

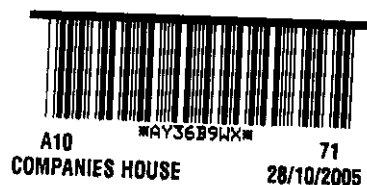
Phillips Holdings (Hertfordshire) Limited

Company No. 3487607

Financial Statements

For the period ended

10 February 2005



Phillips Holdings (Hertfordshire) Limited

Company Information

Directors

A.R. Davies
M.K. McCollum
P.T. Hindley

Secretary

R.H. Portman

Registered Office

Plantsbrook House
94 The Parade
Sutton Coldfield
West Midlands
B72 1PH

Auditors

Kingston Smith
105 St Peter's Street
St Albans
Hertfordshire
AL1 3EJ

Phillips Holdings (Hertfordshire) Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the period ended 10 February 2005.

Principal activity

The principal activity of the company throughout the period was that of a holding company.

Directors

The following directors have held office since 1 March 2004:

A.R. Davies	(Appointed 10 February 2005)
M.K. McCollum	(Appointed 10 February 2005)
P.T. Hindley	(Appointed 10 February 2005)
T. J. Franklin-Smith	(Resigned 10 February 2005)
M. E. Franklin-Smith	(Resigned 10 February 2005)

Directors and their interests

The directors who served the company during the period together with their interests (including family interests) in the shares of the company at the beginning and end of the period, were as follows:

	Ordinary shares of £ 1 each	
	10 February 2005	1 March 2004
A.R. Davies	-	-
M.K. McCollum	-	-
P.T. Hindley	-	-
T.J. Franklin-Smith	-	100,000
M.E. Franklin-Smith	-	100,000

Mr T.J. Franklin-Smith and Mrs M.E. Franklin-Smith did not have any interests in any other group company during the period. The interests of the other directors in group companies during the period are disclosed in the financial statements of the ultimate parent company, Dignity Plc.

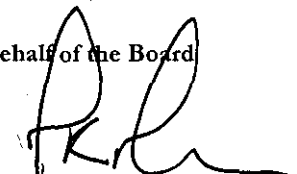
Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed they be re-appointed auditors to the company for the ensuing year.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

On behalf of the Board



M.K. McCollum
Director

Plantsbrook House
94 The Parade
Sutton Coldfield
West Midlands
B72 1PH

Date: 10 October 2005

Phillips Holdings (Hertfordshire) Limited

Directors' Responsibilities & Report of the Auditors

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 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; prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 Shareholders of Phillips Holdings (Hertfordshire) Limited

We have audited the financial statements of Phillips Holdings (Hertfordshire) Limited for the period ended 10 February 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Phillips Holdings (Hertfordshire) Limited
Directors' Responsibilities & Report of the Auditors (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 10 February 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Kyoko Fured

105 St Peter's Street
St Albans
Hertfordshire
AL1 3EJ

Kingston Smith
Chartered Accountants
and Registered Auditors

Date: *14th October 2005*

Phillips Holdings (Hertfordshire) Limited
Profit and Loss Account
For the period ended 10 February 2005

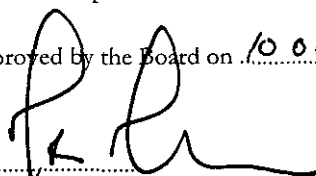
		Period ended 10 February 2005 £	Year ended 29 February 2004 £
	Notes		
Turnover		-	28,580
Administrative expenses		-	(749)
Operating (loss)/profit	2	-	27,831
Profit on sale of trade	11	1,265,962	-
Profit on ordinary activities before interest		1,265,962	27,831
Investment income	3	59,334	-
Profit on ordinary activities before taxation		1,325,296	27,831
Taxation	4	-	(5,285)
Profit on ordinary activities after taxation		1,325,296	22,546
Dividends	5	(59,334)	(25,000)
Retained profit/(loss) for the Period	10	1,265,962	(2,454)

Phillips Holdings (Hertfordshire) Limited
Balance Sheet
As at 10 February 2005

	Notes	As at 10 February 2005 £	£	As at 29 February 2004 £	£
Fixed Assets					
Investments	6		250,002		250,002
Current Assets					
Debtors	7	1,215,960		5,663	
Creditors: Amounts falling due within one year	8			(55,665)	
Net Current Assets/(Liabilities)			1,215,960		(50,002)
Total Assets Less Current Liabilities			<u>1,465,962</u>		<u>200,000</u>
Capital and Reserves					
Called up share capital	9		200,000		200,000
Profit and loss account	10		1,265,962		-
Shareholders' Funds			<u>1,465,962</u>		<u>200,000</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 10 October 2005



M.K. McCollum
Director

Phillips Holdings (Hertfordshire) Limited
Notes to the Financial Statements
For the period ended 10 February 2005

1 Accounting Policies

a) Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Investments

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

c) Turnover

Turnover represents the invoiced value of goods and services provided net of value added tax.

d) Deferred taxation

In accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002), deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

e) Group accounts

It is the policy of the company to take advantage of the exemptions conferred by section 248 of the Companies Act 1985 from preparing group accounts.

These financial statements present information relating to the individual company and not about the group.

2 Operating Profit

	Period ended 10 February 2005 £	Year ended 29 February 2004 £
The operating profit is stated after charging:		
Auditors' remuneration	-	734
	<u> </u>	<u> </u>

There were no employees during the period apart from the directors who were not remunerated.

3 Investment Income

	Period ended 10 February 2005 £	Year ended 29 February 2004 £
Income from shares in group undertakings	59,334	-
	<u> </u>	<u> </u>

Phillips Holdings (Hertfordshire) Limited
Notes to the Financial Statements
For the period ended 10 February 2005

4	Taxation	Period ended 10 February 2005 £	Year ended 29 February 2004 £
	Domestic current year tax		
	U.K. corporation tax	-	5,285
	Current tax charge	-	5,285
5	Dividends	Period ended 10 February 2005 £	Year ended 29 February 2004 £
	Ordinary interim paid	59,334	25,000

Phillips Holdings (Hertfordshire) Limited
Notes to the Financial Statements
For the period ended 10 February 2005

6 Investments

Shares in group
undertakings
and
participating
interests

£

Cost

At 1 March 2004 & at 10 February 2005

250,002

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Phillips Funeral Services Limited	England	Ordinary		100
Phillips Funeral Plans Limited	England	Ordinary		100
Phillips Supplies Limited	England	Ordinary		100

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

	Capital and reserves	Profit for the year
Phillips Funeral Services Limited	2,096,565	1,634,109
Phillips Funeral Plans Limited	177,749	147,447
Phillips Supplies Limited	76,642	67,261

During the year, Phillips Funeral Services Limited purchased 100 of its own 900 ordinary shares of £1 each, to reduce the share capital to 800 ordinary shares of £1 each. Phillips Holdings (Hertfordshires) Limited's shareholding of 800 ordinary shares of £1 each has therefore increased from 89% of the share capital, to 100% of the share capital of Phillips Funeral Services Limited.

7 Debtors

As at
10 February
2005
£

As at
29 February
2004
£

Amounts owed by group undertakings

1,215,960

5,663

Phillips Holdings (Hertfordshire) Limited
Notes to the Financial Statements
For the period ended 10 February 2005

8	Creditors: Amounts Falling Due Within One Year	As at 10 February 2005 £	As at 29 February 2004 £
	Amounts owed to group undertakings	-	49,998
	Corporation tax	-	5,285
	Other creditors	-	382
		<u>-</u>	<u>55,665</u>
9	Share Capital	As at 10 February 2005 £	As at 29 February 2004 £
	Authorised		
	250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
	Called up, allotted and fully paid		
	200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
10	Shareholders' funds		
2005	Share capital	Profit and loss account £	Total £
	Balance at 1 March 2004	200,000	-
	Retained profit for the period	-	1,265,962
	Balance at 10 February 2005	<u>200,000</u>	<u>1,265,962</u>
2004	Share capital	Profit and loss account £	Total £
	Balance at 1 March 2003	200,000	2,454
	Retained loss for the period	-	(2,454)
	Balance at 29 February 2004	<u>200,000</u>	<u>-</u>

Phillips Holdings (Hertfordshire) Limited
Notes to the Financial Statements
For the period ended 10 February 2005

11 Controlling Party

As at the balance sheet date the immediate parent company was Dignity Funerals Limited, a company incorporated in England and Wales, and the ultimate parent company was Dignity Plc, a company incorporated in England and Wales. No one party controlled the company.

From 1 March 2004 to 10 February 2005 the company was controlled by Mr T.J. Franklin-Smith and Mrs M.E. Franklin-Smith by virtue of their shareholding in the company. On 10 February 2005 Mr T.J. Franklin-Smith and Mrs M.E. Franklin-Smith sold their shareholding to Dignity Funerals Limited.

On 10 February 2005 the company sold its trade and assets, except its fixed asset investment in subsidiaries, to Dignity Funerals Limited for fair value consideration of £1,215,960 giving rise to a profit of £1,265,962 over the previous carrying value of the assets. At the balance sheet date, included in amounts owed by group undertakings is £1,215,960 (2004: £nil) due from Dignity Funerals Limited.

Included in amounts owed by group undertakings is an amount of £nil (2004 - £5,663) due from Phillips Funeral Services Limited. Included in amounts owed to group undertakings is an amount of £nil (2004 - £49,998) due to Phillips Funeral Plans Limited.