REGISTERED NUMBER: 10135196 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

FOR

FP BIDCO LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their strategic report of the company and the group for the year ended 30 September 2019.

REVIEW OF BUSINESS

The trading results for the year and the company and group's financial position at 30 September 2019 are shown in the attached financial statements.

The directors are pleased with the overall progress made by the business during the year. 8 further acquisitions were completed in the period, as the business continued to pursue its strategic plan to grow as a high-quality funeral business. The results and EBITDA for the year were below expectations however, largely as a result of a significant decline in the death rate of around 5% in comparison to the rate for the previous year. The business sought to manage its affairs as efficiently as possible in light of the death rate decline, and consequential adverse impact upon funeral volumes served and gross profit levels. The underlying trend of an increasing national death rate on a long-term basis is expected to continue however, and thus the position experienced during the year is not viewed by the directors as a reflection of future trends.

The directors consider that the business is well positioned to continue with its strategic plan, following the significant investment made in its people and services in recent years.

PRINCIPAL RISKS AND UNCERTAINTIES

Operational risk management

Death rate

As experienced during the year ended 30 September 2019, there is a risk that the number of deaths significantly reduces in the areas where the company operates. This can have a direct result on financial performance. However, despite some fluctuations, the national underlying profile of deaths has followed a similar pattern, giving the company the ability to plan its business accordingly, having regard also to known local factors.

Adverse publicity

Adverse publicity could result in a significant reduction in the number of funerals, having a direct result on the financial performance of the group. However, this risk is addressed by ensuring appropriate policies, procedures and on going training are in place. These policies and procedures retain flexibility for the business to serve families in accordance with local traditions.

Significant reduction in market share

Other external factors, such as new or newly aggressive competitors, could result in a significant reduction market share in the areas where the group operates. This would have a direct result on the financial performance of the group. The group believes that this risk is mitigated by the group's collection of strong local brands and local reputation, and recommendation being a key driver to the choice of funeral director being used.

Competition and Markets Authority and regulations

The Competition and Markets Authority commenced its proposed Market Investigation Reference (MIR) on the UK funerals market during the year. The MIR is continuing with final findings due to be published by the end of September 2020. The outcomes of the MIR could include remedies to issues which the CMA conclude are preventing the UK funerals market from functioning as it should. Such remedies could include changes to the regulatory framework of the market, both from an operational and pricing perspective. The group believes it is well positioned to work with any such changes that could be applied to the market. This is based on a continual review of the business' operating model which ensures that a flexible and adaptable business is maintained.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial risk management

The group finances its operations by a mixture of equity, bank loans and loan notes. This approach gives efficient leveraging of the group's balance sheet, which is made possible by the stable and predictably cash generative nature of the business. It is not the group's policy to trade actively in derivatives.

Currency risk

The group trades solely in the United Kingdom and all of its financial assets and liabilities are denominated in Sterling, therefore the group faces no direct currency risk.

Interest rate risk

The group's main source of finance is bank loans, whose finance cost is linked to LIBOR. The group has entered into contracts to cap the interest rate on a majority of these loans. Consequently, the group carries limited risk to increases in LIBOR.

Credit risk

Trade Debtors are the main source of credit risk to the group. This risk is minimised through credit control procedures, notably including requests for customers to pay for disbursement costs and a proportion of professional fees in advance of the funeral. The group is not exposed to individual debts of a material size.

Liquidity risk

The group manages its liquidity risk by maintaining a committed overdraft facility and weekly monitoring of cash balances and immediate payments due.

The group manages the operational and financial risks described through a combination of monthly Board meetings and regular management information that is reviewed by directors and senior managers. Group debt facilities are subject to financial covenants which are reported quarterly.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an intermediate holding company. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The principal activity of the group is the provision of funeral services and related activities, including the marketing and sale of pre-paid funeral plans under the "Choice" brand. The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next year.

KEY PERFORMANCE INDICATOR

The directors consider the performance measurement of EBITDA before exceptional items and Group-related Board costs to be the most appropriate. Group EBITDA for the year was £9,900,000 (2018: £9,399,000).

ACQUISITIONS

In line with its strategy, during the year the Group acquired the entire share capital of 4 companies and the trade and assets of another 4 businesses, all of which were engaged in the provision of funeral services and related activities. All companies acquired during the year have been hived up by the financial year end.

BY ORDER OF THE BOARD:

A H Fraser - Secretary

Date: 28 January 2020

The directors present their report with the audited financial statements of the company and the group for the year ended 30 September 2019.

Certain entities within the group have this year taken the audit exemption under section 479A of the Companies Act 2006, and as such do not require a signed statutory audit opinion. One of the criteria required to enable these exemptions to be taken is that the company must provide a statutory guarantee for all outstanding liabilities to which those entities are subject to at 30 September 2019. This guarantee is provided by the company and is disclosed as a contingent liability.

FUTURE DEVELOPMENTS

No significant changes in the group's principal activity are planned. Focus will be maintained on continually improving the quality of funeral services delivered. The implementation of the group's strategic plan will continue from the progress made in the previous financial year with further acquisitions being made and subsequently integrated into the group's operating structure.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

M Z Chalaczkiewicz
N R Graham
S P D Kershaw
A H Fraser

The company maintains cover under a qualifying third-party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as directors or officers. This was in place as at the authorisation date of the financial statements and throughout the financial year.

All the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

POST BALANCE SHEET EVENTS

After the year end the group completed the acquisition of the entire share capital of three companies for a total preliminary consideration (including fees) of £19.8m.

EMPLOYEES

The group is committed to employment policies which follow best practice, based on equal opportunities for all employees irrespective of their sex, race, colour, disability and marital status.

The group gives full and fair consideration to applications for employment from disabled people, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and the continued training, career development and promotion of disabled employees.

If employees become disabled the group attempts to continue employment, either in the same or an alternative position, arranging retraining when necessary.

The group systematically provides employees with information on matters of concern to them, including financials and economic factors that affect the performance and viability of the group. They are consulting regularly so their views can be taken into account when making decisions which are likely to affect them. Employee involvement is specifically encouraged through circulation of a group newsletter and regular visits by managers to branches.

FINANCIAL RISK MANAGEMENT

Please see the strategic report, where these risks have been discussed.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £37,535,000 (2018: £31,731,000). The directors have not recommended a dividend (2018: not recommended).

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

GOING CONCERN

The directors believe that preparing the financial statements on the going concern basis is appropriate. They have considered the prospects of the FP Bidco Limited group and company and have prepared a cash flow forecast for period of not less than one year from the date of the approval of these financial statements. This included a review and consideration of a number of factors including inter alia their evaluation of prevailing market conditions, competition, anticipated sales and operating margins, working capital requirements, financing facilities expected to be available and covenant compliance. Based on this review the directors continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD:

A H Fraser - Secretary

Date: 28 January 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FP BIDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, FP Bidco 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 30 September 2019 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group Strategic Report, Report of the Directors and the Consolidated Financial Statements for the year ended 30 September 2019 (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 30 September 2019; the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

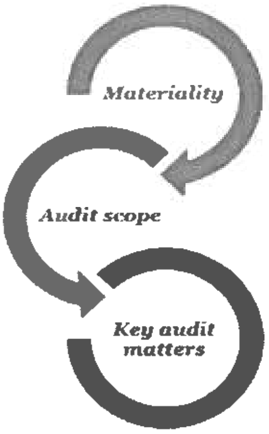
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall group materiality: £346,500 (2018: £375,000), based on 3.5% of earnings before interest, tax, depreciation and amortisation, exceptional items and group related board costs (EBITDA).
- Overall company materiality: £667,000 (2018: £668,000), based on 1% of Total Assets

- Funeral Partners Limited and Alternative Planning Company Limited are the two financially significant components.
- In addition, FP Bidco Limited and Funeral Partners Bidco Limited are included to ensure adequate coverage of interest payable and external debt balances.

- Carrying value of tangible assets, intangible assets, including goodwill and trade names (Group).
- Carrying value of trade debtor balances (Group).

Our audit approach (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of tangible and intangible assets, including goodwill and trade names (Group) The Group has £178.3 m of intangible assets including £96.5m of goodwill and £81.8m of trade names and £12.5m of tangible assets (please see Note 10: Intangible Assets and Note 11: Tangible Assets and the respective accounting policies in the consolidated financial statements). The results and EBITDA for the year were below expectations however, largely as a result of a significant decline in the death rate of around 5% in comparison to the rate for the previous year. There has also been considerable media coverage in relation to the funeral industry in recent months, including an investigation by the Competition and Markets Authority ("CMA") into the pricing of at need funeral services. As a result, impairment reviews have been performed at year end to support the carrying value of the respective assets. The directors consider the business comprises 35 cash generating units defined by geographical area. The directors have performed impairment reviews in the year, both at a cash generating unit level and on a consolidated basis. The group recognised an impairment loss of £1,410,000 (2018: nil) in respect of one of its cash generating units. The impairment reviews compare discounted cash flows, prepared on a value in use basis, to the carrying value of the assets held at a cash generating unit and group level. The directors are satisfied that the forecast cashflows support the carrying value of assets and therefore no additional impairment charge is recognised in the year.	We tested the group impairment charge recognised in the year, agreeing the forecast sale proceeds to the sale agreement and recalculating the impairment charge. We understood management's processes and methodology in performing its impairment trigger review for goodwill and trade names for each CGU. We held discussions with management and the board to understand their view of the market, and in particular any impact of the CMA investigation on future pricing. We tested the group's value in use models, performing the following: - Validation of funeral volume data and pre need funeral assumptions to supporting information; - Validation of gross profit and EBITDA assumptions to supporting information; - Benchmarking of the group's discount rate by our valuation experts; - Validation of the group's long-term growth rate assumption to external inflation and death rate forecast; and - Performed sensitivities around key model assumptions. From our work performed we are satisfied that no additional impairment charge be recognised in the year, and that the carrying value of tangible and intangible assets is reasonable.

Our audit approach (continued)

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of trade debtor balances (Group) The Group has £2.2m of trade receivable balances, with a gross balance of £3.2m and a related provision of £1.2m (please see Note 15: Debtors and Financial Instruments accounting policy in the consolidated financial statements). Trade debtors represent b Our audit approach (continued) balances held with individuals, and as such there is an increased level of risk over the recoverability of these balances given the inherent credit risk. The recoverability risk is assessed as higher both for acquired debtor balances and for aged individual balances.	We have understood management's processes for managing the risk over recoverability of trade debtor balances, which include receiving deposits in advance of performing funeral services, regular communication with outstanding debtors at branch level and the use of payment plans and debt management companies where required. We have obtained management's calculation of the trade debtor provision and performed the following procedures: • We understood management's methodology for the calculation of the trade debtor provision and confirmed this is consistent with the prior year; • We performed detailed testing to verify key inputs into the model including the value of trade debtors and the ageing category of the balances; • We verified that the calculation was mathematically accurate; • We performed look-back procedures over debtor write offs in the year to 30 September 2019 to confirm that the level of write off was consistent with the provision value; and • We verified that the overall ageing profile of the debtor ledger is consistent with prior years and shows no deterioration indicative of an increased recoverability issue. From our work performed we are satisfied that the provision held against the trade debtor balance is appropriate, and the carrying value of trade debtors is reasonable.

We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

FP Bidco Limited group has 70 statutory entities incorporated in the UK, of which are 54 are dormant as at 30 September 2019. The group comprises two main trading entities: Funeral Partners Limited, which delivers at need funeral services; and Alternative Planning Company Limited which sells and administers pre-need funeral plans. The remaining active entities comprise intermediate holding companies and companies which were acquired in the current year. The group finance function is based in the UK and the operating decisions are made in the UK by the group Board of Directors.

We have concluded that there are only 2 financially significant components within the group based on the chosen benchmark of EBITDA adjusted for exceptional items and group related board costs; Funeral Partners Limited and Alternative Planning Company Limited. In addition, FP Bidco Limited and Funeral Partners Bidco Limited were set as full scope audits to ensure an appropriate level of coverage is gained over interest payable and external loan balances. All entities require a statutory audit except for Funeral Partners Bidco Limited which is exempt to under section 479A of the Companies Act 2008 as a parent company guarantee is in place. All work is performed by one group engagement team.

Our audit approach (continued)

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	*Company financial statements*
Overall materiality	£346,500 (2018: £375,000).	£667,000 (2018: £668,000).
How we determined it	3.5% of earnings before interest, tax, depreciation and amortisation, exceptional items and group related board costs (EBITDA).	1% of Total Assets.
Rationale for benchmark applied	EBITDA pre exceptional items and group related board costs is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £268,000 and £326,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £17,325 (Group audit) (2018: £18,750) and £33,350 (Company audit) (2018: £33,400) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Reporting on other information (continued)

With respect to the Group Strategic Report and Report of the directors for the year ended 30 September 2019, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Group Strategic Report and Report of the directors for the year ended 30 September 2019

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and Report of the directors for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Group Strategic Report and Report of the directors for the year ended 30 September 2019.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; 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.

Matthew Walker

Matthew Walker (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

Date: 31 January 2020

FP BIDCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £'000	2018 £'000
TURNOVER	4	47,458	43,756
Cost of sales		(21,193)	(19,020)
GROSS PROFIT		26,265	24,736
Administrative expenses before exceptional items		(30,367)	(27,871)
Administrative expenses - exceptional items	6	(2,424)	(2,005)
Total administrative expenses		(32,791)	(29,876)
Other operating income		119	135
Adjusted earnings before interest, depreciation, Amortisation, exceptional items and Group-related Board costs (EBITDA)		9,900	9,399
Exceptional items	6	(2,424)	(2,005)
Group-related Board costs	7	(438)	(435)
Depreciation and amortisation charge	7	(13,445)	(11,964)
OPERATING LOSS	7	(6,407)	(5,005)
Interest receivable and similar income		754	408
Interest payable and similar expenses	8	(32,716)	(27,969)
LOSS BEFORE TAXATION		(38,369)	(32,566)
Tax on loss	9	834	835
LOSS FOR THE FINANCIAL YEAR		(37,535)	(31,731)

FP BIDCO LIMITED (REGISTERED NUMBER: 10135196)

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
FIXED ASSETS					
Intangible assets	11		178,268		183,751
Tangible assets	12		12,472		11,933
Financial assets	13		23,561		17,295
			214,301		212,979
CURRENT ASSETS					
Stocks	14	500		460	
Debtors	15	8,287		8,551	
Cash at bank and in hand		5,804		6,373	
		14,591		15,384	
CREDITORS:					
Amounts falling due within one year	16	(10,449)		(10,553)	
NET CURRENT ASSETS			4,142		4,831
TOTAL ASSETS LESS CURRENT LIABILITIES			218,443		217,810
CREDITORS:					
Amounts falling due after more than one year	17		(308,464)		(269,373)
PROVISIONS FOR LIABILITIES	21		(13,900)		(14,735)
NET LIABILITIES			(103,921)		(66,298)
CAPITAL AND RESERVES					
Called up share capital	22		28		28
Share premium account			2,818		2,818
Other Reserve			-		88
Accumulated losses			(106,767)		(69,232)
TOTAL SHAREHOLDERS' DEFICIT			(103,921)		(66,298)

The financial statements on pages 12 to 36 were approved by the Board of Directors on 28 January 2020 and were signed on its behalf by:

S P D Kershaw - Director

FP BIDCO LIMITED (REGISTERED NUMBER: 10135196)

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
FIXED ASSETS					
Tangible assets			2		6
Investments	13		57,180		57,180
			57,182		57,186
CURRENT ASSETS					
Debtors	15	6,040		5,980	
Cash at bank and in hand		3,489		3,599	
		9,529		9,579	
CREDITORS					
Amounts falling due within one year	16	(8,903)		(8,783)	
NET CURRENT ASSETS			626		796
TOTAL ASSETS LESS CURRENT LIABILITIES			57,808		57,982
CREDITORS					
Amounts falling due after more than one year	17		(151,297)		(134,829)
NET LIABILITIES			(93,490)		(76,847)
CAPITAL AND RESERVES					
Called up share capital	22		28		28
Share premium account			2,818		2,818
Accumulated losses			(96,336)		(79,693)
TOTAL SHAREHOLDERS' DEFICIT			(93,490)		(76,847)
Company's loss for the financial year			(16,643)		(58,692)

The financial statements on pages 12 to 36 were approved by the Board of Directors on 28 January 2020 and were signed on its behalf by:

SPD Kershaw - Director

FP BIDCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up Share Capital	Accumulated losses	Share Premium account	Other reserve	Total Shareholders' deficit
	£'000	£'000	£'000	£'000	£'000
Changes in equity					
Other reserve	-	-	-	88	88
Loss and total comprehensive expense for the financial year	-	(31,731)	-	-	(31,731)
Balance at 30 September 2018	28	(69,232)	2,818	88	(66,298)
Changes in equity					
Other reserve	-	-	-	(88)	(88)
Loss and total comprehensive expenses for the financial year	-	(37,535)	-	-	(37,535)
Balance at 30 September 2019	28	(106,767)	2,818	-	(103,921)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up Share Capital	Accumulated losses	Share Premium account	Total Shareholders' deficit
	£'000	£'000	£'000	£'000
Changes in equity				
Other reserve	-	-	-	-
Loss and total comprehensive expense for the financial year	-	(58,692)	-	(58,692)
Balance at 30 September 2018	28	(79,693)	2,818	(76,847)
Changes in equity				
Other reserve	-	-	-	-
Loss and total comprehensive expenses for the financial year	-	(16,643)	-	(16,643)
Balance at 30 September 2019	28	(96,336)	-	(93,490)

FP BIDCO LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated from operations	29	15,259	13,558
Tax paid		(435)	(299)
Net cash generated from operating activities		14,824	13,259
Cash flows from investing activities			
Purchase of subsidiaries (net of cash acquired)		(8,307)	(27,858)
Purchase of tangible fixed assets		(2,595)	(1,893)
Purchase of investments for pre-paid funeral plans		(6,266)	(7,219)
Sale of tangible fixed assets		2,005	635
Net cash used in investing activities		(15,163)	(36,335)
Cash flows from financing activities			
Issue of ordinary share capital in subsidiaries		-	307
Receipts from new shareholder loans		-	38,500
Receipts from new secured loan		9,360	24,302
Repayment of secured loan		(1,500)	(27,100)
Repayment of acquired loan		-	(300)
Repayment of finance lease		(946)	(813)
Bank interest and similar fees paid		(7,005)	(6,074)
Arrangement and similar fees paid		-	(2,859)
Hire purchase interest paid		(139)	(118)
Net cash (invested in)/generated from financing activities		(230)	25,845
Net (decrease)/increase in cash and cash equivalents		(569)	2,769
Cash and cash equivalents at beginning of year		6,373	3,604
Cash and cash equivalents at end of year		5,804	6,373

1. GENERAL INFORMATION

FP Bidco Limited ("the company") and its subsidiaries (together "the group") operate over 180 funeral homes in England and Scotland and a retail memorial mason, and markets pre-paid funeral plans under the "Choice" brand.

2. STATUTORY INFORMATION

FP Bidco Limited is a private company incorporated in England, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. STATEMENT OF COMPLIANCE

The group and individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. ("FRS 102") and the Companies Act 2006.

4. ACCOUNTING POLICIES

Basis of preparing the financial statements
These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention. These policies have been consistently applied unless otherwise stated. '2019' refers to the full year to 30 September 2019; '2018' refers to the year from 1 October 2017 to 30 September 2019.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4. The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual profit and loss account.

Financial Reporting Standard 102 - reduced disclosure exemptions
The Company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":
- The requirement to prepare a cashflow statement
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

These exemptions are taken on the basis that the company information is provided within the consolidated information.

Basis of consolidation
The group financial statements consolidate the financial statements of the company and all of its subsidiary undertakings ('subsidiaries'). All companies in the group are wholly owned by the group, have the same accounting reference date, use the same accounting policies and all intra-group transactions, balances, income and expenses are eliminated on consolidation. All undertakings included in the consolidation have been treated as if they were a single entity. The results of subsidiaries acquired in the year are included in the consolidated financial statements from the date of acquisition.

As part of a previous acquisition the group acquired an employee benefit trust for the benefit of employees, former employees and certain of their dependants. Monies held in the trust are held by independent trustees and managed at their discretion. Notwithstanding the legal duties of the trustees, the group considers that it has de facto control of this entity. Such assets are accounted for as assets and liabilities of the sponsoring company within the group and included in the consolidated financial statement as appropriate.

Any of the company's equity instruments held by the trust from time to time are accounted for as if they were the company's own equity and are treated as treasury shares. No gain or loss is recognised on the purchase, sale or cancellation of the company's own equity held by the trust.

4. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty
Estimates and judgements are continuously evaluated and are based on historic experience and other factors, including expectations of future events. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. There are no key judgements within the financial statements.

Critical accounting estimates and assumptions

(I) Fair value of acquisitions made in the year
The fair values used in accounting for the acquisitions made by the group are all provisional in nature in the year of acquisition, updated as required in the year following acquisition, and required estimates of the trading performance of the relevant cash-generating units over a number of years, including assumptions relating to market size, revenue growth and cost bases.
Valuations ascribed to brand names inevitably involve considerable exercise of judgement, albeit that the long-standing nature of brands in the funeral sector can serve to limit the uncertainty here.

(II) Impairment assessments of Intangible assets and goodwill
The assessment of impairment using recoverable value relies upon estimates for future trading performance of the cash-generating units ("CGUs"). A CGU is aligned with the operating areas of the business which are spread across England. Wales and Scotland on a geographic basis. Operating areas consist of a central hub and a number of operating branches. It also requires judgement in the setting of applicable discount and long-term growth rates on cashflows for these units. Cashflows are based on forecasted operating cashflows which may vary from actual cashflows.

(III) Recoverability of trade debtors
The group has a large number of relatively small trade debtors, resulting from providing services to a broad cross-section of the general public. The policy adopted for estimating impairment of ageing trade debts requires judgement, made in the light of previous collection experience and consideration of the deceased's estate as well as the financial position of each client.

(IV) Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on economic utilisation and physical condition of the assets.

(V) Useful economic lives of intangible assets and goodwill
The annual amortisation charge for intangible assets and goodwill is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives are reassessed annually based on reviews of performance of CGUs. Where considered necessary the useful economic lives of the intangible assets and goodwill for specific CGUs are amended to reflect the current estimates for future value generation.

Revenue recognition
Revenue is recognised at the fair value of the consideration received or receivable and represents the amount receivable in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

For funeral services, revenue is recognised on the date of the funeral as this is the point where the company is considered to have discharged the bulk of its obligations in providing its services. For the same reason memorial-related revenue is recognised when the memorial is installed, or on practical completion of other works.

In respect of pre-need funeral plans, revenue is recognised when management charges are received on the sale of plans, net of estimated plan cancellations.

Turnover is attributable to the provision of funeral services and related activities £45,607,000 (2018: £42,358,000), and the sale of pre-need funeral plans £1,851,000 (2018: £1,398,000). All turnover arose within the United Kingdom.

4. ACCOUNTING POLICIES - continued

Business combinations and goodwill
Business combinations (acquisitions) are accounted for by using the purchase method. FRS 102 triennial review was adopted.

Cost is the fair value of the consideration given, liabilities incurred or assumed and of any equity instruments issued plus the costs directly attributable to the acquisition. Contingent consideration is initially recognised at estimate amount where the consideration is probable and the cost can be estimated reliably. Any changes in these estimates are adjusted by means of a change to the cost of the acquisition.

On acquisition, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Fewer intangible assets are required to be recognised separately from goodwill in a business combination as a result of FRS 102 Triennial review amendments, due to the amended recognition conditions of intangible assets. FRS 102 Triennial review is adopted, and no more trade names were recognized separately in the financial year.

Goodwill recognised represents the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Goodwill is allocated to CGUs that are expected to benefit from the acquisition.

Goodwill is amortised over its expected useful life of 20 years. Goodwill is assessed for impairment when there are indications of impairment, and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for impairment no longer apply.

Intangible assets other than goodwill
Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over 20 years and charged to Administrative expenses in the statement of comprehensive income.

Where factors indicate that useful life have changed the amortisation rate is amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if these factors indicate that the carrying value may be impaired.

Tangible fixed assets
Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other assets is provided at rates calculated to write off their cost, less estimated residual value, over their expected useful lives, on the following basis:

Buildings	- 2% straight line (freehold)
	- 10% - 25% straight line (leasehold)
Motor vehicles	- 12.5% - 25% straight line
Furniture, fittings and equipment	- 12.5% - 33.3% straight line

Residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting year. The effect of any change is applied prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

4. ACCOUNTING POLICIES - continued

Financial Assets

Investments represent insurance policy receivables to cover funeral costs which are recoverable from a third party on the death of the insured party or cancellation of the policy. The investments are held in insurance policies that attract interest and bonus payments throughout the year dependent upon market conditions. The plan investment is a financial asset, which is recorded at fair value each period through the income statement as interest income, using valuations provided by the insurance policy provider.

Investments held by the company represent shares in group undertakings and are valued at cost less any accumulated impairment losses.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the year in which the related revenue is recognised.

Cost is determined on the first-in first-out method and includes purchase price, taxes and transport and handling attributable to bringing the inventory to its present location and condition.

At the end of each reporting year stocks are assessed for impairment.

Taxation

Tax expense for the year covers current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Neither current nor deferred tax assets and liabilities are discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year, calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year-end.

Management periodically evaluates positions taken in tax returns and establishes provisions on the basis of amounts expected to be paid.

Deferred tax arises from timing differences, which arise from the inclusion of income and expenses in tax assessments in years different from those when they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and law that have been enacted or substantively enacted by the year-end and that are expected to apply to the reversal of the timing difference.

Exceptional Items

The company classifies as exceptional items certain charges that are not part of the indicative underlying trading result of the business, including one-off and non-recurring items, such that they have a material impact on the company's financial results. These are disclosed separately to provide further understanding of the financial performance of the company accordingly.

Going concern

The consolidated balance sheet at 30 September 2019 shows that group liabilities exceed assets by £103,921,000 (2018: £66,298,000). The directors have prepared cash flow projections and consider that the group will continue to operate within the facilities currently in place. The cash flow projections included a review and consideration of a number of factors including inter alia their evaluation of prevailing market conditions, competition, anticipated sales and operating margins, working capital requirements, financing facilities expected to be available and covenant compliance. Based on this review the directors continue to adopt the going concern basis in preparing the financial statements.

4. ACCOUNTING POLICIES - continued

Leased assets
At inception the group assesses agreements that transfer the right to use assets, looking at the substance of the agreement.

Leases that transfer substantially all risks and rewards incidental to ownership are classified as finance leases. Assets obtained under finance leases are capitalised at fair value at commencement of the lease and are depreciated over their useful lives. The capital element of obligations under such agreements are included as a liability on inception of the lease. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each year.

Leases that do not transfer substantially all of the risks and rewards incidental to ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Incentives received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

Provisions and contingencies
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and its amount can be estimated reliably. In these cases the provision is measured at the present value using a pre-tax rate reflecting current market assessments of the time value of money.

Contingent liabilities are not recognised except those acquired in a business combination. They arise from past events when it is not probable that there will be an outflow of resources or the amount cannot be reliably ascertained or any liability will be determined by future events not wholly within the group's control. They are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised and are disclosed in the financial statements only where an inflow of economic benefits is probable.

Borrowing costs
All borrowing costs are recognised in the statement of comprehensive income in the year to which they relate.

Accruals and deferred income - pre need funeral plan liability
This is held within accruals and deferred income and represents future costs to the company to provide funerals or refund previously received policy amounts. The valuation of the liability is assessed annually by the directors. Movements in the valuation relating to increases attributable to RPI are reflected within interest payable and similar charges in the profit and loss account. Movements in the valuation relating to potential losses on provision of funerals are booked when identified and recorded as administrative expenses.

Financial instruments
The group has chosen to adopt Sections 11 and 12 of FRS 102 in relation to financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances are recognised at transaction price. At the end of each reporting year financial assets are assessed for objective evidence of impairment.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction. In this instance the debt instrument is measured at the present value of the future receipts and payments, discounted at a market rate of interest.

4. ACCOUNTING POLICIES - continued

Financial Instruments (continued)

Debt instruments and basic financial assets and liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the loan will be drawn down. In this case the fee is deferred until draw-down occurs.

Trade payables are payable within one year and accounted for at transaction price and as current liabilities.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right of set-off and there is an intention to settle on a net basis.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension schemes.

Short term benefits, including holiday pay and similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

An expense in relation to annual bonus plans is recognised when the company has a legal or constructive obligation to make payments as a result of past events and when a reliable estimate of the obligation can be made.

The company operates a number of defined contribution pension schemes. The pension charge represents the amounts payable by the company to the funds in respect of the year. The assets of the schemes are held separately from those of the company in independently administered funds.

5. EMPLOYEES AND DIRECTORS

	2019	2018
	£'000	£'000
Wages and salaries	16,974	15,162
Social security costs	1,512	1,440
Other pension costs	326	198
	18,812	16,800

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

	2019 Number	2018 Number
Direct	641	555
Administration & management	83	98
	724	653

5. EMPLOYEES AND DIRECTORS (continued)

The directors are considered to represent the key management of the group.

At the year-end one (2018: two) director was accruing benefits under defined contribution schemes. In this regard contributions made by the group totalled £1,000 (2018: £2,000). No director acquired shares under long term incentive schemes or exercised share options (2018: Two).

	2019	2018
	£'000	£'000
Directors' remuneration	333	782
Compensation to directors for loss of office	-	232
	333	1,014

	2019	2018
Information regarding the highest paid director is as follows:	£'000	£'000
Aggregate emoluments	197	433

6. EXCEPTIONAL ITEMS

	2019	2018
	£'000	£'000
Exceptional items	2,424	2,005

Exceptional items include the net result of restructuring, legal and professional and acquisition-related costs as well as including a one-off impairment in respect of an investment held as at 30 September 2019 (see Note 11). Management have determined that the investment, which is currently being considered for disposal, is impaired in light of its performance in the year.

7. OPERATING LOSS

Operating loss for the group is stated after (crediting)/charging:

	2019	2018
	£'000	£'000
Operating lease charges	3,620	3,295
Group-related Board costs	438	435
Depreciation	2,896	2,342
Amortisation	10,549	9,622
Inventory recognised as an expense	586	594
Impairment of goodwill	1,410	-
Impairment of trade debtors (included in administrative expenses)	180	195
Profit on disposal of property, plant and equipment	(110)	(249)
Fees payable to the company's auditors for the audit of the company's annual financial statements	24	16
Fees payable to the company's auditors and their associates for other services :		
- Audit of the company's subsidiaries annual financial statements	120	90
- Tax compliance services	61	78
- Tax advisory services	-	-
- Financial and Tax Due Diligence and Structuring	-	120
- Other non-audit services	-	4

The Group board related costs of £438,000 (2018: £435,000) include monitoring fees, non-executive directors' fees and other similar costs which the group reports separately from the underlying trading performance of the group.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£'000	£'000
Bank loan interest	7,146	6,084
Interest on other loans	23,675	20,543
Unwinding of discounts on other creditors	729	386
Leasing	142	118
Amortisation of finance costs	1,024	838
	32,716	27,969

9. TAX ON LOSS

Analysis of the tax credit

The tax credit on the loss before taxation for the year was as follows:	2019	2018
	£'000	£'000
Current tax:		
UK corporation tax	1	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(835)	(835)
Total deferred tax	(835)	(835)
Tax on loss	(834)	(835)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£'000	£'000
Loss before taxation	(38,369)	(32,566)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19 % (2018 – 19.00%)	(7,291)	(6,188)
Effects of:		
Adjustments in respect of prior periods	2	-
Permanent differences	6,758	5,807
Unrecognised deferred tax	587	377
Deferred taxation arising on intangible assets	(835)	(835)
Gains / rollover relief	(79)	-
Other	22	4
Total tax credit	(834)	(835)

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate to reduce the rate to 19% from 1 April 2018 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the company is not presented as part of these financial statements.

11. INTANGIBLE ASSETS

Group

	Goodwill £'000	Trade Names £'000	Total £'000
At 1 October 2018			
Cost	107,390	98,286	205,676
Accumulated Amortisation	(10,312)	(11,613)	(21,925)
Opening Net Book Value	97,078	86,673	183,751
Movement in Year			
Acquisitions (Note 26)	5,819	-	5,819
Revisions in respect of previous acquisitions	657	-	657
Impairment	(1,410)	-	(1,410)
Amortisation	(5,635)	(4,914)	(10,549)
Closing Net Book Value	96,509	81,759	178,268
At 30 September 2019			
Cost C/fwd	113,866	98,286	212,139
Accumulated Amortisation and Impairment	(17,357)	(16,527)	(33,883)
Closing Net Book Value	96,509	81,759	178,268

The individual intangible assets consist of thirty-five cash-generating units, spread across England, Scotland and Wales on a geographic basis. Additions have arisen as a result of the acquisitions made during the year.

Goodwill and brand names are being amortised over their expected useful lives, which are deemed to be up to 20 years, based on the long and durable trading histories regularly experienced in the funeral sector.

The directors have performed impairment reviews in the year, both at a cash generating unit level and on a consolidated basis. The group recognised an impairment loss of £1,410,000 (2018: nil) in respect of one of its cash generating units. The group expects to dispose of the business and therefore its carrying value has been written down to the estimated fair value to be achieved on disposal.

The impairment reviews compare discounted cash flows, prepared on a value in use basis, to the carrying value of the assets held at a cash generating unit and group level. The directors are satisfied that the forecast cashflows support the carrying value of assets and therefore no additional impairment charge is recognised in the year. The value in use models have been assessed applying forecasted cashflows, discounted at 9% and applying a long-term growth rate of 2.75% that is based on inflation and predicted death rates. Whilst there is no impairment in the year, the value in use model is sensitive to adjustments in the discount rate and long-term growth rate, a modest reduction in the long-term growth rate for example, would result in an impairment if all other modelling assumptions remain unchanged.

The company had no intangible assets at 30 September 2019.

12. TANGIBLE ASSETS

Group

	Land and Buildings £'000	Motor Vehicles £'000	Furniture, Fittings and Equipment £'000	Total £'000
At 1 October 2018				
Cost	6,195	6,779	3,229	16,203
Accumulated Depreciation	(2,038)	(1,031)	(1,201)	(4,270)
Opening Net Book Value	4,157	5,748	2,028	11,933
Additions	1,099	1,813	1,033	3,945
Cost of disposals	(2,815)	(142)	(364)	(3,321)
Acquisitions	200	355	80	635
Depreciation in the year	(981)	(1,265)	(650)	(2,896)
Depreciation of disposals	1,806	7	363	2,176
Closing Net Book Value	3,466	6,516	2,490	12,472
At 30 September 2019				
Cost	4,679	8,805	3,978	17,462
Accumulated Depreciation	(1,213)	(2,289)	(1,488)	(4,990)
Closing Net Book Value	3,466	6,516	2,490	12,472

At 30 September 2019, included within the net book value of land and buildings is £1,088,000 (2018: £1,586,000) relating to freehold land and buildings and £2,378,000 (2018: £2,571,000) relating to short term leasehold land and buildings.

The net book value of assets held under finance leased include above was £4,623,000 (2018: £4,280,000)

13. FINANCIAL ASSETS

Group	Insurance policy receivables £000
At 1 October 2018	17,295
Additions	7,552
RPI uplift	728
Disposals	(2,014)
At 30 September 2019	23,561

These are not listed investments. The RPI uplift above has been included in interest receivable and similar income. The RPI uplift £728k (2018: £386k) is recognised in interest income and represents a change in financial assets measured at fair value through the profit and loss account.

13. FINANCIAL ASSETS - continued

Company	Shares in group undertakings
	£000
At 1 October 2018	57,180
Additions	-
At 30 September 2019	57,180

The directors believe that the carrying value of the investments is supported by their underlying net assets, or in the case of trading entities, future cash-flows of the business.

Subsidiary undertakings are listed below. None are publicly traded. All are wholly owned by this company.

All companies were registered in England & Wales, and the registered address is 80 Mount Street, Nottingham, NG1 6HH except for ML Williams Limited and James Dykes Funeral Service Ltd, which were registered in Scotland at 1B Falkland Park Road, Ayr, Ayrshire, KA8 8LL. All companies are private limited companies.

All of the subsidiaries are included in the consolidation.

Company Name	Ordinary Shares	Principal Activity
FP Equityco Limited ^	100%	Intermediate Holding Company
Funeral Partners Topco Limited * ^	100%	Intermediate Holding Company
Funeral Partners Midco Limited * ^	100%	Intermediate Holding Company
Funeral Partners Holdco Limited * ^ (09622193)	100%	Intermediate Holding Company
Funeral Partners Bidco Limited * ^ (09622240)	100%	Intermediate Holding Company
FSP Holdco Limited * ^ (06932060)	100%	Intermediate Holding Company
FSP Acquisition Limited * ^ (06934252)	100%	Intermediate Holding Company
Funeral Services Partnership Limited * ^ (06059124)	100%	Intermediate Holding Company
Lockerley Stone & Masonry Limited * ^ (02725887)	100%	Suppliers of Stone and Masonry Products
Funeral Partners Limited *	100%	Funeral Directors
Alternative Planning Company Limited *	100%	Marketing of Pre-need funeral services
M L Williams Limited *	100%	Dormant
FSP Employee Benefit Trust Limited *	100%	Dormant
Torbay & District Funeral Service Limited *	100%	Dormant
C & T Radmall Funeral Services Limited	100%	Dormant
James Hawes & Goodchild Limited *	100%	Dormant
Okehampton & District Funeral Service Limited *	100%	Dormant
Roy Quinton Funeral Directors Limited *	100%	Dormant
T.W. Boorman Funeral Services Limited *	100%	Dormant
Paul Capper Limited *	100%	Dormant
Funerals Made Simple Limited *	100%	Dormant
James & Thomas Limited *	100%	Dormant
Mears & Cotterill Limited *	100%	Dormant
E Sargeant & Son Limited *	100%	Dormant
Cutler Group Holdings Limited *	100%	Dormant
Cutler Funeral Directors Limited *	100%	Dormant
The Funeral People Limited *	100%	Dormant
L.M. Funerals (Holdings) Limited *	100%	Dormant
LM Funerals Limited *	100%	Dormant

13. **FINANCIAL ASSETS - continued**

Former LMF AJN Limited *	100%	Dormant
William H.Painter Limited *	100%	Dormant
Steven Mears Funeral Directors Limited *	100%	Dormant
Laurel Memorials Limited *	100%	Dormant
Laurel Funerals Limited *	100%	Dormant
Stratford upon Avon Funeral Services Limited *	100%	Dormant
Henry Ison & Sons Limited *	100%	Dormant
Doves Limited *	100%	Dormant
Former LMF WHS Limited *	100%	Dormant
Chris White Funeral Directors Limited *	100%	Dormant
Bexley & Crayford Funeral Service Limited*	100%	Dormant
Earl & Co (Ashford) Limited *	100%	Dormant
Earl & Co (Funeral Services) Limited *	100%	Dormant
Former LMF FMJW Limited *	100%	Dormant
Former LMF FJ&S Limited *	100%	Dormant
Former LMF KYG Limited *	100%	Dormant
Payne & Sons Funeral Directors Limited *	100%	Dormant
Thomas Bragg & Sons Limited *	100%	Dormant
Robert Nuttall Funeral Service Limited *	100%	Dormant
Aaron Black Funeral Directors Limited *	100%	Dormant
Exeter & District Funeral Service Limited *	100%	Dormant
Hemming & Peace Limited *	100%	Dormant
High Street Funeral Directors Limited *	100%	Dormant
Daren Persson Funeral Services Limited *	100%	Dormant
Kavanagh & Coates Funeral Services	100%	Dormant
Haven Funeral Services Limited *	100%	Dormant
Richard Lloyd Funeral Services Limited*^ (05731355)	100%	Dormant
W.H.Putnam Limited *^ (00328767)	100%	Dormant
Harrison Funeral Home Ltd *^ (07126811)	100%	Funeral Directors
Walker And Morrell Limited *^ (05468931)	100%	Dormant
John Blenkiron & Sons Limited *^ (04855782)	100%	Dormant
Firmager Funeral Service Limited * ^ (04096476)	100%	Dormant
James Dykes Funeral Service Ltd * ^ (SC430144)	100%	Dormant
Chambers & Brighty Limited * ^ (04440446)	100%	Dormant
John G. Hogg Funeral Directors Ltd * ^ (06506434)	100%	Dormant
Graham J Clegg Independent Funeral Service Limited *^ (05939346)	100%	Dormant
Ashdown Funeral Services Limited *^ (03995475)	100%	Dormant
S W Barningham Ltd * ^	100%	Dormant
Quinns of Greasby Limited * ^	100%	Dormant
Elizabeth Way & Company Limited * ^	100%	Dormant
G&M Goold (Independent Funeral Directors) Limited * ^	100%	Dormant

* Indirect subsidiaries
^ Exempt from audit under section 479A of the Companies Act 2006 (Registered number shown)

14. STOCKS

	Group	
	2019	2018
	£'000	£'000
Finished goods and stocks for resale	500	460

There is no significant difference between the replacement cost of the inventory and its carrying amount.

15. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	2,238	2,305	-	-
Amount owed by group undertakings	190	187	5,953	5,939
Other debtors	2,342	2,540	87	41
Prepayments and accrued income	3,517	3,519	-	-
	8,287	8,551	6,040	5,980

Trade debtors are stated after provisions for impairment, including provisions acquired, of £1,159,000 (2018: £1,639,000). Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 18)	500	1	-	-
Hire purchase contracts (see note 19)	919	878	-	-
Trade creditors	3,298	3,228	49	65
Amounts owed to group undertakings	-	-	8,749	8,664
Corporation tax	211	401	-	-
Other taxation and social security	288	344	-	-
Other creditors	3,172	3,221	-	1
Deferred consideration	414	342	-	-
Accruals and deferred income	1,647	2,138	105	53
	10,449	10,553	8,903	8,783

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand. They relate to amounts owing to the company's ultimate and immediate holding companies, which are not included in this consolidation.

Finance leases are secured against the assets to which they relate, which are vehicles in all cases. The group has the option to purchase the assets at negligible cost at the end of each lease.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 18)	74,063	65,410	-	-
Hire purchase contracts (see note 19)	2,915	2,412	-	-
Shareholder loan notes (see note 18)	207,784	184,020	151,297	134,829
Deferred consideration	142	236	-	-
Accruals and deferred income	23,560	17,295	-	-
	308,464	269,373	151,297	134,829

Accruals and deferred income represent liabilities to perform funerals under pre-paid funeral contracts entered into by a subsidiary, Alternative Planning Company Limited. Because of the nature of these liabilities the directors are not able to determine when they are likely to fall due. They are shown here as falling due between one and five years. This is consistent with the treatment of the corresponding funeral plan asset which is held as a fixed asset investment.

Group and Company: The shareholder loan notes attract interest at 12%-15% and are due for repayment in 2026. The company has the option of issuing payment in kind ("PIK") notes, which attract interest and are treated as having the same terms as the existing loan notes, rather than paying interest in cash.

Bank loans: Bank interest is chargeable on the Unitranche facility loan of £34,900,000 (2018: £34,900,000), the Acquisition facility A loan of £25,000,000 (2018: £25,000,000) and the Acquisition facility B loan of £9,763,000 (2018: £403,000) at 7.25% above LIBOR (2018: 6.75%) (with LIBOR to be at least 0.75%) and Revolving facility loan of £500,000 (2018: £2,000,000) and the Super Senior Acquisition facility loan of £10,000,000 (2018: £10,000,000) at 3.0% above LIBOR. These margins are adjustable both upwards and downwards based on the actual level of leverage.

Finance leases are secured against the assets to which they relate, which are vehicles in all cases. The group has the option to purchase the assets at negligible cost at the end of each lease. Future minimum payments are as follows:

	2019	2018
	£'000	£'000
Within one year	1,229	997
In more than one year, but within five years	2,915	2,568
Gross payments	4,144	3,565
Less finance charges included above	(310)	(275)
Carrying amount of liability	3,834	3,290

Included within bank loans are finance costs which have been capitalised and allocated over the following years:

	Within one year	Between one and two years	Between two and five years	Over five years	Total 2019
	£'000	£'000	£'000	£'000	£'000
Bank loan	500	-	79,663	-	80,163
Shareholder loan	-	-	-	209,463	209,463
Finance costs	(1,507)	(1,724)	(4,347)	(1,208)	(8,786)
Total	(1,007)	(1,724)	75,316	208,255	280,840

The current amount of £1,507,000 (2018: £1,159,000) relating to finance costs allocated to the next 12 months have been shown within Other Debtors.

18. LOANS

An analysis of the maturity of loans is given below:

Group

	2019 £'000	2018 £'000
Amounts falling due within one year or on demand:		
Bank loans	500	1
Amounts falling due between two and five years:		
Bank loans	79,663	10,000
Amounts falling due in more than five years:		
Repayable by non-instalments		
Shareholder loan notes	209,463	185,780
Repayable by non-instalments		
Bank loans	-	62,303

Company

	2019 £'000	2018 £'000
Amounts falling due in more than five years:		
Repayable by non-instalments		
Shareholder loans	152,977	136,589

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 2019 £'000	2018 £'000
Net obligations repayable:		
Within one year	919	878
Between one and five years	2,915	2,412
	3,834	3,290

Group

	Non-cancellable operating leases 2019 £'000	201 £'000
Within one year	3,861	3,811
Between one and five years	11,643	10,847
In more than five years	13,651	12,642
	29,155	27,300

20. FINANCIAL INSTRUMENTS

	Group	
	2019	2018
	£000	£000
Financial assets: At fair value through profit and loss account:		
Investments	23,561	17,295
Financial assets: Debt instruments measured at amortised cost:		
Trade receivables	2,238	2,305
Amounts owed by group undertakings	190	187
Accrued income	968	1,184
Other receivables	827	1,381
	27,784	22,352
Financial liabilities measured at amortised cost:		
Senior loans	(74,563)	(65,411)
Finance leases	(3,834)	(3,290)
Trade creditors	(3,298)	(3,228)
Amounts owed to group undertakings	-	-
Deferred consideration	(556)	(578)
Other creditors	(3,460)	(3,565)
Accruals	(1,647)	(2,138)
Shareholder loan notes	(207,784)	(184,020)
	(295,142)	(262,230)
	(267,358)	(239,878)

21. PROVISIONS FOR LIABILITIES

	Group	
	2019	2018
	£'000	£'000
Deferred tax	13,900	14,735

Group

	Deferred tax
	£'000
Balance at 1 October 2018	14,735
Movement in profit and loss	(835)
Balance at 30 September 2019	13,900

Deferred tax liabilities relate to intangible assets (trade names) acquired on acquisition. Deferred tax assets of £3,090,000 (2018: £2,238,000) relating to losses and accelerated capital allowances have not been recognised.

22. CALLED UP SHARE CAPITAL

Group and Company
Allotted, issued and fully paid:

Number:	Class:	Nominal value:	20189 £'000	2018 £'000
2,846,715 (2018: 2,846,715)	Ordinary	£0.01 .	28	28

23. CONTINGENT LIABILITIES

The company, in its role as the company of the group, has provided a statutory guarantee to certain subsidiaries for all outstanding liabilities of those subsidiaries at 30 September 2019. This enables them to take the audit exemption from obtaining a signed statutory audit opinion under 479A of the Companies Act 2006. The companies provided with a statutory guarantee are identified in note 13.

As a result of the acquisitions in the year, contingent liabilities were acquired. The directors have assessed the recognition criteria for these and have determined that they cannot be reliably measured as at acquisition date. The liabilities are as disclosed in the individual company's financial statements at 30 September 2019.

24. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

One of the directors who served during the year, M Z Chalaczkiewicz, is also a director of Montagu Private Equity LLP.

At 30 September 2019, total shareholders' loan including interest of £209,463,000 (2018: £185,781,000) was outstanding.

The terms of these loan notes are described in note 17.

Montagu Private Equity LLP charged the group monitoring fees of £150,000 (2018: £150,000) during the period.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is funds managed by Montagu Private Equity LLP, a limited liability partnership registered in England and Wales.

The immediate company is FP Topco Limited, a company registered in Jersey. FP Topco Limited has not produced financial statements as at 30 September 2019. The largest and smallest group of undertakings for which group financial statements are produced is FP Bidco Limited. These financial statements can be obtained from Companies House, or the company's registered address.

26. ACQUISITIONS

During the year a subsidiary, Funeral Partners Limited, acquired the entire share capital of four companies and the trade and assets of another four businesses, all of which were engaged in the provision of funeral services and related activities.

The book values of the assets and liabilities have been taken from management accounts of each company as at acquisition. Their provisional fair value is summarised below and adjustments have been made where the directors deem appropriate. The group will account for any further matters arising in the year post acquisitions that affect fair values.

In all cases the carrying value of intangible assets on the acquired companies' balance sheets has been assessed as zero, leading to fair value adjustments as set out below.

	Cost £'000	Fair Value Adjustment £'000	Fair Value to the Group £'000
Assets acquired			
Intangible assets	-	-	-
Tangible assets	1,417	(2)	1,415
Stock	44	(17)	27
Debtors	1,088	(27)	1,061
Cash	324	-	324
Deferred tax	-	-	-
Creditors	(394)	(46)	(440)
Fair value of net assets acquired	2,479	(92)	2,387
Goodwill arising on acquisition			5,819
Consideration			
Cash paid to former owners	7,355	-	7,355
Deferred consideration	129	-	129
Fees	723	-	723
Total	8,207	-	8,207

The revenue included in the consolidated income statement for 2019 was £313,000 (2018:£1,957,000), and the acquisitions contributed profit of £101,000 (2018:£ 550,000) in the year.

27. POST EMPLOYMENT BENEFITS

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £326,000 (2018: £198,000) Contributions totalling £63,000 (2018: £29,000) were payable to the fund at the balance sheet date and are included in creditors.

28. POST BALANCE SHEET EVENTS

After the year end the group completed the acquisition of the entire share capital of three companies for a total preliminary consideration (including fees) of £19.8m.

29. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£'000	£'000
Loss after taxation	(37,535)	(31,731)
Depreciation charges	2,896	2,342
Amortisation charges	10,549	9,622
Impairment charge	1,411	-
Profit on disposal of fixed assets	(110)	(249)
Hedging interest	126	88
Net interest expense	31,836	27,562
Tax Income	(834)	(835)
	8,339	6,799
Increase in inventories	(13)	(10)
Receipt of funds from customers for investment in pre-paid plans	6,266	7,219
Decrease/(increase) in trade and other debtors	1,419	(975)
Increase in trade and other creditors	(752)	525
Cash generated from operations	15,259	13,558

Non-cash transactions
Amounts outstanding on shareholder loans increased by £23,683,000 (2018: £20,543,000) as a result of interest accruing in the period. Amounts shown as outstanding on bank loans were affected by amortisation of finance costs during the year totalling £983,000 (2018 £828,000) and reclassification of finance costs of £1,507,000 (2018 £1,159,000). These are to be amortised in the next year and are shown with other debtors (see note 15).

30. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1 October 2018	Cash flow	Acquisition	New finance leases	Other non-cash changes	30 September 2019
	£000	£000	£000	£000	£000	£000
Cash at bank and in hand	6,373	(893)	324	-	-	5,804
Debt:						
Finance leases	(3,290)	946	-	(1,490)		(3,834)
Debts falling due >1 year	(249,460)	(7,860)	-	-	(25,027)	(282,347)
Net debt	(246,377)	(7,807)	324	(1,490)	(25,027)	(280,377)