

Registered number 08292082

**Beverley Funerals Limited**  
**Annual report and financial statements**  
**for the year ended 31 July 2014**

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# **Beverley Funerals Limited**

## **Annual report and financial statements for the year ended 31 July 2014**

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# **Beverley Funerals Limited**

## **Directors and advisers for the year ended 31 July 2014**

### **Directors**

G A D Whittaker

K A Willis

S J Barrick

### **Company Secretary**

G A D Whittaker

### **Registered Office**

Unit 3

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 2014**

The directors present their strategic report on the group for the year ended 31 July 2014.

### **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 £2.0m and completed two acquisitions of local, independent funeral directors at a cost of £1.6m. This increased the number of funeral branches to 25 at 31 July 2014 and the directors believe the company 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 2014, the turnover of the company was £11m and its cash balance increased from £1.7m to £2.7m.

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 2014**

The directors present their report with the audited financial statements of the group for the year ended 31 July 2014.

### **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 £732,884 (2013: £215,672). No dividends will be distributed for the year ended 31 July 2014 (2013: £nil).

### **Fixed assets**

The movements in fixed assets are disclosed in the notes to the financial statements. In the directors' opinion the market value of land and buildings is not significantly different to the net book value as shown in the balance sheet at 31 July 2014.

### **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 £2,070 (2013: £2,977) in respect of charitable donations.

# **Beverley Funerals Limited**

## **Directors' report for the year ended 31 July 2014 (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 Strategic Report, Directors' 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 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 2014 (continued)**

### **Auditors and 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

# **Beverley Funerals Limited**

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

### **Report on the financial statements**

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#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 July 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

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#### **What we have audited**

The group financial statements and company financial statements (the "financial statements"), which are prepared by Beverley Funerals Limited, comprise:

- the consolidated and company balance sheets as at 31 July 2014;
- the consolidated profit and loss account for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the notes to the cash flow statement;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation 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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#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

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

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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.



# **Beverley Funerals Limited**

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

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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**

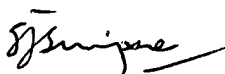
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#### **Our responsibilities and those of the directors**

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 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.



Steve Simpson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Hull

4 November 2014

# Beverley Funerals Limited

## Consolidated profit and loss account for the year ended 31 July 2014

	Note	Year ended 31 July 2014 £	Period ended 31 July 2013 £
<b>Turnover</b>			
Continuing operations:			
Existing		10,186,413	6,020,595
Acquisitions		862,297	-
Discontinued operations		-	1,582,256
	1	11,048,710	7,602,851
Cost of sales	2	(7,616,383)	(5,381,700)
<b>Gross profit</b>		3,432,327	2,221,151
Administration expenses	2	(1,384,715)	(1,402,533)
<b>Operating profit</b>	2		
Continuing operations:			
Existing	2	1,847,181	559,665
Acquisitions		200,431	-
Discontinued operations	2	-	258,953
	4	2,047,612	818,618
Net loss on sale of operations		-	(75,263)
<b>Profit on ordinary activities before interest</b>		2,047,612	743,355
Interest payable and similar charges	5	(1,106,187)	(486,139)
<b>Profit on ordinary activities before taxation</b>		941,425	257,216
Tax on profit on ordinary activities	6	(208,541)	(41,544)
<b>Profit for the financial year / period</b>	21	732,884	215,672

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

There were no other recognised gains and losses in the year / period.


# Beverley Funerals Limited

## Consolidated balance sheet as at 31 July 2014

	Note	31 July 2014 £	31 July 2013 £
<b>Fixed assets</b>			
Intangible assets	8	11,087,470	9,989,680
Tangible assets	9	10,035,535	9,712,103
		<b>21,123,005</b>	<b>19,701,783</b>
<b>Current assets</b>			
Stocks	11	127,655	140,682
Debtors	12	701,675	562,604
Cash at bank and in hand		2,692,759	1,740,461
		<b>3,522,089</b>	<b>2,443,747</b>
<b>Creditors - amounts falling due within one year</b>	13	<b>(1,810,802)</b>	<b>(1,264,080)</b>
<b>Net current assets</b>		<b>1,711,287</b>	<b>1,179,667</b>
<b>Total assets less current liabilities</b>		<b>22,834,292</b>	<b>20,881,450</b>
<b>Creditors – amounts falling due after more than one year</b>	14	<b>(19,385,736)</b>	<b>(18,154,478)</b>
<b>Provisions for liabilities</b>	19	-	(11,300)
<b>Net assets</b>		<b>3,448,556</b>	<b>2,715,672</b>
<b>Capital and reserves</b>			
Called up share capital	20	2,500,000	2,500,000
Profit and loss account	21	948,556	215,672
<b>Total shareholders' funds</b>	22	<b>3,448,556</b>	<b>2,715,672</b>

The financial statements on pages 9 to 33 were approved by the board of directors on 3 November 2014 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 2014

	Note	31 July 2014 £	31 July 2013 £
<b>Fixed assets</b>			
Intangible assets	8	11,087,470	9,989,680
Tangible assets	9	10,035,535	9,712,103
Fixed asset investments	10	202,790	202,690
		<b>21,325,795</b>	<b>19,904,473</b>
<b>Current assets</b>			
Stock	11	127,655	140,682
Debtors	12	701,675	562,604
Cash at bank and in hand		2,692,759	1,740,461
		<b>3,522,089</b>	<b>2,443,747</b>
<b>Creditors - amounts falling due within one year</b>	13	<b>(2,013,592)</b>	<b>(1,466,770)</b>
<b>Net current assets</b>		<b>1,508,497</b>	<b>976,977</b>
<b>Total assets less current liabilities</b>		<b>22,834,292</b>	<b>20,881,450</b>
<b>Creditors – amounts falling due after more than one year</b>	14	<b>(19,385,736)</b>	<b>(18,154,478)</b>
<b>Provisions for liabilities</b>	19	<b>-</b>	<b>(11,300)</b>
<b>Net assets</b>		<b>3,448,556</b>	<b>2,715,672</b>
<b>Capital and reserves</b>			
Called up share capital	20	2,500,000	2,500,000
Profit and loss account	21	948,556	215,672
<b>Total shareholders' funds</b>	22	<b>3,448,556</b>	<b>2,715,672</b>

The financial statements on pages 9 to 33 were approved by the board of directors on 3 November 2014 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 2014

	Note	Year ended 31 July 2014 £	Period ended 31 July 2013 £
Net cash inflow from operating activities	1	2,437,193	1,140,598
Returns on investments and servicing of finance	2	(603,347)	(492,507)
Taxation		(28,889)	(54,971)
Capital expenditure and financial investment	2	46,602	(6,736)
Acquisitions and disposals	2	(1,602,141)	(19,228,360)
		249,418	(18,641,976)
Financing	2	702,880	20,382,437
<b>Increase in cash in the year / period</b>		<b>952,298</b>	<b>1,740,461</b>

### Reconciliation of net cash flow to movement in net debt

Net debt at 1 August 2013		(16,792,755)	-
Increase in cash in the year / period		952,298	1,740,461
Cash inflow from increase in debt and lease financing	3	(702,880)	(17,882,437)
Issue costs of net borrowing		-	256,250
Borrowings disposed of with subsidiary		-	86,349
Borrowings acquired with subsidiary		-	(508,215)
Amortisation of debt issue costs	3	(50,232)	(34,394)
Other non-cash movements	3	(665,024)	(450,769)
<b>Net debt at 31 July 2014</b>	<b>3</b>	<b>(17,258,593)</b>	<b>(16,792,755)</b>
Net debt before issue costs at 31 July 2014		(17,430,217)	(17,014,611)
Issue costs of borrowings		256,250	256,250
Amortisation of debt issue costs		(84,626)	(34,394)
<b>Net debt</b>		<b>(17,258,593)</b>	<b>(16,792,755)</b>

## **Beverley Funerals Limited**

### **Consolidated cash flow statement for the year ended 31 July 2014 (continued)**

	<b>Year ended 31 July 2014 £</b>	<b>Period ended 31 July 2013 £</b>
Loans and other borrowings (note 15)	<b>19,596,145</b>	18,220,220
Hire purchase (note 16)	<b>526,831</b>	534,852
Cash at bank and in hand	<b>(2,692,759)</b>	(1,740,461)
<b>Net debt before issue costs</b>	<b>17,430,217</b>	17,014,611

# Beverley Funerals Limited

## Notes to the cash flow statement for the year ended 31 July 2014

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

	Year ended 31 July 2014 £	Period ended 31 July 2013 £
Operating profit	2,047,612	818,618
Depreciation	361,092	211,433
Loss on disposal of fixed assets	45,683	44,138
Decrease / (Increase) in stocks	15,842	(34,774)
(Increase) / Decrease in debtors	(55,479)	61,843
Increase in creditors	22,443	39,340
<b>Net cash inflow from operating activities</b>	<b>2,437,193</b>	<b>1,140,598</b>

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

<b>Returns on investments and servicing of finance</b>	<b>Year ended 31 July 2014 £</b>	<b>Period ended 31 July 2013 £</b>
Interest paid	(568,776)	(214,460)
Issue costs of bank loan	-	(256,250)
Interest element of hire purchase payments	(34,571)	(21,797)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(603,347)</b>	<b>(492,507)</b>
 <b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(177,498)	(61,936)
Sale of tangible fixed assets	224,100	55,200
<b>Net cash inflow / (outflow) for capital expenditure and financial investment</b>	<b>46,602</b>	<b>(6,736)</b>

# Beverley Funerals Limited

## Notes to the cash flow statement for the period ended 31 July 2014 (continued)

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

Financing	Year ended 31 July 2014 £	Period ended 31 July 2013 £
Repayment of loans	(620,000)	(1,050,000)
Issue of Ordinary shares	-	2,500,000
New secured loans	1,600,000	14,500,000
New shareholder loans	-	4,600,000
Capital repayments on hire purchase contracts	(277,120)	(167,563)
<b>Net cash inflow from financing</b>	<b>702,880</b>	<b>20,382,437</b>

<b>Acquisitions and disposals</b>		
Purchase of trade and assets (note 23)	(1,508,715)	(21,120,000)
Purchase of subsidiary undertaking (note 23)	(140,662)	-
Net cash acquired with subsidiary (note 23)	47,236	747,991
Sale of subsidiary undertaking	-	1,144,000
Net cash disposed of with subsidiary undertaking	-	(351)
<b>Net cash outflow from acquisitions and disposals</b>	<b>(1,602,141)</b>	<b>(19,228,360)</b>



# Beverley Funerals Limited

## Notes to the cash flow statement for the period ended 31 July 2014 (continued)

### 3 Analysis of changes in net debt

	At 1 August 2013	Cash flow	Other non- cash changes	At 31 July 2014
Cash at bank and in hand	1,740,461	952,298	-	2,692,759
Hire purchase	(534,852)	277,120	(269,099)	(526,831)
Debts falling due within one year	(200,000)	200,000	(350,000)	(350,000)
Debt due after one year	(18,020,220)	(1,180,000)	(45,925)	(19,246,145)
	(18,755,072)	(702,880)	(665,024)	(20,122,976)
<b>Net debt before issue costs</b>	(17,014,611)	249,418	(665,024)	(17,430,217)
Issue costs:				
Debts falling due within one year	50,232	-	-	50,232
Debt due after one year	171,624	-	(50,232)	121,392
	221,856	-	(50,232)	171,624
<b>Net debt</b>	(16,792,755)	249,418	(715,256)	(17,258,593)

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 non-depreciation of buildings occupied by funeral directors, 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 2014. 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 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. As permitted under FRS15, this represents a departure for the purposes of giving a true and fair view, from the requirements of the Companies Act 2006, which requires tangible fixed assets to be depreciated.

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 2014

### 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

	2014			2013	
	Continuing	Acquisitions	Discontinued	Continuing	Discontinued
	£	£	£	£	£
Turnover	10,186,413	862,297	-	6,020,595	1,582,256
Cost of sales	(7,007,523)	(608,860)	-	(4,201,796)	(1,179,904)
<b>Gross Profit</b>	<b>3,178,890</b>	<b>253,437</b>	<b>-</b>	<b>1,818,799</b>	<b>402,352</b>
Administrative expenses	(1,331,709)	(53,006)	-	(1,259,134)	(143,399)
<b>Operating profit</b>	<b>1,847,181</b>	<b>200,431</b>	<b>-</b>	<b>559,665</b>	<b>258,953</b>
<b>Analysed as:</b>					
Operating profit before exceptional items	1,847,181	200,431	-	1,108,135	258,953
Exceptional costs	-	-	-	(548,470)	-
<b>Operating profit</b>	<b>1,847,181</b>	<b>200,431</b>	<b>-</b>	<b>559,665</b>	<b>258,953</b>

The exceptional costs in 2013 relate to exceptional reorganisation and refinancing costs incurred as part of the reorganisation and sale of part of the business.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 3 Staff costs

Group	Year ended 31 July 2014 £	Period ended 31 July 2013 £
Wages and salaries	2,276,508	1,722,444
Social security costs	201,318	144,846
Other pension costs	24,565	15,651
	<b>2,502,391</b>	<b>1,882,941</b>

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

	Year ended 31 July 2014 No.	Period ended 31 July 2013 No.
Directors	3	3
Production	-	23
Services	60	58
Administration	4	8
	<b>67</b>	<b>92</b>

	£	£
Directors' remuneration	151,775	188,162
Company contributions to money purchase scheme	5,000	2,500

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase scheme	1	1
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# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 4 Operating profit

	Year ended 31 July 2014 £	Period ended 31 July 2013 £
<b>Operating profit is stated after charging:</b>		
Other operating lease charges	59,466	27,132
Depreciation of owned assets	237,966	156,122
Depreciation – assets on hire purchase contracts	123,126	55,311
Loss on disposal of fixed assets	45,683	44,138
Services provided by the group's auditor		
Fees payable for the audit	18,000	16,000
Fees payable for other services	3,100	2,500

### 5 Interest payable and similar charges

	Year ended 31 July 2014 £	Period ended 31 July 2013 £
Shareholders' loans	395,925	170,220
Bank loan interest	625,459	259,728
Amortisation of debt issue costs	50,232	34,394
Hire purchase	34,571	21,797
	<b>1,106,187</b>	<b>486,139</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (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 / period was as follows:

	Year ended 31 July 2014 £	Period ended 31 July 2013 £
<b>Current tax:</b>		
UK corporation tax	279,127	60,144
Adjustments in respect of prior periods	18,414	-
<b>Total current tax</b>	<b>297,541</b>	<b>60,144</b>
Deferred tax	(89,000)	(18,600)
<b>Tax on profit on ordinary activities</b>	<b>208,541</b>	<b>41,544</b>

#### (b) Factors affecting current tax

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 31 July 2014 £	Period ended 31 July 2013 £
Profit on ordinary activities before tax	941,425	257,216
Profit on ordinary activities multiplied by the effective rate of UK tax of 22.33% (2013: 23.37%)	210,252	60,111
Effects of:		
Non-deductible loss on sale of operations	-	17,589
Expenses not deductible for tax purposes	93,323	47,016
Depreciation in excess of capital allowances	20,848	5,936
Adjustments in respect of prior periods	18,414	-
Marginal relief	(1,444)	-
Expenses allowable for tax purposes	(43,852)	(70,508)
<b>Current tax charge</b>	<b>297,541</b>	<b>60,144</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 6 Tax on profit on ordinary activities (continued)

The standard tax rate changed on 1 April 2014 from 23% to 21% giving an effective tax rate of 22.33% for the financial year.

The standard tax rate will further reduce to 20% from April 2015. This future reduction had been substantively enacted at the balance sheet date and deferred tax balances have been measured at 20% within these financial statements.

### 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 £732,884 (2013: £215,672).

### 8 Intangible fixed assets

Group and Company	Goodwill £
<b>Cost</b>	
At 1 August 2013	9,989,680
Additions (note 23)	1,097,790
<b>At 31 July 2014</b>	<b>11,087,470</b>
<b>Accumulated amortisation</b>	
At 1 August 2013 and 31 July 2014	-
<b>Net book value</b>	
<b>At 31 July 2014</b>	<b>11,087,470</b>
At 31 July 2013	9,989,680



# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (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 2013	8,145,000	819,897	2,394,054	11,358,951
Additions	-	132,259	314,338	446,597
Acquisitions	400,000	19,823	95,000	514,823
Disposals	(192,000)	-	(276,829)	(468,829)
<b>At 31 July 2014</b>	<b>8,353,000</b>	<b>971,979</b>	<b>2,526,563</b>	<b>11,851,542</b>
<b>Accumulated depreciation</b>				
At 1 August 2013	-	554,764	1,092,084	1,646,848
Charge for the year	-	82,052	279,040	361,092
Acquisitions	-	7,113	-	7,113
Eliminated on disposals	-	-	(199,046)	(199,046)
<b>At 31 July 2014</b>	<b>-</b>	<b>643,929</b>	<b>1,172,078</b>	<b>1,816,007</b>
<b>Net book value:</b>				
<b>At 31 July 2014</b>	<b>8,353,000</b>	<b>328,050</b>	<b>1,354,485</b>	<b>10,035,535</b>
At 31 July 2013	8,145,000	265,133	1,301,970	9,712,103

Land and buildings include an amount of £8,353,000 which is not depreciated.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 9 Tangible fixed assets (continued)

#### Group and company

Cost or valuation at 31 July 2014 is represented by

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Valuation	-	-	-	-
Cost	8,353,000	971,979	2,526,563	11,851,542
	<b>8,353,000</b>	<b>971,979</b>	<b>2,526,563</b>	<b>11,851,542</b>

Freehold land and buildings were valued on an open market basis for existing use at 31 July 2012 by Christie & Co of Bristol. The valuation was performed in accordance with the Royal Institute of Chartered Surveyors appraisal and valuation manual. The 31 July 2012 valuation was performed for the inclusion of assets at valuation in the books of the business acquired in the period ended 31 July 2013. The directors have not updated the valuation because they are not aware of any material change in the value of the assets.

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

	At 31 July 2014 £	At 31 July 2013 £
<b>Cost</b>	<b>1,203,693</b>	<b>998,473</b>
Accumulated depreciation	(261,525)	(162,201)
<b>Net Book Value</b>	<b>942,168</b>	<b>836,272</b>

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 10 Fixed asset investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 August 2013	202,690
Acquisition	140,662
Disposal	-
<b>At 31 July 2014</b>	<b>343,352</b>
<b>Provisions</b>	
At 1 August 2013	-
Impairment	(140,562)
Eliminated on disposal	-
<b>At 31 July 2014</b>	<b>(140,562)</b>
<b>Net book value</b>	
<b>At 31 July 2014</b>	<b>202,790</b>
At 31 July 2013	202,690

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 Tranquility Funerals Limited, are dormant.

A full list of the Company's interests in subsidiary undertakings is filed with the annual return.

### 11 Stocks

#### Group and Company

	At 31 July 2014 £	At 31 July 2013 £
Coffin sets and furnishings	127,655	140,682

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 12 Debtors

Group and company	At 31 July 2014	At 31 July 2013
	£	£
Trade debtors	562,772	510,021
Other debtors	17,557	17,642
Prepayments and accrued income	43,646	34,941
Deferred tax asset (see note 19)	77,700	-
	<b>701,675</b>	<b>562,604</b>

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

	Group At 31 July 2013 £	Company At 31 July 2013 £	Group At 31 July 2013 £	Company At 31 July 2013 £
Bank loans - gross (see note 15)	350,000	350,000	200,000	200,000
Debt issue costs	(50,232)	(50,232)	(50,232)	(50,232)
Bank loans net of issue costs	299,768	299,768	149,768	149,768
Hire purchase contracts (see note 16)	265,848	265,848	228,970	228,970
Trade creditors	385,628	385,628	398,224	398,224
Amounts owed to group undertakings	-	202,790	-	202,690
Tax	279,127	279,127	3,225	3,225
Social security and other taxes	56,793	56,793	45,380	45,380
Other creditors	106,971	106,971	84,884	84,884
Accruals and deferred income	416,667	416,667	353,629	353,629
	<b>1,810,802</b>	<b>2,013,592</b>	<b>1,264,080</b>	<b>1,466,770</b>

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable within one year.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

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

Group and company	At 31 July 2014 £	At 31 July 2013 £
Bank loans - gross (see note 15)	14,080,000	13,250,000
Debt issue costs	(121,392)	(171,624)
Bank loans net of issue costs	13,958,608	13,078,376
Shareholders' loans (see note 15)	5,166,145	4,770,220
Hire purchase contracts (see note 16)	260,983	305,882
	19,385,736	18,154,478

### 15 Loans and other borrowings

Group and company	At 31 July 2014 £	At 31 July 2013 £
Bank loans	14,430,000	13,450,000
Shareholders' loans	5,166,145	4,770,220
Total debt before debt issue costs	19,596,145	18,220,220
Less debt issue costs	(171,624)	(221,856)
Net loans and other borrowings	19,424,521	17,998,364

#### Maturity of financial liabilities

In less than one year	350,000	200,000
Between two and five years	19,246,145	18,020,220
In more than five years	-	-
Total debt before debt issue costs	19,596,145	18,220,220

Bank loans of £14,430,000 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 seven quarterly instalments of £50,000 commencing 30 September 2013; followed by ten quarterly instalments of £200,000 commencing 30 June 2015 with all remaining advances due for repayment on 31 December 2017.

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 15 Loans and other borrowings (continued)

Shareholders' loans comprise £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 of (£43,405) (2013 £nil) 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	At 31 July 2014 £	At 31 July 2013 £
Within one year	265,848	228,970
Between two and five years	260,983	305,882
	<b>526,831</b>	<b>534,852</b>

### 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	
	At 31 July 2014 £	At 31 July 2013 £	At 31 July 2014 £	At 31 July 2013 £
Within one year	16,222	4,680	-	-
Between two and five years	20,350	38,850	-	-
In greater than five years	18,000	-	-	-
	<b>54,572</b>	<b>43,530</b>	<b>-</b>	<b>-</b>

At 31 July 2014 the group and company had capital commitments not provided for in the financial statements of £605,000 (2013: £nil)

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 18 Secured debts

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

	At 31 July 2014 £	At 31 July 2013 £
Bank loans	14,258,376	13,228,144
Hire purchase contracts	526,831	534,852
	<b>14,785,207</b>	<b>13,762,996</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 2013	(11,300)
Credit to the profit and loss account	89,000
<b>At 31 July 2014</b>	<b>77,700</b>

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

Deferred taxation	At 31 July 2014 £	At 31 July 2013 £
Tax effect of timing differences because of:		
Accelerated capital allowances	(35,500)	(45,300)
Other timing differences	113,200	34,000
	<b>77,700</b>	<b>(11,300)</b>

The deferred taxation asset is included within debtors (see note 12)

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 20 Called up share capital

	At 31 July 2014 £	At 31 July 2013 £
<b>Allotted and fully paid</b>		
2,500,000 (2013: 2,500,000) Ordinary shares of £1 each	<b>2,500,000</b>	2,500,000

### 21 Reserves

Group and company	Profit and loss account £
At 1 August 2013	<b>215,672</b>
Profit for the year	<b>732,884</b>
<b>At 31 July 2014</b>	<b>948,556</b>

### 22 Reconciliation of movements in shareholders' funds

Group and company	At 31 July 2014 £	At 31 July 2013 £
Profit for the financial year	<b>732,884</b>	215,672
<b>Issue of share capital</b>	-	2,500,000
<b>Net addition to shareholders' funds</b>	<b>732,884</b>	2,715,672
Opening shareholders' funds	<b>2,715,672</b>	-
<b>Closing shareholders' funds</b>	<b>3,448,556</b>	2,715,672



# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 23 Acquisitions

#### a) Acquisition of certain trade and assets of Pope Funeral Services

The group purchased certain trade and assets of Pope Funeral Services during the year for a total consideration of £1,508,715. Details of the book values of the assets and liabilities acquired, together with the resulting amount of goodwill acquired are set out below. There were no adjustments required to the book values of the assets and liabilities acquired in order to present the net assets at fair values in accordance with the group accounting policies. The purchase has been accounted for as an acquisition.

Pope Funeral Services contributed £154,466 to the group's net operating cash flows, paid £259 in respect of interest and taxation and utilised £22,834 for capital expenditure.

There are no publically available financial statements for Pope Funeral Services relating to any periods pre-acquisition.

	Vendors' book value £	Fair value adjustments £	Fair Value to the group £
Tangible fixed assets	505,000	-	505,000
Stocks	2,815	-	2,815
<b>Net assets acquired</b>	<b>507,815</b>	<b>-</b>	<b>507,815</b>

#### Satisfied by

##### Consideration:

Cash	1,441,000
Acquisition costs	67,715
	<b>1,508,715</b>
<b>Goodwill on acquisition</b>	<b>1,000,900</b>

The book values of the assets and liabilities are based upon management accounts of the Acquired Business at 3 September 2013 (the date of acquisition).

# Beverley Funerals Limited

## Notes to the financial statements for the year ended 31 July 2014 (continued)

### 23 Acquisitions (continued)

#### b) Other acquisitions

	£
Book value of net assets acquired (includes £47,236 cash)	43,772
Fair value adjustments	-
Goodwill	96,890
Consideration satisfied by cash and acquisition costs	140,662

Tranquility Funerals Ltd was acquired by the group on 3 October 2013. There was no fair value adjustments required to align the accounting policies.

### 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 £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.