £</b>	<b>Plant &amp; Equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
At 1 April 1998	5,756	212,175	8,759	226,690
Disposals	(5,756)	(212,175)	(8,759)	(226,690)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>				
At 1 April 1998	174	179,876	5,886	185,936
Charge for the period	14	1,076	48	1,138
Disposals	(188)	(180,952)	(5,934)	(187,074)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>				
At 31 December 1998	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1998	5,582	32,299	2,873	40,754
	<hr/>	<hr/>	<hr/>	<hr/>

**8. Investments**

	<b>31 December 1998 £</b>	<b>31 March 1998 £</b>
At cost	1,000	1,000
	<hr/>	<hr/>

The investment comprises the following:

1,000 ordinary shares of £1 each in Heighton & Son Limited - a wholly owned subsidiary whose principal activity was that of Funeral Directors until 4 June 1998 when it sold its business and assets and ceased trading.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 9 months ended 31 December 1998

**9. Debtors – falling due within one year**

	<b>31 December 1998</b>	<b>31 March 1998</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	74,382
Prepayments and other debtors	-	2,560
Amounts due from group undertakings	947,876	3,042
	<u>947,876</u>	<u>79,984</u>
	<u><u>947,876</u></u>	<u><u>79,984</u></u>

**10. Creditors: amounts falling due within one year**

	<b>31 December 1998</b>	<b>31 March 1998</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	48,500
Trade creditors	-	735
Payments received on account	-	83,481
Other creditors	-	2,275
Corporation tax	-	10,056
Other taxation and social security	-	8,492
Accruals	-	8,617
Amounts owed to group undertakings	-	490
	<u>-</u>	<u>162,646</u>
	<u><u>-</u></u>	<u><u>162,646</u></u>

**11. Provisions for liabilities and charges**

	<b>Deferred Taxation £</b>
Balance at 1 April 1998	1,820
Transfer to Swift & Mildred Limited on sale of trade & assets	(1,820)
At 31 December 1998	<u>-</u>
	<u><u>-</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the 9 months ended 31 December 1998

**11. Provisions for liabilities and charges (continued)**

The provision for deferred taxation calculated on the liability method is as follows:

	31 December 1998		31 March 1998	
	Amount Provided £	Potential Liability £	Amount Provided £	Potential Liability £
Accelerated Capital Allowances	-	-	1,820	8,669
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**12. Called up share capital**

	31 December 1998 £	31 March 1998 £
<b>Authorised</b>		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u>          </u>	<u>          </u>
<b>Allotted, issued and fully paid</b>		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u>          </u>	<u>          </u>

**13. Reconciliation of movements in Shareholders' funds and Reserves**

	Share Capital £	Profit & Loss £	Other Reserves £	Total Equity Shareholders' Funds £
Balance as at 1 April 1998	5,000	209,665	50	214,715
Retained profit for the year	-	734,161	-	734,161
At 31 December 1998	<u>5,000</u>	<u>943,826</u>	<u>50</u>	<u>948,876</u>

**14. Pension costs**

The company operates a non-contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the period was £nil (Year ended 31 March 1998 £53).

**NOTES TO THE FINANCIAL STATEMENTS  
for the 9 months ended 31 December 1998**

**15. Related party transactions**

Material Transactions with related parties during the period were as follows:

- (a) Heighton & Son Ltd is a wholly owned subsidiary of the company. The company supplied services to Heighton & Sons Ltd amounting to £3,843 (Year ended March 1998 £18,614) and was reimbursed expenses and overheads of £240 (Year ended March 1998 £2,074). The company also rents a property to Heighton & Son Ltd. £nil was charged in the period (Year ended March 1998 £55,000). At 31 December 1998 Heighton & son Ltd owed the company £nil (31 March 1998 £2,552).
- (b) R Garner, Son & Wood Ltd is a company related by common control. The company supplied services to R Garner, Son & Wood Ltd amounting to £5,507 (Year ended March 1998 £26,376) and was reimbursed expenses for £nil (Year ended March 1998 £245). At 31 December 1998 R Garner, Son & Wood Ltd owed the company £nil (31 March 1998 £1,745).
- (c) F L Mildred & Sons (Funeral Directors) Ltd is a company related by common control. The company supplied services to F L Mildred & Sons (Funeral Directors) Ltd amounting to £6,174 (Year ended March 1998 £19,872) and was reimbursed expenses of £479 (Year ended March 1998 £2,130). At 31 December 1998 F L Mildred & Sons (Funeral Directors) Ltd owed the company £nil (March 1998 £3,008).
- (d) Littlethorpe Swift Properties Ltd is a company related by common control. During the year ended 31 March 1998 the company sold one of its properties to Littlethorpe Swift Properties Ltd for £100,000 resulting in a loss to the company of £30,007. During the year ended 31 March 1998 the company also paid legal fees on behalf of Littlethorpe Swift Properties Ltd of £1,446, which were owed to the company as at 31 March 1998.
- (e) On the 4 June 1998, 100% of the ordinary share capital of the company was acquired by Swift and Mildred Limited, a subsidiary of Service Corporation International Plc. The trade and assets of the company were sold to Swift and Mildred Limited at market value and the company ceased trading.

**NOTES TO THE FINANCIAL STATEMENTS  
for the 9 months ended 31 December 1998**

**16. Control relationship**

At 31 March 1998, the directors of the company controlled 100% of the company. As described above in note 15, the company was acquired by the Service Corporation International Group. The ultimate holding company is now Service Corporation International, a company registered in the United States of America. Group accounts may be obtained from the ultimate UK parent company which is registered in England, Service Corporation International Plc, Farringdon House, East Grinstead, Sussex, RH19 1EW.