

Registered number 08292082

**Beverley Funerals Limited**  
**Annual report and financial statements**  
**for the year ended 31 July 2015**

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# **Beverley Funerals Limited**

## **Annual report and financial statements for the year ended 31 July 2015**

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# **Beverley Funerals Limited**

## **Directors and advisers for the year ended 31 July 2015**

### **Directors**

G A D Whittaker

K A Willis

S J Barrick

### **Company Secretary**

G A D Whittaker

### **Registered Office**

Suite C, Annie Reed Road Court

Annie Reed Road

Beverley

East Yorkshire

England

HU17 0LF

### **Independent Auditors**

PricewaterhouseCoopers LLP

2 Humber Quays

Wellington Street West

Hull

HU1 2BN

# **Beverley Funerals Limited**

## **Strategic report for the year ended 31 July 2015**

The directors present their strategic report on the group for the year ended 31 July 2015.

### **Review of the business**

The principal activities of the company throughout the year have been the provision of funerals and related services. The company's head office is based in Beverley and its funeral branches are all located in the North of England.

During the year, the company made an operating profit of £2.9m and completed three acquisitions of local, independent funeral directors at a cost of £7.6m including costs. This increased the number of funeral branches to 33 at 31 July 2015 and the directors believe the group is well placed to make further similar acquisitions in the future.

The principal risks faced by the company relate to fluctuations in local death rates.

The main KPIs used by the business are turnover and cash balances. During the year ended 31 July 2015, the turnover of the company was £13.8m (2014: £11.0m) and its cash balance decreased from £2.7m to £1.8m, following the investment in acquisitions noted above.

The company remains committed to providing localised, high quality funeral services to its families.

Approved by the Board and signed on its behalf



**S J Barrick**  
**Director**

# **Beverley Funerals Limited**

## **Directors' report for the year ended 31 July 2015**

The directors present their report with the audited financial statements of the group for the year ended 31 July 2015.

### **Business activities**

The principal activities of the group during the year under review were those of the provision of funerals and related services.

### **Results and Dividends**

The group's profit for the financial year is £1,340,639 (2014: £732,884). No dividends will be distributed for the year ended 31 July 2015 (2014: £nil).

### **Future developments**

The group intends to expand through the acquisition of businesses which it believes will contribute to its operational success going forward.

### **Directors**

The directors shown below have held office during the year and up to the date of this report:

G A D Whittaker  
K A Willis  
S J Barrick

### **Financial instruments**

The group's principal financial instruments comprise bank balances, bank overdrafts and loans, trade debtors, trade creditors, hire purchase contracts and interest rate swaps. The main purpose of these instruments is to raise funds and finance for the group's operations.

As part of its operations the group is exposed to a range of financial risks, the most significant being: liquidity risk, credit risk and cash flow risk.

The group manages the liquidity risk by ensuring there are sufficient funds to meet its liabilities as they fall due.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits.

### **Charitable contributions**

During the year the group gave £2,073 (2014: £2,070) in respect of charitable donations.

# **Beverley Funerals Limited**

## **Directors' report for the year ended 31 July 2015 (continued)**

### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

We have maintained our commitment to employee involvement throughout the business. Employees are kept informed of the performance and objectives of the group through regular meetings with senior management. Directors and senior management regularly visit units and discuss, with employees, matters of current interest and concern to the business.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Beverley Funerals Limited**

## **Directors' report for the year ended 31 July 2015 (continued)**

### **Disclosure of information to auditors**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

Each director has taken all the steps that he ought to have taken in his duty as a director (such as making enquiries of other directors and the auditors and any other steps required by the directors' duty to exercise due care, skill and diligence) in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf



**S J Barrick**  
**Director**

# ***Independent auditors' report to the members of Beverley Funerals Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Beverley Funerals Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 July 2015 and of the group's profit and cash flows for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

### **What we have audited**

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the consolidated and company balance sheet as at 31 July 2015;
- the consolidated profit and loss account and statement of total recognised gains and losses for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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## Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Steve Simpson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Hull

1 December 2015

# Beverley Funerals Limited

## Consolidated profit and loss account for the year ended 31 July 2015

	Note	2015 £	2014 £
<b>Turnover</b>			
Continuing operations:			
Existing		12,477,527	10,186,413
Acquisitions		1,295,656	862,297
	1	13,773,183	11,048,710
Cost of sales	2	(9,174,606)	(7,616,383)
<b>Gross profit</b>		<b>4,598,577</b>	<b>3,432,327</b>
Administrative expenses	2	(1,701,369)	(1,384,715)
<b>Operating profit</b>	2		
Continuing operations:			
Existing	2	2,610,259	1,847,181
Acquisitions		286,949	200,431
	4	2,897,208	2,047,612
<b>Profit on ordinary activities before interest</b>		<b>2,897,208</b>	<b>2,047,612</b>
Interest receivable and similar income		27,958	-
Interest payable and similar charges	5	(1,243,926)	(1,106,187)
<b>Profit on ordinary activities before taxation</b>		<b>1,681,240</b>	<b>941,425</b>
Tax on profit on ordinary activities	6	(340,601)	(208,541)
<b>Profit for the financial year</b>	21	<b>1,340,639</b>	<b>732,884</b>

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

## **Beverley Funerals Limited**

### **Statement of total recognised gains and losses for the year ended 31 July 2015**

<b>Profit for the financial year</b>	<b>21</b>	<b>1,340,639</b>	<b>732,884</b>
Gain on property revaluations	9	<b>3,925,374</b>	-
<b>Total recognised gains and losses relating to the year</b>	<b>22</b>	<b>5,266,013</b>	<b>732,884</b>

# Beverley Funerals Limited

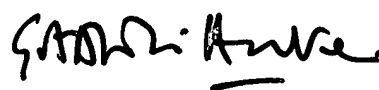
## Consolidated balance sheet as at 31 July 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	8	14,562,018	11,087,470
Tangible assets	9	18,058,384	10,035,535
		<b>32,620,402</b>	<b>21,123,005</b>
<b>Current assets</b>			
Stocks	11	206,920	127,655
Debtors	12	1,004,219	701,675
Cash at bank and in hand		1,784,693	2,692,759
		<b>2,995,832</b>	<b>3,522,089</b>
<b>Creditors - amounts falling due within one year</b>	13	<b>(2,999,740)</b>	<b>(1,810,802)</b>
<b>Net current (liabilities)/assets</b>		<b>(3,908)</b>	<b>1,711,287</b>
<b>Total assets less current liabilities</b>		<b>32,616,494</b>	<b>22,834,292</b>
<b>Creditors – amounts falling due after more than one year</b>	14	<b>(23,901,925)</b>	<b>(19,385,736)</b>
<b>Net assets</b>		<b>8,714,569</b>	<b>3,448,556</b>
<b>Capital and reserves</b>			
Called up share capital	20	2,500,000	2,500,000
Profit and loss account	21	2,289,195	948,556
Revaluation reserve	21	3,925,374	-
<b>Total shareholders' funds</b>	22	<b>8,714,569</b>	<b>3,448,556</b>

The financial statements on pages 9 to 34 were approved by the board of directors on 30 November 2015 and were signed on its behalf by:



**S J Barrick**  
Director



**G A D Whittaker**  
Director

**Registered Number 08292082**

# Beverley Funerals Limited

## Company balance sheet as at 31 July 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	8	14,562,018	11,087,470
Tangible assets	9	18,058,384	10,035,535
Fixed asset investments	10	203,890	202,790
		<b>32,824,292</b>	<b>21,325,795</b>
<b>Current assets</b>			
Stock	11	206,920	127,655
Debtors	12	1,004,219	701,675
Cash at bank and in hand		1,784,693	2,692,759
		<b>2,995,832</b>	<b>3,522,089</b>
<b>Creditors - amounts falling due within one year</b>	13	<b>(3,203,630)</b>	<b>(2,013,592)</b>
<b>Net current assets</b>		<b>(207,798)</b>	<b>1,508,497</b>
<b>Total assets less current liabilities</b>		<b>32,616,494</b>	<b>22,834,292</b>
<b>Creditors – amounts falling due after more than one year</b>	14	<b>(23,901,925)</b>	<b>(19,385,736)</b>
<b>Net assets</b>		<b>8,714,569</b>	<b>3,448,556</b>
<b>Capital and reserves</b>			
Called up share capital	20	2,500,000	2,500,000
Profit and loss account	21	2,289,195	948,556
Revaluation reserve	21	3,925,374	-
<b>Total shareholders' funds</b>	22	<b>8,714,569</b>	<b>3,448,556</b>

The financial statements on pages 9 to 34 were approved by the board of directors on 30 November 2015 and were signed on its behalf by:



**S J Barrick**  
Director



**G A D Whittaker**  
Director

Registered Number 08292082

# Beverley Funerals Limited

## Consolidated cash flow statement for the year ended 31 July 2015

	Note	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	1	<b>3,124,724</b>	2,437,193
<b>Returns on investments and servicing of finance</b>	2	<b>(781,645)</b>	(603,347)
<b>Taxation</b>		<b>(298,018)</b>	(28,889)
<b>Capital expenditure and financial investment</b>	2	<b>(276,270)</b>	46,602
<b>Acquisitions</b>	2	<b>(6,930,796)</b>	(1,602,141)
		<b>(5,162,005)</b>	249,418
<b>Financing</b>	2	<b>4,253,939</b>	702,880
<b>(Decrease) / Increase in cash in the year</b>		<b>(908,066)</b>	952,298
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net debt at 1 August 2014		(17,258,593)	(16,792,755)
(Decrease)/Increase in cash in the year		(908,066)	952,298
Cash inflow from increase in debt and lease financing	3	(4,253,939)	(702,880)
Issue costs of net borrowing	3	33,731	-
Amortisation of debt issue costs	3	(56,104)	(50,232)
Other non-cash movements	3	(1,280,785)	(665,024)
<b>Net debt at 31 July 2015</b>	3	<b>(23,723,756)</b>	(17,258,593)
Net debt before issue costs at 31 July 2015		(23,873,007)	(17,430,217)
Issue costs of borrowings		289,981	256,250
Amortisation of debt issue costs		(140,730)	(84,626)
<b>Net debt</b>		<b>(23,723,756)</b>	(17,258,593)

## **Beverley Funerals Limited**

### **Consolidated cash flow statement for the year ended 31 July 2015 (continued)**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Loans and other borrowings (note 15)	<b>24,653,618</b>	19,596,145
Hire purchase (note 16)	<b>1,004,082</b>	526,831
Cash at bank and in hand	<b>(1,784,693)</b>	(2,692,759)
<b>Net debt before issue costs</b>	<b>23,873,007</b>	17,430,217

# Beverley Funerals Limited

## Notes to the cash flow statement for the year ended 31 July 2015

### 1 Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	2014 £
Operating profit	2,897,208	2,047,612
Depreciation	467,639	361,092
(Profit) / Loss on disposal of fixed assets	(19,468)	45,683
Decrease in stocks	2,653	15,842
Increase in debtors	(220,626)	(55,479)
(Decrease) / Increase in creditors	(2,682)	22,443
<b>Net cash inflow from operating activities</b>	<b>3,124,724</b>	<b>2,437,193</b>

### 2 Analysis of cash flows for headings netted in the cash flow statement

<b>Returns on investments and servicing of finance</b>	<b>2015 £</b>	<b>2014 £</b>
Interest paid	(700,726)	(568,776)
Issue costs of bank loan	(33,731)	-
Interest element of hire purchase payments	(47,188)	(34,571)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(781,645)</b>	<b>(603,347)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(354,506)	(177,498)
Sale of tangible fixed assets	78,236	224,100
<b>Net cash (outflow) / inflow from capital expenditure and financial investment</b>	<b>(276,270)</b>	<b>46,602</b>



# Beverley Funerals Limited

## Notes to the cash flow statement for the year ended 31 July 2015 (continued)

### 2 Analysis of cash flows for headings netted in the cash flow statement (continued)

<b>Financing</b>	<b>2015 £</b>	<b>2014 £</b>
Repayment of loans	(415,064)	(620,000)
New secured loans	5,043,750	1,600,000
Capital repayments on hire purchase contracts	(374,747)	(277,120)
<b>Net cash inflow from financing</b>	<b>4,253,939</b>	<b>702,880</b>
<b>Acquisitions</b>		
Purchase of trade and assets (note 23)	(4,828,271)	(1,508,715)
Purchase of subsidiary undertaking (note 23)	(2,721,856)	(140,662)
Net cash acquired with subsidiary (note 23)	619,331	47,236
<b>Net cash outflow from acquisitions</b>	<b>(6,930,796)</b>	<b>(1,602,141)</b>

# Beverley Funerals Limited

## Notes to the cash flow statement for the year ended 31 July 2015 (continued)

### 3 Analysis of changes in net debt

	At 1 August 2014	Cash flow	Other non- cash changes	At 31 July 2015
Cash at bank and in hand	2,692,759	(908,066)	-	<b>1,784,693</b>
Hire purchase	(526,831)	374,747	(851,998)	<b>(1,004,082)</b>
Debts falling due within one year	(350,000)	350,000	(1,304,376)	<b>(1,304,376)</b>
Debt due after one year	(19,246,145)	(4,978,686)	875,589	<b>(23,349,242)</b>
	(20,122,976)	(4,253,939)	(1,280,785)	<b>(25,657,700)</b>
<b>Net debt before issue costs</b>	<b>(17,430,217)</b>	<b>(5,162,005)</b>	<b>(1,280,785)</b>	<b>(23,873,007)</b>
Issue costs:				
Debts falling due within one year	50,232	-	11,527	<b>61,759</b>
Debt due after one year	121,392	33,731	(67,631)	<b>87,492</b>
	171,624	33,731	(56,104)	<b>149,251</b>
<b>Net debt</b>	<b>(17,258,593)</b>	<b>(5,128,274)</b>	<b>(1,336,889)</b>	<b>(23,723,756)</b>

Other non-cash changes represent new hire purchase agreements, capitalised interest and the amortisation of debt issue costs in the year.

# Beverley Funerals Limited

## Accounting policies

### **Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis and under the historical cost convention with the exception of properties which are held at valuation. They have been prepared in accordance with the Companies Act 2006, except for the non-amortisation of goodwill, and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

### **Basis of consolidation**

The group financial statements consolidate the financial statements of Beverley Funerals Limited and all of its subsidiary undertakings drawn up to 31 July 2015. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes. All material intercompany transactions, balances and unrealised profits and losses on transactions between group companies have been eliminated. All companies within the group have consistent accounting policies.

### **Turnover**

Turnover represents the net invoiced sales of goods and services, excluding value added tax. Turnover is recognised when the economic risks and rewards are transferred to the third party.

### **Goodwill**

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of identifiable net assets and liabilities acquired is capitalised. The Directors have reviewed the useful economic life of goodwill which in the light of its durability is considered to be indefinite. In accordance with FRS10 "Goodwill and intangible assets" goodwill will not be subject to an annual amortisation charge but will be subject to an annual test for impairment. As permitted under FRS10, this represents a departure for the purposes of giving a true and fair view, from the requirements of the Companies Act 2006, which requires intangible assets to be amortised.

### **Tangible fixed assets and depreciation**

Freehold land is not depreciated. Buildings occupied by funeral directors are not depreciated as in the directors' opinion the residual value of the asset is expected to be equal or in excess of the original value and therefore there is no depreciable amount. The carrying values of tangible fixed assets are reviewed for impairments in periods if events or changes in circumstances indicate the carrying values may not be recoverable.

Properties are accounted for at open market existing use valuation. A full valuation is obtained from a qualified valuer for each property every 5 years, with an interim valuation every 3 years, and in any year when it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

# **Beverley Funerals Limited**

## **Accounting policies (continued)**

### **Tangible fixed assets and depreciation (continued)**

Other fixed assets are written off by equal annual instalments over the expected useful lives of the assets as follows:

Fixtures and fittings	4 – 10 years
Motor vehicles	5 – 10 years

### **Stocks**

Stocks are valued on a first in, first out basis, at the lower of cost and net realisable value, after making due allowance for any obsolete or slow moving items.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

### **Pension costs**

The group makes payments to certain employees' own private pension schemes. Contributions payable to these pension schemes are charged to the profit and loss account in the period to which they relate.

### **Fixed asset investments**

Investments in subsidiaries are valued at cost less provision for impairment.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015

### 1 Turnover

The turnover is attributable to the principal activities of the group which are all within the United Kingdom.

### 2 Analysis of operating profit

	2015		2014	
	Continuing	Acquisitions	Continuing	Acquisitions
	£	£	£	£
Turnover	12,477,527	1,295,656	10,186,413	862,297
Cost of sales	(8,249,484)	(925,122)	(7,007,523)	(608,860)
<b>Gross Profit</b>	<b>4,228,043</b>	<b>370,534</b>	<b>3,178,890</b>	<b>253,437</b>
Administrative expenses	(1,617,784)	(83,585)	(1,331,709)	(53,006)
<b>Operating profit</b>	<b>2,610,259</b>	<b>286,949</b>	<b>1,847,181</b>	<b>200,431</b>

### 3 Staff costs

Group	2015 £	2014 £
Wages and salaries	2,712,483	2,276,508
Social security costs	253,653	201,318
Other pension costs	25,215	24,565
	<b>2,991,351</b>	<b>2,502,391</b>

The average monthly number of employees during the year was as follows:

	2015 No.	2014 No.
Directors	3	3
Services	71	60
Administration	4	4
	<b>78</b>	<b>67</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

	2015	2014
	£	£
Directors' remuneration	193,183	151,775
Company contributions to money purchase scheme	5,000	5,000
<b>The number of directors to whom retirement benefits were accruing was as follows:</b>		
Money purchase scheme	1	1

### 4 Operating profit

	2015	2014
	£	£
<b>Operating profit is stated after charging/(crediting):</b>		
Other operating lease charges	66,035	59,466
Depreciation of owned assets	266,356	237,966
Depreciation – assets on hire purchase contracts	201,283	123,126
(Profit)/Loss on disposal of fixed assets	(19,468)	45,683
Services provided by the group's auditor;		
Fees payable for the audit	21,400	18,000
Fees payable for other services	3,000	3,100

In addition to the amounts above, there was £18,000 of fees payable to the group's auditors for other services which were capitalised on the acquisition of the funeral branches within the year.

### 5 Interest payable and similar charges

	2015	2014
	£	£
Shareholders' loans	428,786	395,925
Bank loan interest	711,831	625,459
Amortisation of debt issue costs	56,104	50,232
Hire purchase	47,188	34,571
Other interest payable	17	-
	<b>1,243,926</b>	<b>1,106,187</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 6 Tax on profit on ordinary activities

#### (a) Tax on profit on ordinary activities

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
<b>Current tax:</b>		
UK corporation tax	330,070	279,127
Adjustments in respect of prior periods	18,891	18,414
<b>Total current tax</b>	<b>348,961</b>	<b>297,541</b>
Deferred tax	(8,360)	(89,000)
<b>Tax on profit on ordinary activities</b>	<b>340,601</b>	<b>208,541</b>

#### (b) Factors affecting current tax

The tax assessed for the year is higher (2014: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,681,240	941,425
Profit on ordinary activities multiplied by the effective rate of UK tax of 20.67% (2014: 22.33%)	347,441	210,252
Effects of:		
Expenses not deductible for tax purposes	94,738	93,323
Capital allowances in excess of depreciation	(64,050)	-
Depreciation in excess of capital allowances	-	20,848
Adjustments in respect of prior periods	18,891	18,414
Marginal relief	-	(1,444)
Expenses allowable for tax purposes	(48,059)	(43,852)
<b>Current tax charge</b>	<b>348,961</b>	<b>297,541</b>

The standard tax rate changed on 1 April 2015 from 21% to 20% giving an effective tax rate of 20.67% for the financial year.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 7 Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,340,639 (2014: £732,884).

### 8 Intangible fixed assets

Group and Company	Goodwill £
<b>Cost</b>	
At 1 August 2014	11,087,470
Additions (note 23)	3,474,548
<b>At 31 July 2015</b>	<b>14,562,018</b>
<b>Accumulated amortisation</b>	
At 1 August 2014 and 31 July 2015	-
<b>Net book value</b>	
<b>At 31 July 2015</b>	<b>14,562,018</b>
At 31 July 2014	11,087,470



# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 9 Tangible fixed assets

Group and Company	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total
<b>Cost or valuation</b>				
At 1 August 2014	8,353,000	971,979	2,526,563	11,851,542
Additions	-	216,955	989,549	1,206,504
Acquisitions	2,740,000	160,592	858,174	3,758,766
Revaluation gain	3,922,000	-	-	3,922,000
Disposals	-	(15,238)	(520,008)	(535,246)
<b>At 31 July 2015</b>	<b>15,015,000</b>	<b>1,334,288</b>	<b>3,854,278</b>	<b>20,203,566</b>
<b>Accumulated depreciation</b>				
At 1 August 2014	-	643,929	1,172,078	1,816,007
Charge for the year	3,374	106,202	358,063	467,639
Acquisitions	-	59,926	281,462	341,388
Revaluation	(3,374)	-	-	(3,374)
Eliminated on disposals	-	(10,108)	(466,370)	(476,478)
<b>At 31 July 2015</b>	<b>-</b>	<b>799,949</b>	<b>1,345,233</b>	<b>2,145,182</b>
<b>Net book value:</b>				
<b>At 31 July 2015</b>	<b>15,015,000</b>	<b>534,339</b>	<b>2,509,045</b>	<b>18,058,384</b>
At 31 July 2014	8,353,000	328,050	1,354,485	10,035,535

Land and buildings include an amount of £14,235,000 (2014:£8,353,000) which is not depreciated.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 9 Tangible fixed assets (continued)

#### Group and company

Cost or valuation at 31 July 2015 is represented by

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Valuation	15,015,000	-	-	15,015,000
Cost	-	1,334,288	3,854,278	5,188,566
	<b>15,015,000</b>	<b>1,334,288</b>	<b>3,854,278</b>	<b>20,203,566</b>

Freehold land and buildings were valued on an open market basis for existing use at 31 July 2015 by Christie & Co of Bristol. The valuation was performed in accordance with the Royal Institute of Chartered Surveyors appraisal and valuation manual.

Fixed assets, included in the above, which are held under hire purchase contracts, are as follows:

	2015 £	2014 £
<b>Cost</b>	<b>2,017,463</b>	1,203,693
Accumulated depreciation	(409,563)	(261,525)
<b>Net Book Value</b>	<b>1,607,900</b>	942,168

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 10 Fixed asset investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 August 2014	343,352
Acquisition	2,506,247
<b>At 31 July 2015</b>	<b>2,849,599</b>
<b>Provisions</b>	
At 1 August 2014	140,562
Impairment	2,505,147
<b>At 31 July 2015</b>	<b>2,645,709</b>
<b>Net book value</b>	
<b>At 31 July 2015</b>	<b>203,890</b>
At 31 July 2014	202,790

The directors believe the carrying value of the investments is supported by their underlying net assets. All of the Company's subsidiary undertakings, except for F.R Kirk & Son Limited and Sentiments Independent Funeral Home Limited are dormant.

A full list of the Company's interests in subsidiary undertakings is given in the listing provided in note 26.

### 11 Stocks

#### Group and Company

	2015 £	2014 £
Coffin sets and furnishings	206,920	127,655

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 12 Debtors

Group and company	2015 £	2014 £
Trade debtors	734,994	562,772
Other debtors	138,955	17,557
Prepayments and accrued income	51,084	43,646
Deferred tax asset (greater than one year)	79,186	77,700
	<b>1,004,219</b>	<b>701,675</b>

### 13 Creditors – Amounts falling due within one year

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Bank loans - gross (see note 15)	1,304,376	1,304,376	350,000	350,000
Debt issue costs	(61,759)	(61,759)	(50,232)	(50,232)
Bank loans net of issue costs	1,242,617	1,242,617	299,768	299,768
Hire purchase contracts (see note 16)	363,907	363,907	265,848	265,848
Trade creditors	484,038	484,038	385,628	385,628
Amounts owed to group undertakings	-	203,890	-	202,790
Tax	386,453	386,453	279,127	279,127
Social security and other taxes	88,376	88,376	56,793	56,793
Other creditors	112,810	112,810	106,971	106,971
Accruals and deferred income	321,539	321,539	416,667	416,667
	<b>2,999,740</b>	<b>3,203,630</b>	<b>1,810,802</b>	<b>2,013,592</b>

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 14 Creditors – Amounts falling due after more than one year

Group and company	2015 £	2014 £
Bank loans - gross (see note 15)	17,754,311	14,080,000
Debt issue costs	(87,492)	(121,392)
Bank loans net of issue costs	17,666,819	13,958,608
Shareholders' loans (see note 15)	5,594,931	5,166,145
Hire purchase contracts (see note 16)	640,175	260,983
	<b>23,901,925</b>	<b>19,385,736</b>

### 15 Loans and other borrowings

Group and company	2015 £	2014 £
Bank loans	19,058,687	14,430,000
Shareholders' loans	5,594,931	5,166,145
Total debt before debt issue costs	24,653,618	19,596,145
Less debt issue costs	(149,251)	(171,624)
Net loans and other borrowings	<b>24,504,367</b>	<b>19,424,521</b>
<b>Maturity of financial liabilities</b>		
In less than one year	1,304,376	350,000
Between two and five years	23,349,242	19,246,145
In more than five years	-	-
Total debt before debt issue costs	<b>24,653,618</b>	<b>19,596,145</b>

Bank loans of £19,058,687 secured on the group's assets and undertakings comprise a term loan facility with the group's bankers which carries interest at LIBOR plus 3%. The term loan is repayable in nine quarterly instalments of £326,094 commencing on 30 September 2015 with all remaining advances due for repayment on 31 December 2017. Since the year end, the group has renegotiated and extended its facilities up to November 2021.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 15 Loans and other borrowings (continued)

Shareholders' loans comprise £5,594,931 (2014: £5,166,145) of loan stock which is unsecured and due for repayment on 31 January 2018. The loan stock carries interest at 8%, any unpaid interest is rolled up into the principal sum and is due for repayment along with the principal sum.

At the year end the group held an interest rate swap with a fair value loss of £123,128 (2014: loss of £43,405) which was not recognised. The fair value of the interest rate swap contract reflects the differential between contracted interest rates and current market rates.

### 16 Obligations under hire purchase contracts and leases

#### Group and company

Net obligations repayable	2015 £	2014 £
Within one year	363,907	265,848
In more than one year but no more than two years	318,708	148,208
Between two and five years	321,467	112,775
	1,004,082	526,831

### 17 Financial commitments

At 31 July the group and company had annual commitments under non-cancellable operating leases

Expiring	Land and buildings		Other operating leases	
	2015 £	2014 £	2015 £	2014 £
Within one year	4,920	16,222	-	-
Between two and five years	6,600	20,350	-	-
In greater than five years	39,400	18,000	-	-
	50,920	54,572	-	-

At 31 July 2015 the group and company had capital commitments not provided for in the financial statements of £210,000 (2014: £605,000)

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 18 Secured debts

The following secured debts of the group and company are included within creditors.

	2015 £	2014 £
Bank loans	19,058,687	14,258,376
Hire purchase contracts	1,004,082	526,831
	<b>20,062,769</b>	<b>14,785,207</b>

The hire purchase contracts are secured on the motor vehicles to which they relate. The bank loans are secured with charges over all the assets of the group.

### 19 Deferred taxation

The movement on deferred tax is as follows:

	£
At 1 August 2014	77,700
Acquired	(6,874)
Credit to the profit and loss account	8,360
<b>At 31 July 2015</b>	<b>79,186</b>

The deferred taxation asset / (liability) in the financial statements can be analysed as follows:

Deferred taxation	2015 £	2014 £
Tax effect of timing differences because of:		
Accelerated capital allowances	(119,800)	(35,500)
Other timing differences	198,986	113,200
	<b>79,186</b>	<b>77,700</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 20 Called up share capital

	2015 £	2014 £
<b>Allotted and fully paid</b>		
2,500,000 (2014: 2,500,000) Ordinary shares of £1 each	<b>2,500,000</b>	2,500,000

### 21 Profit and loss account

Group and company	Profit and loss account £	Revaluation reserve £
At 1 August 2014	948,556	-
Profit for the year	1,340,639	3,925,374
<b>At 31 July 2015</b>	<b>2,289,195</b>	<b>3,925,374</b>

### 22 Reconciliation of movements in shareholders' funds

Group and company	2015 £	2014 £
Profit for the financial year	<b>1,340,639</b>	732,884
Revaluation gain	<b>3,925,374</b>	-
<b>Net addition to shareholders' funds</b>	<b>5,266,013</b>	732,884
Opening shareholders' funds	<b>3,448,556</b>	2,715,672
<b>Closing shareholders' funds</b>	<b>8,714,569</b>	3,448,556



# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 23 Acquisitions

a) Acquisition of trade and assets of Peter Coyne Independent Funeral Service.

The group purchased the trade and assets of Peter Coyne Independent Funeral Service during the year for a total consideration of £4,828,271 including costs. Details of the book values of the assets and liabilities acquired, together with the resulting amount of goodwill acquired are set out below. The purchase has been accounted for as an acquisition.

Peter Coyne Independent Funeral Service contributed £89,226 to the group's net operating cash flows and utilised £1,969 for capital expenditure.

	Vendors' book value £	Fair value adjustments £	Fair Value to the group £
Tangible fixed assets	465,000	1,385,000	1,850,000
Stocks	64,324	-	64,324
Motor Vehicles	525,000	-	525,000
Fixtures & Fittings	50,000	-	50,000
<b>Net assets acquired</b>	<b>1,104,324</b>	<b>1,385,000</b>	<b>2,489,324</b>

#### Satisfied by

Consideration:	
Cash	4,700,186
Acquisition costs	128,085
	<b>4,828,271</b>
<b>Goodwill on acquisition</b>	<b>2,338,947</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 23 Acquisitions (continued)

#### b) Other acquisitions

	<b>F. R. Kirk &amp; Son Limited</b>	<b>Sentiments Independent Funeral Home Limited</b>
	<b>£</b>	<b>£</b>
Book value of net assets acquired (includes £619,331 cash)	<b>973,062</b>	<b>173,193</b>
Fair value adjustments	<b>250,000</b>	<b>190,000</b>
Goodwill	<b>717,995</b>	<b>417,606</b>
Consideration satisfied by cash and acquisition costs	<b>1,941,057</b>	<b>780,799</b>

F.R. Kirk & Son Limited was acquired by the group on 18 December 2014. Sentiments Independent Funeral Home Limited was acquired by the group on 11 April 2015.

### 24 Pension commitments

During the year the group made contributions to money purchase pension schemes with defined contribution levels for the benefit of certain senior employees. The assets of the schemes are administered by trustees in funds independent of those of the group. The pension cost charge represents contributions payable by the group and amounted to £25,215 (2014: £24,565). There were no outstanding or prepaid amounts at the year end.

### 25 Ultimate controlling party

Beverley Funerals Limited is controlled by the directors.

### 26 List of subsidiary undertakings

Sentiments Independent Funeral Home Limited  
Peter Coyne Independent Funeral Service Limited  
J Naylor (Funeral Directors) Limited  
The Taylor Funeral Service Limited  
Skelmersdale Funeral Service Limited  
JS Hedges Funeral Service Limited  
John Parkin and Son (Funeral Directors) Limited  
Thomas Porter and Sons Limited  
JM & E Ovington and Son (Funeral Directors) Limited  
S&W Riding Funerals Limited  
Blackburn Funeral Service Limited  
Doncaster Funeral Service Limited  
Watsons Funeral Directors Limited

# **Beverley Funerals Limited**

## **Notes to the financial statements for the year ended 31 July 2015 (continued)**

### **26 List of subsidiary undertakings (continued)**

Pope Funeral Service Limited  
Funeral Account Recovery Limited  
Tranquility Funerals Limited  
F.R.Kirk & Son Limited