

Batesville Casket UK Limited

Annual report and financial statements
for the 11 months ended 30 September 2002

Registered number: 2261477



Batesville Casket UK Limited

Annual report and financial statements for the 11 months ended 30 September 2002

	Page
Directors and advisors	1
Directors' report.....	2
Independent auditors' report	4
Profit and loss account.....	5
Balance sheet.....	6
Notes to the financial statements	<u>7</u>

Batesville Casket Limited

Directors and advisors for the 11 months ended 30 September 2002

Directors

M J Clancy
D R Newman (resigned 19 June 2003)
D J Hirt

Secretary

D R Newman

Registered office

Clinitron House
Ashby Park
Ashby de la Zouch
Leicestershire

Auditors

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Batesville Casket Limited

Directors' report for the 11 months ended 30 September 2002

The directors present their annual report and the audited financial statements for the 11 months ended 30 September 2002.

Principal activities

The principal activity of the company is the import and distribution of burial caskets and cremation urns.

Review of business and future developments

The directors are pleased to report increased turnover for the 11 months, and are satisfied with the company's performance during the period. They remain optimistic as to future prospects.

Dividends and transfers to reserves

The results for the 11 month period are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend (2001: £nil). The profit for the financial period of £183,000 (2001: Loss of £22,000) has been added to reserves.

Directors and their interests

The directors of the company during the period are listed on page 1 of the accounts. Those in office at the period end were:

M J Clancy
D R Newman
D J Hirt

No director held a beneficial interest in the company during the period.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that 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 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.

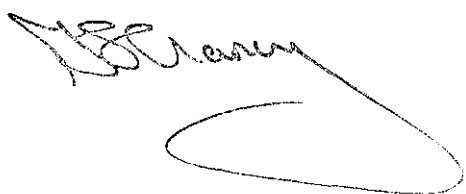
Batesville Casket Limited

Directors' report for the 11 months ended 30 September 2002 (continued)

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 25 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'J. J. C. C.', followed by a large, stylized loop.

Director
28 July 2003

Batesville Casket Limited

Independent auditors' report to the members of Batesville Casket Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

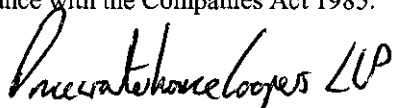
Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 September 2002 and of its profit for the 11 months then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

28 July 2003

Batesville Casket UK Limited

Profit and loss account for the 11 months ended 30 September 2002

	Note	2002 £'000	2001 £'000
Turnover		639	508
Cost of sales		(369)	(271)
Gross profit		270	237
Administrative expenses		(202)	(310)
Operating profit/(loss)	3	68	(73)
Interest receivable	4	-	1
Profit/ (Loss) on ordinary activities before taxation		68	(72)
Tax on profit/(loss) on ordinary activities	5	115	50
Profit/(loss) on ordinary activities after taxation		183	(22)
Retained profit/(loss) brought forward		(100)	(78)
Retained profit/(loss) carried forward		83	(100)

All results derive from continuing operations.

There are no recognised gains and losses other than the profit/(loss) for the financial period. Accordingly, no statement of total recognised gains and losses is given.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

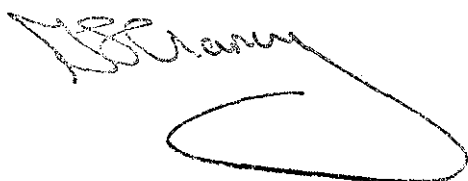
Batesville Casket UK Limited

Balance sheet as at 30 September 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Tangible assets	7	1	2
Current assets			
Stocks	8	245	227
Debtors	9	444	388
Cash at bank and in hand		85	69
		774	684
Creditors: amounts falling due within one year	10	(692)	(786)
Net current assets/(liabilities)		82	(102)
Total assets less current liabilities		83	(100)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		83	(100)
Equity shareholders' funds	12	83	(100)

The financial statements on pages 5 to 12 were approved by the board of directors on the date noted below and were signed on its behalf on the date shown below by:

Director



Batesville Casket UK Limited

Notes to the financial statements for the 11 months ended 30 September 2002

1 Principal accounting policies

The financial statements are prepared in accordance with applicable accounting standards. Where a choice of accounting treatment is available the directors apply the most appropriate policy and estimation technique in accordance with FRS18 (Accounting Policies). The company has adopted FRS19 (Deferred taxation) during the period – this has not had a material impact on these accounts.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Furniture and fixtures	over 4 years
------------------------	--------------

Stocks

Stocks are stated at the lower of cost or net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred taxation assets are only recognised if recovery is reasonably certain. Deferred tax balances are not discounted.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. At the balance sheet date, all monetary assets and liabilities denominated in a foreign currency are translated at the rate ruling at that date or that at which it is contracted to settle the transaction in the future. Exchange differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme for its employees. The charge to the profit and loss accounts is based on premiums paid to the scheme.

2 Turnover

Turnover represents the invoices amount of goods sold and services provided (stated net of value added tax). All turnover is from operations in the United Kingdom.

Batesville Casket UK Limited

Notes to the financial statements for the 11 months ended 30 September 2002

3 Information regarding directors and employees

	2002	2001
	£'000	£'000
Directors' emoluments		
Salaries	-	10
Pension contributions	-	1
	-	11
Number of directors who are members of a defined contribution pension scheme		-
Average number of persons employed	2	2
Staff costs during the year		
Wages and salaries	78	74
Social security costs	8	8
Other pension costs	4	5
	90	87

4 Operating profit/(loss)

	2002	2001
	£'000	£'000
Operating profit/(loss) is stated after charging:		
Depreciation and amortisation		
Owned assets	1	1
Auditors' remuneration		
Audit service	3	3

5 Interest receivable

	2002	2001
	£'000	£'000
Bank interest	-	1

Batesville Casket UK Limited

Notes to the financial statements for the 11 months ended 30 September 2002

6 Tax on credit on loss on ordinary activities

(a) Analysis of charge

	2002 £'000	2001 £'000
Current tax		
UK corporation tax on profits of the year	21	(21)
Adjustment in respect of prior years	(136)	(29)
Total current tax (Note 6 (b))	(115)	(50)
Deferred tax		
Origination and reversal of timing differences	-	-
Tax credit on profit/loss on ordinary activities	(115)	(50)

(b) Factors affecting tax charge for the period

	2002 £'000	2001 £'000
Profit on ordinary activities at standard rate of UK tax of 30% (2001: 30%)	21	(22)
Adjustment to tax charge in respect of previous years	(136)	(29)
Current tax credit for the year	(115)	(50)

Batesville Casket UK Limited

Notes to the financial statements for the 11 months ended 30 September 2002

7 Tangible fixed assets

	Total £'000
Cost at 1 November 2001	4
Accumulated depreciation	
At 1 November 2001	2
Charge for the year	1
At 30 September 2002	3
Net book value	
At 30 September 2002	1
At 31 October 2001	2

8 Stocks

	2002 £'000	2001 £'000
Finished goods and goods for resale	245	227

Batesville Casket UK Limited

Notes to the financial statements for the 11 months ended 30 September 2002

9 Debtors

	2002	2001
	£'000	£'000
Trade debtors	311	246
Amounts owned by group undertakings	121	142
Prepayments and deferred income	12	-
Deferred tax asset	-	-
	444	388

Deferred taxation assets

The movement in the deferred taxation asset during the current period was as follows:

	£
At 1 November 2001	-
Credit to profit and loss account	415
At 30 September 2002	415

All of the deferred tax amounts relate to accelerated capital allowances

10 Creditors: amounts falling due within one year

	2002	2001
	£'000	£'000
Amounts owed to group undertakings	654	758
Trade creditors	19	12
Accruals and deferred income	19	16
	692	786

11 Called up share capital

	2002	2001
	£	£
Authorised, called up allotted and fully paid		
100 ordinary shares of £1 each	100	100

Batesville Casket UK Limited

Notes to the financial statements for the 11 months ended 30 September 2002

12 Reconciliation of movements in shareholders' deficit

	2002	2001
	£'000	£'000
Profit/(loss) for the financial period	183	(22)
Opening shareholders' funds/(deficit)	(100)	(78)
Closing shareholders' funds/(deficit)	83	(100)

13 Financial commitments

Capital commitments

There are no capital commitments contracted for but not provided at 30 September 2002 (2001: £nil).

14 Related party transactions

As the company is a wholly owned subsidiary it has taken advantage of the exemption under FRS 8 'Related Party Disclosures' not to disclose transactions with other companies in the group.

15 Ultimate parent company and controlling party

The company's ultimate parent company and controlling party is Hillenbrand Industries Inc., a company incorporated in the United States of America. Hillenbrand Industries Inc. is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member.

Hill Rom Limited is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member. Hill Rom International BV is incorporated in the United Kingdom.

Copies of the annual report and accounts of Hillenbrand Industries Inc. are available from Hillenbrand Industries Inc., Highway 46, Batesville, Indiana 47006, USA.

Copies of the annual report and accounts of Hill Rom Limited are available from Hill Rom UK, Clinatron House, Ashby Park, Ashby de la Zouch, Leicestershire.