

**BRISTOL FUNERAL DIRECTORS  
LIMITED****Report and Financial Statements****For the year ended 31 July 2003**

**REPORT AND FINANCIAL STATEMENTS 2003****CONTENTS**

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Note of historical cost profits and losses	7
Balance sheet	8
Notes to the financial statements	9

**OFFICERS AND PROFESSIONAL ADVISERS****DIRECTORS**

P A Alderwick (Chairman)  
D G Gunningham  
A Sheppard

**SECRETARY**

D G Gunningham

**REGISTERED OFFICE**

Southville Lodge  
Southville Road  
Bristol  
BS3 1DJ

**BANKERS**

Barclays Bank plc  
P O Box 324 (Patchway)  
Park House  
Newbrick Road  
Stoke Gifford  
Bristol  
BS34 8ZJ

**SOLICITORS**

TLT Solicitors  
One Redcliffe Street  
Bristol  
BS99 7JZ

**AUDITORS**

Deloitte & Touche LLP  
Bristol

## DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 July 2003.

### PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company's principal activities are those of a holding company and the provider of a prepaid funeral plan. The company's business developed satisfactorily during the year and the directors consider that the company is in a good position to continue that development.

### DIVIDENDS AND TRANSFERS TO RESERVES

The profit for the year after taxation amounted to £87,839 (2002: £110,555). The directors recommend that this amount be dealt with as follows:

	2003 £	2002 £
'A' Redeemable preference share dividends – paid	47,250	47,250
'B' Redeemable preference share dividends – accrued	29,250	29,250
Transfer to reserves	11,339	34,055
	<u>87,839</u>	<u>110,555</u>

### DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. All directors served throughout the year.

The directors who held office at the end of the year had the following interest in the shares of the company at the beginning and end of the financial year:

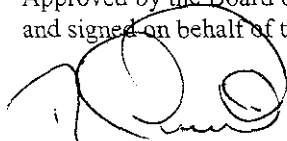
	£1 Redeemable preference shares fully paid				1p Ordinary shares fully paid					
	2003		2002		2003			2002		
	A	B	A	B	A	B	C	A	B	C
P A Alderwick	64,583	149,465	64,583	149,465	542	2,030	286	542	2,030	286
D G Gunningham	64,584	149,465	64,584	149,465	542	2,030	285	542	2,030	285
A Sheppard	395,833	-	395,833	-	3,416	-	380	3,416	-	380

P A Alderwick and D G Gunningham had an interest in the unsecured loan stock of the company at the beginning and end of the year of £143,673 and £143,672 respectively.

**DIRECTORS' REPORT (continued)****AUDITORS**

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to reappoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D G Gunningham', is written over a circular stamp or seal.

**D G Gunningham**  
Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. 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; 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL FUNERAL DIRECTORS LIMITED

We have audited the financial statements of Bristol Funeral Directors Limited for the year ended 31 July 2003 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditors' report 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.

### Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 1985. We also report 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 required for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

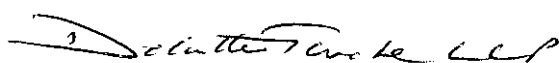
### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors

Bristol

26 November 2003

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 July 2003**

	Note	2003 £	2002 £
<b>TURNOVER - continuing operations</b>	2	272,690	286,969
Administrative expenses		(102,365)	(91,881)
<b>OPERATING PROFIT - continuing operations</b>		170,325	195,088
Interest receivable		20,556	16,594
Dividends received		620	-
Interest payable and similar charges	4	(72,600)	(80,777)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	118,901	130,905
Tax on profit on ordinary activities	6	(31,062)	(20,350)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	17	87,839	110,555
Dividends	7	(76,500)	(76,500)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		11,339	34,055



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
**For the year ended 31 July 2003**

	2003 £	2002 £
Profit for the financial year	87,839	110,555
Surplus on revaluation of freehold property	-	238,328
<b>Total recognised gains and losses relating to the year</b>	<u>87,839</u>	<u>348,883</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**
**For the year ended 31 July 2003**

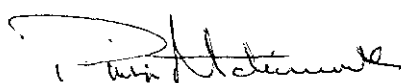
	2003 £	2002 £
Profit on ordinary activities before taxation	118,901	130,905
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated as the revalued amount	14,930	9,040
Historical cost profit on ordinary activities before taxation and dividends	<u>133,831</u>	<u>139,945</u>
<b>Historical cost profit for the year after taxation and dividends</b>	<u>26,269</u>	<u>43,095</u>

**BALANCE SHEET**
**At 31 July 2003**

	Note	2003		2002	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		992,982		986,498
Investments	9		2,406,526		2,406,526
			<u>3,399,508</u>		<u>3,393,024</u>
<b>CURRENT ASSETS</b>					
Debtors	10	104,921		240,774	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	(114,078)		(204,621)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(9,157)</u>		<u>36,153</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,390,351		3,429,177
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	12		(1,050,244)		(1,100,409)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14		10,400		10,400
<b>NET ASSETS</b>			<u>2,350,507</u>		<u>2,339,168</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		850,100		850,100
Revaluation reserve	17		597,612		612,542
Profit and loss account	17		902,795		876,526
<b>SHAREHOLDERS' FUNDS</b>	17		<u>2,350,507</u>		<u>2,339,168</u>
Attributable to equity shareholders			1,500,507		1,489,168
Attributable to non-equity shareholders			<u>850,000</u>		<u>850,000</u>

The financial statements were approved by the Board of Directors on 19/11/03

Signed on behalf of the Board of Directors



**P A Alderwick**  
Director

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 July 2003****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Tangible fixed assets**

Freehold properties are included within the financial statements at their current value. Current values will be assessed on a yearly basis in line with Financial Reporting Standard 15.

On other assets depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Freehold properties	2.5%per annum straight line
Short leasehold properties	period of lease

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

**Deferred taxation**

In accordance with FRS 19, deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets at their fair value on acquisition and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight-line basis over the lease term.

**Pension costs**

Pension costs are charged to the profit and loss account as they fall due. The pension schemes are defined contribution schemes and assets are held independently of the company.

**Group accounts**

The group qualifies as a small group under Section 248 of the Companies Act 1985 and is therefore exempt from preparing group accounts. The details of the subsidiary undertakings are contained in note 9 of these financial statements. These financial statements present information concerning the company not the group.

**Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**

<b>2. TURNOVER</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Management fees charged to subsidiary undertakings	268,000	282,500
Other fees	4,690	4,469
	<u>272,690</u>	<u>286,969</u>
<b>3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES</b>		
<b>Directors' emoluments</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Management remuneration (excluding pension contributions)	<u>26,216</u>	<u>23,487</u>
	<b>£</b>	<b>£</b>
Payments into defined contribution pension schemes on behalf of directors	<u>480</u>	<u>631</u>
	<b>No.</b>	<b>No.</b>
Number of directors who are members of a defined contribution pension scheme	<u>2</u>	<u>2</u>
<b>Employees</b>		
Average number of persons (including directors) employed:	<b>No.</b>	<b>No.</b>
Management and office	<u>3</u>	<u>3</u>
Employee costs during the year:	<b>£</b>	<b>£</b>
Wages and salaries	26,216	23,487
Social security costs	3,100	2,560
Pension costs	480	631
	<u>29,796</u>	<u>26,678</u>
<b>4. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts repayable within five years by instalments	46,600	54,777
Loan stock interest	26,000	26,000
	<u>72,600</u>	<u>80,777</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**
**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2003	2002
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation - owned assets	23,218	17,328
Depreciation - assets held under finance lease	4,003	4,004
Auditors' remuneration	5,150	3,000
	<u>23,218</u>	<u>17,328</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 19% (2002: 20%). The tax on profit on ordinary activities for the year differs from the standard rate for the reasons set out in the following reconciliation:

	2003	2002
	£	£
Profit on ordinary activities before tax	118,901	130,905
	<u>118,901</u>	<u>130,905</u>
	£	£
Tax on profit on ordinary activities at standard rate	22,591	26,181
Factors affecting the charge:		
Disallowable expenses	5,763	5,595
Capital allowances for period in excess of depreciation	(82)	(22)
Other short-term timing differences	912	(754)
Adjustment in respect of prior years	(938)	(250)
Rate differences on current tax	2,816	-
	<u>31,062</u>	<u>30,750</u>
UK current corporation tax charge for the period	31,062	30,750
Deferred tax timing differences, origination and reversal	-	1,137
Adjustments in respect of prior years:		
- deferred tax	-	(11,537)
	<u>31,062</u>	<u>20,350</u>
<b>Tax on profit on ordinary activities</b>	<u>31,062</u>	<u>20,350</u>

The company is not aware of any factors that may materially affect the future tax charge.

**7. DIVIDENDS**

	2003	2002
	£	£
<b>Paid</b>		
'A' Redeemable preference shares 9p per share	47,250	47,250
<b>Accrued</b>		
'B' Redeemable preference shares 9p per share	29,250	29,250
	<u>76,500</u>	<u>76,500</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**
**8. TANGIBLE FIXED ASSETS**

	Freehold properties £	Short leasehold properties £	Total £
<b>Cost or valuation</b>			
At 1 August 2002	940,000	90,535	1,030,535
Additions	9,073	24,632	33,705
At 31 July 2003	949,073	115,167	1,064,240
At valuation	949,073	-	949,073
At cost	-	115,167	115,167
	949,073	115,167	1,064,240
<b>Depreciation</b>			
At 1 August 2002	-	44,037	44,037
Charge for the year	23,218	4,003	27,221
At 31 July 2003	23,218	48,040	71,258
<b>Net book value</b>			
At 31 July 2003	925,855	67,127	992,982
At 31 July 2002	940,000	46,498	986,498

The company's freehold properties were revalued by Messrs Alder King, Chartered Surveyors, on 17 June 2002 in accordance with the RICS Appraisal and Valuation method. In their opinion, the open market value for the existing use at that time was £940,000, as compared with the net book amount of £701,672. In the opinion of the directors the valuation has remained unchanged. The valuation has been incorporated in the balance sheet and the surplus over net book amount has been included as a revaluation reserve.

If stated under historical cost principles the comparable amounts for the total of freehold properties would be:

	2003 £	2002 £
Cost	404,708	404,708
Accumulated depreciation	(85,538)	(77,250)
Historical cost net book value	319,170	327,458

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**
**9. FIXED ASSET INVESTMENTS**

(a) Summary	2003		2002	
	No.	£	No.	£
<b>£1 Ordinary shares</b>				
E C Alderwick & Son Limited	10,005	2,400,000	10,005	2,400,000
Debril Limited	5,506	5,506	5,506	5,506
Thomas Davis (Funeral Directors) Limited	1,020	1,020	1,020	1,020
	<u>16,531</u>	<u>2,406,526</u>	<u>16,531</u>	<u>2,406,526</u>

**(b) Investment in subsidiary undertakings**

	£
<b>Cost</b>	
At 1 August 2002 and 31 July 2003	<u>2,406,526</u>

The directors are of the opinion that the market value of the investments is in excess of cost.

**(c) Particulars of the 100% wholly owned subsidiary undertakings**

Company	Nature of business	Class of shares
E C Alderwick & Son Limited	Funeral Directors	Ordinary shares
Debril Limited	Dormant	Ordinary shares
Thomas Davis (Funeral Directors) Limited	Dormant	Ordinary shares

The capital and reserves and results for the last financial year of these undertakings were as follows:

	Capital and reserves £	Profit for the year £
E C Alderwick & Son Limited	473,666	88,909
Debril Limited	5,506	-
Thomas Davis (Funeral Directors) Limited	<u>1,020</u>	<u>-</u>

All companies are registered in England and Wales.

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**

10. DEBTORS	2003 £	2002 £
Amount owed by subsidiary undertakings	103,283	234,057
Other debtors	638	495
Prepaid funeral fund (note 21)	1,000	6,222
	<u>104,921</u>	<u>240,774</u>

£100,000 (2002: £135,000) of the amount owed by the subsidiary undertakings is repayable in more than one year.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003 £	2002 £
Bank loans	42,852	111,055
Corporation tax payable	28,176	31,000
Other taxation payable	1,300	1,300
Directors' loans	6,000	6,000
Proposed dividends	29,250	29,250
Accruals and deferred income	6,500	26,016
	<u>114,078</u>	<u>204,621</u>

The directors' loans are interest free and have no specific terms of repayment.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2003 £	2002 £
Unsecured loan stock	325,000	325,000
Bank loans	513,968	556,820
Proposed dividends	204,750	212,063
Amounts owed to group undertakings	6,526	6,526
	<u>1,050,244</u>	<u>1,100,409</u>



**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**

13. BORROWINGS	2003 £	2002 £
Unsecured loan stock	325,000	325,000
Bank loans	556,820	667,875
	<u>881,820</u>	<u>992,875</u>
	£	£
Due within one year	42,852	111,055
Due after more than one year	838,968	881,820
	<u>881,820</u>	<u>992,875</u>
Analysis of loan repayments:	£	£
Bank loans:		
- within one year or on demand	42,852	111,055
- between one and two years	46,423	42,852
- between two to five years	163,797	151,197
- over five years	303,748	362,771
Other loans:		
- between one and five years	325,000	325,000
	<u>881,820</u>	<u>992,875</u>

The bank loan is secured by a first legal charge over all assets of the company and its subsidiaries excluding any amounts held in the BFD Prepaid Funeral Fund. The loan is being repaid at £7,168 per month over a ten year period ending 30 September 2012. Interest is being charged at 6.58%.

14. PROVISIONS FOR LIABILITIES AND CHARGES	2003 £	2002 £
Deferred tax		
At beginning of year	(10,400)	-
Transfer to profit and loss account	-	(10,400)
At end of year	<u>(10,400)</u>	<u>(10,400)</u>
The total provision and potential tax liability is as follows:-		
Provisions	<u>(10,400)</u>	<u>(10,400)</u>

**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2003**
**15. FINANCIAL COMMITMENTS**
**Operating leases**

At 31 July 2003 the company had annual commitments under non-cancellable operating leases as follows:

Land and buildings	2003 £	2002 £
Expiry date - in over five years	<u>34,770</u>	<u>30,718</u>

**16. SHARE CAPITAL**

Authorised	No.	2003 £	No.	2002 £
'A' Ordinary shares of 1p each	4,500	45	4,500	45
'B' Ordinary shares of 1p each	4,500	45	4,500	45
'C' Ordinary shares of 1p each	1,000	10	1,000	10
'A' Cumulative redeemable 10% preference shares of £1 each	525,000	525,000	525,000	525,000
'B' Cumulative redeemable 10% preference shares of £1 each	650,000	650,000	650,000	650,000
		<u>1,175,100</u>		<u>1,175,100</u>
Allotted, called up and fully paid	No.	2003 £	No.	2002 £
'A' Ordinary shares of 1p each	4,500	45	4,500	45
'B' Ordinary shares of 1p each	4,500	45	4,500	45
'C' Ordinary shares of 1p each	1,000	10	1,000	10
'A' Cumulative redeemable 10% preference shares of £1 each	525,000	525,000	525,000	525,000
'B' Cumulative redeemable 10% preference shares of £1 each	325,000	325,000	325,000	325,000
		<u>850,100</u>		<u>850,100</u>

The 'A' cumulative redeemable preference shares are redeemable at par at any time at the option of the company subject to the consent of the 'C' ordinary shareholders and do not carry any voting rights. There were no unpaid dividends at 31 July 2003.

The 'B' cumulative redeemable preference shares are redeemable at par at any time at the option of the company subject to the consent of the 'C' ordinary shareholders and do not carry any voting rights. Dividends declared of £234,000 in respect of the period 1 August 1995 to 31 July 2003 were unpaid at 31 July 2003.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 July 2003**

**16. SHARE CAPITAL (continued)**

In the event of a winding up of the Company or other return of capital, the assets of the Company remaining after payment of its debts and liabilities (exclusive of any debts due under Articles 3.1 to 3.3 inclusive) and of the costs, charges and expenses of the winding-up shall be applied in the following manner and order of priority:

1. Paying to the holders of the 'A' preference shares all unpaid arrears and accruals of both the 'A' basic dividend and the participating dividend and the amounts paid up or credited as paid up on such shares.
2. Paying to the holders of the 'B' preference shares all unpaid arrears and accruals of both the 'B' basic dividend and the participating dividend and the amounts paid up or credited as paid up on such shares.
3. As to any balance pro rata between the holders of all the ordinary shares pari passu.

**17. COMBINED STATEMENT OF MOVEMENT IN SHAREHOLDERS' FUND AND STATEMENT OF MOVEMENT ON RESERVES**

	Issued share capital £	Revaluation reserve £	Profit and loss account £	Total 2003 £	Total 2002 £
At beginning of year	850,100	612,542	876,526	2,339,168	2,066,785
Surplus on revaluation of fixed assets	-	-	-	-	238,328
Profit for the financial year	-	-	87,839	87,839	110,555
Transfer from revaluation reserve	-	(14,930)	14,930	-	-
Dividends	-	-	(76,500)	(76,500)	(76,500)
At end of year	850,100	597,612	902,795	2,350,507	2,339,168

**18. CONTINGENT LIABILITIES**

**Guarantees**

The assets of the company form part of the security provided for finance for the purchase of motor vehicles advanced to the subsidiary company, E C Alderwick & Son Limited. The company has guaranteed £164,760 (2002:££139,054).

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 July 2003****19. RELATED PARTY TRANSACTIONS**

During the year, the company received a management charge of £268,000 (2002: £282,500) from its subsidiary company, E C Alderwick & Son Limited. In addition, E C Alderwick & Son Limited paid costs on behalf of the company amounting to £398,774 (2002: £341,840). At 31 July 2003, E C Alderwick & Son Limited owed the company £103,283 (31 July 2002: £234,058).

During the year and the prior year the company declared interest on the unsecured loan stock and paid all interest due. No amounts remained outstanding at 31 July 2003 (31 July 2002: £Nil).

At 31 July 2002 and 31 July 2003, the company had loans from its subsidiary companies Thomas Davis (Funeral Directors) Limited and Debril Limited of £1,020 and £5,506 respectively.

At 31 July 2002 and 31 July 2003 the company had loans of £3,000 each from P A Alderwick and D G Gunningham, directors of the company.

**20. PENSION COSTS**

The company operates a defined contribution pension scheme for two of the directors. The assets of the scheme are held separately from those of the company. The pension cost charge represents contributions payable by the company to the fund and amounted to £480 (2002: £631). There were no outstanding contributions at 31 July 2003.

**21. BFD PREPAID FUNERAL FUNDS**

The company operates a prepayment scheme for customers who wish to provide for their funeral in advance. Monies paid by customers are lodged with Custodian Trustees under the terms of a Trust Deed dated 16 October 1995 as modified by the Deeds of Variation dated 2 February 1999 and 26 March 2002. Income arising from these funds is incorporated within these accounts.