

Alfhouse

Company Registration No. 2302984

**Deloitte
& Touche**

BRISTOL FUNERAL DIRECTORS LIMITED

Report and Financial Statements

For the year ended 31 July 2001

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP



BRISTOL FUNERAL DIRECTORS LIMITED

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

Anglo Irish Bankcorp
10 Old Jewry
London
EC2R 8DN

SOLICITORS

TLT
Bush House
72 Prince Street
Bristol
BS99 7JZ

AUDITORS

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 July 2001.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company's principal activities are those of a holding company and the administrator 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 £120,270 (2000: £105,790). The directors recommend that this amount be dealt with as follows:

	2001 £	2000 £
'A' Redeemable preference share dividends – paid/accrued	47,250	47,250
'B' Redeemable preference share dividends - accrued	29,250	29,250
Transfer to reserves	43,770	29,290
	<u>120,270</u>	<u>105,790</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			
	2001		2000		2001		2000	
	A	B	A	B	A	B	A	B
P A Alderwick	64,583	149,465	64,583	149,465	542	2,030	542	2,030
D G Gunningham	64,584	149,465	64,584	149,465	542	2,030	542	2,030
A Sheppard	395,833	-	395,833	-	3,416	-	3,416	-

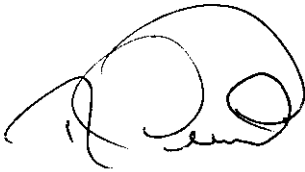
P A Alderwick and D G Gunningham had an interest in the unsecured loan stock of the company at the beginning and end of the year of £143,673 and £143,672 respectively.

DIRECTORS' REPORT (continued)

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to 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', written over a horizontal line.

D G Gunningham
Secretary

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 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; 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.

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 2001 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 19. These financial statements have been prepared under the accounting policies set out therein.

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.

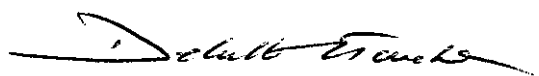
Basis of opinion

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

22 November 2001

PROFIT AND LOSS ACCOUNT
For the year ended 31 July 2001

	Note	2001 £	2000 £
TURNOVER - continuing operations	2	289,270	307,152
Administrative expenses		(64,407)	(60,892)
OPERATING PROFIT - continuing operations		224,863	246,260
Interest receivable		21,604	17,522
Interest payable and similar charges	4	(102,288)	(116,562)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	144,179	147,220
Tax on profit on ordinary activities	6	(23,909)	(41,430)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	120,270	105,790
Dividends	7	(76,500)	(76,500)
RETAINED PROFIT FOR THE FINANCIAL YEAR		43,770	29,290

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 July 2001

	2001 £	2000 £
Profit for the financial year	120,270	105,790
Surplus on revaluation of freehold property	383,254	-
Total recognised gains and losses relating to the year	<u>503,524</u>	<u>105,790</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
For the year ended 31 July 2001

	2001 £	2000 £
Profit on ordinary activities before taxation	144,179	147,220
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated as the revalued amount	-	-
Historical cost profit on ordinary activities before taxation	<u>144,179</u>	<u>147,220</u>
Historical cost profit for the year after taxation and dividends	<u>43,770</u>	<u>29,290</u>

BALANCE SHEET

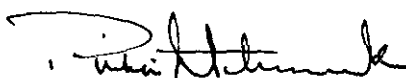
At 31 July 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	8		769,502		398,540
Investments	9		2,406,526		2,406,526
			<u>3,176,028</u>		<u>2,805,066</u>
CURRENT ASSETS					
Debtors	10	298,146		426,853	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(189,905)		(303,904)	
NET CURRENT ASSETS			<u>108,241</u>		<u>122,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,284,269		2,928,015
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		(1,217,485)		(1,288,254)
NET ASSETS			<u>2,066,785</u>		<u>1,639,761</u>
CAPITAL AND RESERVES					
Called up share capital	15		850,100		850,100
Revaluation reserve	16		383,254		-
Profit and loss account	16		833,431		789,661
SHAREHOLDERS' FUNDS	16		<u>2,066,785</u>		<u>1,639,761</u>
Attributable to equity shareholders			1,216,785		789,761
Attributable to non-equity shareholders			850,000		850,000

The financial statements were approved by the Board of Directors on

2001

Signed on behalf of the Board of Directors


P A Alderwick
Director

21/11/01

NOTES TO THE ACCOUNTS
For the year ended 31 July 2001

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:

Leased properties	period of lease
-------------------	-----------------

Investments

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

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

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 ACCOUNTS
For the year ended 31 July 2001

2. TURNOVER	2001	2000
	£	£
Management fees charged to subsidiary undertakings	285,000	304,000
Other fees	4,270	3,152
	<u>289,270</u>	<u>307,152</u>
 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
Directors' emoluments	2001	2000
	£	£
Management remuneration (excluding pension contributions)	<u>18,795</u>	<u>18,795</u>
	£	£
Payments into defined contribution pension schemes on behalf of directors	<u>631</u>	<u>619</u>
	No.	No.
Number of directors who are members of a defined contribution pension scheme	<u>2</u>	<u>2</u>
 Employees		
Average number of persons (including directors) employed:	No.	No.
Management and office	<u>3</u>	<u>3</u>
Employee costs during the year:	£	£
Wages and salaries	18,795	18,795
Social security costs	2,213	2,292
Pension costs	631	619
	<u>21,639</u>	<u>21,706</u>

NOTES TO THE ACCOUNTS

For the year ended 31 July 2001

4. INTEREST PAYABLE	2001	2000
	£	£
On bank loans and overdrafts repayable within five years by instalments	76,288	90,562
Loan stock interest	26,000	26,000
	<u>102,288</u>	<u>116,562</u>
 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	 2001	 2000
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation - owned assets	8,288	8,289
Depreciation - assets held under lease	4,004	4,003
Auditors' remuneration	2,660	2,100
	<u></u>	<u></u>
 6. TAXATION	 2001	 2000
	£	£
UK current year taxation		
UK Corporation tax at 17% (2000: 31%)	30,250	37,500
Adjustment to prior years' tax provisions	(6,341)	3,930
	<u></u>	<u></u>
Tax on profit on ordinary activities	23,909	41,430
	<u></u>	<u></u>
The tax charge is disproportionately low due to the release of the interest on the loan stock accrual.		
 7. DIVIDENDS	 2001	 2000
	£	£
Paid		
'A' Redeemable preference shares 9p per share	47,250	-
'B' Redeemable preference shares 9p per share	29,250	-
 Accrued		
'A' Redeemable preference shares 9p per share	-	47,250
'B' Redeemable preference shares 9p per share	-	29,250
	<u>76,500</u>	<u>76,500</u>

NOTES TO THE ACCOUNTS
For the year ended 31 July 2001

8. TANGIBLE FIXED ASSETS

	Freehold properties £	Short leasehold properties £	Total £
Cost or valuation			
At 1 August 2000 and 31 July 2001	404,708	90,535	495,243
Revaluations	314,292	-	314,292
	<u>719,000</u>	<u>90,535</u>	<u>809,535</u>
At valuation	719,000	-	719,000
At cost	-	90,535	90,535
	<u>719,000</u>	<u>90,535</u>	<u>809,535</u>
Depreciation			
At 1 August 2000	60,674	36,029	96,703
Charge for the year	8,288	4,004	12,292
Revaluations	(68,962)	-	(68,962)
	<u>-</u>	<u>40,033</u>	<u>40,033</u>
At 31 July 2001	-	40,033	40,033
Net book value			
At 31 July 2001	<u>719,000</u>	<u>50,502</u>	<u>769,502</u>
At 31 July 2000	<u>344,034</u>	<u>54,506</u>	<u>398,540</u>

The company's freehold properties were revalued by Messrs Harvey Henson & Co, Chartered Surveyors, on 15 August 2001 in accordance with the RICS Appraisal and Valuation method. In their opinion, the open market value for the existing use at that time was £719,000, as compared with the net book amount of £335,746. A potential tax liability of £63,000 will become due if the properties are sold. 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:-

	2001 £	2000 £
Cost	404,708	404,708
Accumulated depreciation	(68,962)	(60,674)
Historical cost net book value	<u>335,746</u>	<u>344,034</u>

NOTES TO THE ACCOUNTS For the year ended 31 July 2001

9. FIXED ASSET INVESTMENTS

(a) Summary

	2001		2000	
£1 Ordinary shares	No.	£	No.	£
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

	£
Cost	
At 1 August 2000 and 31 July 2001	<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	226,164	58,323
Debril Limited	5,506	-
Thomas Davis (Funeral Directors) Limited	<u>1,020</u>	<u>-</u>

All companies are registered in England and Wales.

10. DEBTORS

	2001 £	2000 £
Amount owed by subsidiary undertakings	293,397	422,939
Other debtors	474	451
Prepaid funeral fund (note 20)	<u>4,275</u>	<u>3,463</u>
	<u>298,146</u>	<u>426,853</u>

£200,000 of the amount owed by the subsidiary undertakings is repayable in more than one year.

NOTES TO THE ACCOUNTS

For the year ended 31 July 2001

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001 £	2000 £
Bank loans	100,000	100,000
Corporation tax payable	30,250	37,500
Other taxation payable	5,200	5,200
Proposed dividends	-	82,687
Accruals and deferred income	54,455	78,517
	<u>189,905</u>	<u>303,904</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2001 £	2000 £
Unsecured loan stock	325,000	325,000
Bank loans	667,895	767,915
Directors' loans	6,000	6,000
Proposed dividends	212,063	182,813
Amounts owed to subsidiary undertakings	6,526	6,526
	<u>1,217,484</u>	<u>1,288,254</u>

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

13. BORROWINGS	2001 £	2000 £
Unsecured loan stock	325,000	325,000
Bank loans	767,895	867,915
	<u>1,092,895</u>	<u>1,192,915</u>
	£	£
Due within one year	100,000	100,000
Due after more than one year	992,895	1,092,915
	<u>1,092,895</u>	<u>1,192,915</u>

NOTES TO THE ACCOUNTS
For the year ended 31 July 2001

13. BORROWINGS (continued)

	2001 £	2000 £
Analysis of loan repayments:		
Bank loans:		
- within one year or on demand	100,000	100,000
- between one and two years	667,895	100,000
- between two to five years	-	667,915
Other loans:		
- between one and five years	325,000	325,000
	<u>1,092,895</u>	<u>1,192,915</u>

The unsecured loan stock has been subordinated to the bank loan. Interest has accrued from 1 August 1997 at a rate of 8%.

The bank loan is secured by:

- (i) a first legal charge over all assets of the company and its subsidiaries excluding any amounts held in the BFD Prepaid Funeral Fund;
- (ii) a joint and several guarantee of Messrs P Alderwick and D Gunningham limited to £100,000; and
- (iii) a deed of assignment over a life insurance policy in respect of Messrs P Alderwick and D Gunningham, in the minimum amount of £400,000 each.

14. FINANCIAL COMMITMENTS

Operating leases

At 31 July 2001 the company had annual commitments under non-cancellable operating leases as follows:

Land and buildings	2001 £	2000 £
Expiry date - in over five years	<u>30,718</u>	<u>30,718</u>

NOTES TO THE ACCOUNTS
For the year ended 31 July 2001

15. SHARE CAPITAL

Authorised	No.	2001	£	No.	2000
					£
'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.	2001	£	No.	2000
					£
'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 2001.

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 £212,063 in respect of the period 1 February 1994 to 31 July 2001 were unpaid at 31 July 2001.

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.

NOTES TO THE ACCOUNTS
For the year ended 31 July 2001

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

	Issued share capital £	Revaluation reserve £	Profit and loss account £	Total 2001 £	Total 2000 £
At 1 August 2000	850,100	-	789,661	1,639,761	1,610,471
Surplus on revaluation of fixed assets	-	383,254	-	383,254	-
Profit for the financial year	-	-	120,270	120,270	105,790
Dividends	-	-	(76,500)	(76,500)	(76,500)
At 31 July 2001	<u>850,100</u>	<u>383,254</u>	<u>833,431</u>	<u>2,066,785</u>	<u>1,639,761</u>

17. RELATED PARTY TRANSACTIONS

During the year, the company received a management charge of £285,000 (2000: £304,000) 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 £414,541 (2000: £362,494). At 31 July 2001, E C Alderwick & Son Limited owed the company £293,397 (31 July 2000: £422,939).

During the year the company declared interest on the unsecured loan stock. At 31 July 2001 unpaid interest, included in accruals and deferred income, amounting to £14,367 (31 July 2000: £22,988) was owed to P A Alderwick and £14,367 (31 July 2000: £22,988) to D G Gunningham.

At 31 July 2000 and 31 July 2001, 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 2000 and 31 July 2001 the company had loans of £3,000 each from P A Alderwick and D G Gunningham, directors of the company.

18. 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 £631 (2000: £619). There were no outstanding contributions at 31 July 2001.

19. 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. Income arising from these funds is incorporated within these accounts.