JW

Dignity Limited balance sheet as at 22 March 2004

	Note	22 March 2004 £'000	26 December 2003 £'000
Fixed assets			
Investments in subsidiaries	1	**130,275**	14,274
Current assets			
Debtors - prepayments		**4,000**	-
Cash at bank and in hand		**1,863**	12,682
Total current assets		**5,863**	12,682
Creditors: amounts falling due within one year	2	**(134,134)**	(25,316)
Net current liabilities		**(128,271)**	(12,634)
Total assets less current liabilities		**2,004**	1,640
Net assets		**2,004**	1,640
Capital and reserves			
Called up share capital	3	**2,000**	2,000
Profit and loss account	4	**4**	(360)
Equity shareholders' funds	5	**2,004**	1,640

The balance sheet and accompanying notes were approved by the board of directors on and were signed on its behalf by:

Director

JW

Dignity Limited

Notes to the balance sheet as at 22 March 2004

1 Investments

Investments in subsidiary undertakings

Cost and net book amount	**£'000**
At 27 December 2003	14,274
Additions in period	116,001
At 22 March 2004	**130,275**

2 Creditors: amounts falling due within one year

	22 March 2004	26 December 2003
	£'000	£'000
Amounts due to subsidiary undertakings	**128,618**	12,589
Loan notes 2012	**1,464**	12,682
Accruals and deferred income	**4,052**	45
	134,134	25,316

On 20 December 2002, the Company issued £12,274,001 of £1 par value loan notes as part of the consideration paid to 'C' and 'D' ordinary shareholders in Dignity Holdings No.2 Limited.

These notes are cash collateralised with all interest accruing on the bank account being due to the note holders. The bank account earns interest at 0.25% below the Bank of England base rate. Interest accruing from 20 December 2002 until 31 August 2003 was capitalised under the terms of the loan note instrument. Interest accruing thereafter is payable on 28 February and 31 August.

Although the notes have a maturity date of 2012, they may be redeemed on seven days notice by the note holder at any date after 28 February 2004 and have therefore been classified as due within one year. Loan notes amounting to £10,810,342 have been redeemed in the period.

There were no costs associated with the issue of these notes.

JTW

Dignity Limited

Notes to the balance sheet as at 22 March 2004

3 Called up share capital

	22 March 2004	26 December 2003
	£'000	£'000
Authorised		
Equity shares		
1,300,000 Ordinary "A" shares of £1 each	**1,300**	1,300
400,000 Ordinary "B" shares of £1 each	**400**	400
300,000 Ordinary "C" shares of £1 each	**300**	300
	2,000	2,000
Allotted, called up and fully paid		
Equity shares		
2,000,000 Ordinary shares of £1 each	**2,000**	2,000

Equal voting rights are attributable to the 'A', 'B' and 'C' shares. All of the issued shares rank pari passu for the purposes of dividends save that a dividend may be declared in respect of one particular class of shares, provided that no further dividend may be declared in respect of that particular class of shares until a dividend of an equal amount (calculated on a per share basis) has been declared in respect of each other class of shares.

The articles of association of the Company provide that on a return of capital of the Company on a liquidation or otherwise (other than a redemption of shares or the purchase by the Company of its own shares), the surplus assets and the retained profits of the Company available for distribution among the members will be applied as follows:

(a) first in paying the 'A' and 'B' shareholders the amounts credited as paid up on the 'A' and 'B' shares respectively together with all accruals and arrears of dividends duly declared calculated up to and including the date on which the return of capital is made;

(b) secondly in paying to the 'C' shareholders the amounts credited as paid up on the 'C' shares together with all accruals and arrears of dividends duly declared calculated up to and including the date on which the return of capital is made; and

(c) thereafter in distributing the balance of such assets and retained profits amongst the equity shareholders (pari passu as if the same constituted one class of share) on proportion to the amounts credited as paid up on the equity shares held by them respectively.

JW

Dignity Limited

Notes to the balance sheet as at 22 March 2004

4 Reserves

	Profit and loss account
	£'000
At 27 December 2003	(360)
Profit for the period	**364**
At 22 March 2004	**4**

5 Reconciliation of movement in shareholders' funds

	£'000
Profit for the period	**364**
Net additions to shareholders' funds	**364**
Opening shareholders' funds	1,640
Closing shareholders' funds	**2,004**