



Financial Statements

Golden Charter Limited

For the year ended 31 March 2013



Registered number: 02511598

Company Information

Directors

Michael Lake
Gary A Neill
David C Nix
Ronald A Wayte
Jeremy West
Michael J Corish
Magnus P Swanson
Robert D Speir
Richard B Edwards

Company secretary

Robert D Speir

Registered number

02511598

Registered office

Crowndale House
1 Ferdinand Place
Camden
London
NW1 8EE

Independent Statutory Auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
95 Bothwell Street
Glasgow
G2 7JZ

Bankers

Bank of Scotland
167-201 Argyle Street
Glasgow
G2 8BU

Solicitors

McClure Naismith LLP
292 St Vincent Street
Glasgow
G2 5TQ

Contents

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 18

Directors' Report

For the year ended 31 March 2013

The directors present their annual report and the financial statements for the year ended 31 March 2013

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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. 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.

Principal activities

The principal activity of the company is the marketing, promotion, sale and administration of a comprehensive range of funeral plans throughout the UK. In addition, since 1 April 2013, the company markets, promotes, sells and administers a range of legal services products within the UK, following a business transfer from its 100% owned subsidiary, Golden Charter Select Limited.

Business review and future developments

The company is focused on protecting the market share of its independent funeral directors and making pre-need funerals as profitable for our stakeholders as at needs funerals. The year to 31 March 2013 was a momentous one where record growth was achieved, with growth in revenue of 73% versus the year to 31 March 2012. As a result it is expected that the company will be confirmed as the UK's market leader for funeral plan sales once official statistics are published by the Funeral Planning Authority. It is likely that this level of growth will slow marginally during the year to 31 March 2014, but double digit growth is still expected. The projected increases in revenues will result in higher levels of maturity pay-out to our stakeholders, whilst allowing for re-investment into the business, primarily to ensure that we deliver a high level of service to our customers and stakeholders and that our undelying systems and processes are robust.

Results and dividends

The profit for the year, after taxation, amounted to £65,376 (2012 - loss £76,057)

The directors have not recommended a dividend (2012 £Nil)

Directors' Report

For the year ended 31 March 2013

Directors

The directors who served during the year and up to the date of the financial statements were

Michael Lake
Gary A Neill
David C Nix
Ronald A Wayte
Jeremy West
Michael J Corish (appointed 1 April 2012)
Magnus P Swanson (appointed 26 June 2012)
Anthony F Lochery (resigned 30 July 2012)
Brian W A Ritchie (resigned 30 September 2012)
Robert D Speir (appointed 30 September 2012)
Richard B Edwards (appointed 16 April 2013)

Political and charitable contributions

Golden Charter Limited are corporate sponsors of the Woodland Trust and have an exclusive arrangement to fund the planting of trees for plans sold. During the year the amount donated was £40,600 (2012 £48,000)

The company also made donations of £46,975 (2012 £35,100) to the Charities Aid Foundation in the year

Other donations made by the company for charitable purposes amounted to £7,635 (2012 £500)

Principal risks and uncertainties

The company has established a compliance team who are tasked with managing the business risk process, identifying, assessing and ensuring that mitigation plans are in place for the operational, financial and strategic risks of the company. The Directors oversee this process and receive regular reports from the Head of Compliance. The primary risks that the company face are in relation to 1) Economic conditions 2) Loss of market share 3) Adverse publicity 4) Increases in regulation and business complexity 5) Changes in tax legislation 6) Operations and systems failures. The Directors regularly discuss these matters and any other issue that arises ensuring that appropriate actions are in place within the company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

Golden Charter Limited

Directors' Report

For the year ended 31 March 2013

This report was approved by the board on 22 August 2013 and signed on its behalf

A handwritten signature in black ink, appearing to read 'R D Speir', written over a horizontal line.

Robert D Speir
Secretary



Independent Auditor's Report to the Members of Golden Charter Limited

We have audited the financial statements of Golden Charter Limited for the year ended 31 March 2013, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Golden Charter Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in cursive script that reads "Grant Thornton UK LLP".

Sandra W Rodger (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Glasgow

22 August 2013

Profit and Loss Account

For the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	1,2	19,528,671	11,303,720
Cost of sales		<u>(10,502,116)</u>	<u>(6,200,563)</u>
Gross profit		9,026,555	5,103,157
Administrative expenses		<u>(9,026,703)</u>	<u>(5,097,371)</u>
Operating (loss)/profit	3	(148)	5,786
Income from dividend in specie	7	191,030	-
Interest receivable and similar income		5,042	3,890
Interest payable and similar charges	6	<u>(130,548)</u>	<u>(85,733)</u>
Profit/(loss) on ordinary activities before taxation		65,376	(76,057)
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year	14	<u>65,376</u>	<u>(76,057)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 9 to 18 form part of these financial statements

Balance Sheet

As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	9		552,028		127,392
Investments	10		84,479		84,479
			<u>636,507</u>		<u>211,871</u>
Current assets					
Debtors	11	6,726,091		4,480,371	
Cash at bank and in hand		226,905		395	
		<u>6,952,996</u>		<u>4,480,766</u>	
Creditors, amounts falling due within one year	12	<u>(5,500,305)</u>		<u>(2,668,815)</u>	
Net current assets			<u>1,452,691</u>		<u>1,811,951</u>
Net assets			<u><u>2,089,198</u></u>		<u><u>2,023,822</u></u>
Capital and reserves					
Called up share capital	13		200,000		200,000
Profit and loss account	14		1,889,198		1,823,822
Shareholders' funds	15		<u><u>2,089,198</u></u>		<u><u>2,023,822</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 August 2013



Ronald A Wayte
Director



Magnus P Swanson
Director

The notes on pages 9 to 18 form part of these financial statements

Cash Flow Statement

For the year ended 31 March 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	16	941,278	(527,797)
Returns on investments and servicing of finance	17	(125,505)	(81,843)
Taxation		273	3,134
Capital expenditure and financial investment	17	(516,594)	(69,205)
Increase/(Decrease) in cash in the year		299,452	(675,711)

Reconciliation of Net Cash Flow to Movement in Net Funds/(Debt)

For the year ended 31 March 2013

	2013 £	2012 £
Increase/(Decrease) in cash in the year	299,452	(675,711)
Movement in net debt in the year	299,452	(675,711)
Net (debt)/funds at 1 April 2012	(132,749)	542,962
Net funds/(debt) at 31 March 2013	166,703	(132,749)

The notes on pages 9 to 18 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. These accounting policies have been consistently applied. The company and its subsidiaries have not produced group accounts. This is in accordance with the Companies Act 2006 exemptions.

1.2 Going concern

The Directors formally approve the annual budget of the organisation and review regularly management accounts and updated financial forecasts. The forecast management accounts continue to show profitability and positive cashflow for at least the twelve month period following the approval of these statements. On this basis the Directors confirm they are satisfied that the company has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

1.3 Turnover

The company markets and sells pre-arranged funeral plans, with monies received from selling funeral plans being held and controlled by either an independent funeral plan trust ("The Trust") or by a number of independent insurance providers. The location of the monies received depends on the nature of the funeral plan product sold. In both cases the responsibility for the ultimate performance of funerals is allocated to funeral directors who are not owned by the company.

The company receives an administrative fee in respect of each plan sold and will also receive a marketing fee where the company has carried out the marketing associated with the sale. In addition the company receives a management fee from the Trust based on the level of sales which accrue to the Trust and also receives broker commission from insurance providers based on the level of sales that accrue to the insurance providers.

All costs in respect of the marketing and administration of the pre-arranged funeral plans are expensed in the company profit and loss account as incurred.

Neither the sales value of plans nor the costs of providing funerals are recognised in the financial statements of the company when a pre-arranged funeral plan is sold.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	7%
Office equipment	-	10% to 33%
Assets under construction	-	0%

1.5 Investments

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in their value.

Notes to the Financial Statements

For the year ended 31 March 2013

1. Accounting Policies (continued)

1.6 Operating leases

Payments under operating leases are charged to the profit and loss account when incurred

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Current tax is based on taxable profit for the year.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted, as the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	89,753	52,146
Auditor's remuneration	22,500	28,000
Auditor's remuneration - non-audit	39,740	21,924
Operating lease rentals		
- plant and machinery	33,645	33,527
Staff costs (note 4)	6,174,708	3,251,237

Notes to the Financial Statements

For the year ended 31 March 2013

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013	2012
	£	£
Wages and salaries	5,498,308	2,897,006
Social security costs	504,995	246,043
Other pension costs	171,405	108,188
	<u>6,174,708</u>	<u>3,251,237</u>

The average monthly number of employees, including the directors, during the year was as follows

	2013	2012
	No.	No
Sales	100	15
Administration	99	97
	<u>199</u>	<u>112</u>

Notes to the Financial Statements

For the year ended 31 March 2013

5. Directors' remuneration

During the year retirement benefits were accruing to 4 directors (2012 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £184,396 (2012 - £191,174)

	2013 £	2012 £
Emoluments	<u>544,186</u>	<u>443,966</u>
Company pension contributions to defined contribution pension schemes	<u>37,794</u>	<u>29,036</u>

6. Interest payable and similar charges

	2013 £	2012 £
On bank loans and overdrafts	130,473	84,300
Other interest payable	75	1,433
	<u>130,548</u>	<u>85,733</u>

7. Income from dividend in specie

	2013 £	2012 £
Dividend in specie	<u>191,030</u>	<u>-</u>

On 31 March 2013 the assets and liabilities of the subsidiary company Golden Charter Select Limited were transferred to the company by way of a dividend in specie and reflected in the relevant balance sheet headings as at 31 March 2013

8. Taxation

	2013 £	2012 £
UK corporation tax charge on (loss)/profit for the year	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 March 2013

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is differs from the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	65,376	(76,057)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	15,690	(19,775)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,769	9,983
Capital allowances for year in excess of depreciation	12,102	(6,960)
Short term timing difference leading to an (decrease)/increase in taxation	(6,578)	368
Non-taxable income	(45,847)	-
Unrelieved tax losses	3,516	-
Losses surrendered as group relief	(652)	16,384
Current tax charge for the year	-	-

Notes to the Financial Statements

For the year ended 31 March 2013

9. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Assets Under Construction £	Total £
Cost				
At 1 April 2012	19,209	946,523	-	965,732
Additions	-	259,463	247,132	506,595
Hive up of Golden Charter Select Ltd at 31 March 2013	-	9,999	-	9,999
At 31 March 2013	19,209	1,215,985	247,132	1,482,326
Depreciation				
At 1 April 2012	1,601	836,739	-	838,340
Charge for the year	1,280	88,473	-	89,753
Transfers intra group	-	2,205	-	2,205
At 31 March 2013	2,881	927,417	-	930,298
Net book value				
At 31 March 2013	16,328	288,568	247,132	552,028
At 31 March 2012	17,608	109,784	-	127,392

10. Investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2012 and 31 March 2013	84,479
Net book value	
At 31 March 2013	84,479
At 31 March 2012	84,479

The company holds 100% of the issued share capital of Golden Charter (Scotland) Limited and Golden Charter Select Limited. Both companies are registered in Scotland and Golden Charter (Scotland) Limited did not trade during the year.

The share capital and reserves of Golden Charter (Scotland) Limited as at 31 March 2013 total £83,479 (2012 £83,479). The share capital and reserves of Golden Charter Select Limited as at 31 March 2013 total £1,000 (2012 £102,608).

Notes to the Financial Statements

For the year ended 31 March 2013

11. Debtors

	2013	2012
	£	£
Amounts due from Golden Charter Trust	1,358,115	1,624,786
Amounts due from SAIF Charter Limited	1,600,000	1,600,000
Amounts due from insurance providers	2,265,191	256,126
Other debtors	1,292,503	874,018
Prepayments and accrued income	210,282	125,441
	<u>6,726,091</u>	<u>4,480,371</u>

12. Creditors:

Amounts falling due within one year

	2013	2012
	£	£
Bank overdrafts	60,202	133,144
Trade creditors	1,270,389	298,282
Amounts owed to subsidiary undertakings	75,411	78,217
Corporation tax	22,144	-
Other taxation and social security	284,510	155,856
Other creditors	2,000,730	1,229,029
Accruals and deferred income	1,786,919	774,287
	<u>5,500,305</u>	<u>2,668,815</u>

The bank overdraft facility is secured by means of unlimited guarantees given by the company, Golden Charter (Scotland) Limited and SAIF Charter Limited. In addition, there is a bond and floating charge in place.

13. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Notes to the Financial Statements

For the year ended 31 March 2013

14. Reserves

	Profit and loss account £
At 1 April 2012	1,823,822
Profit for the financial year	65,376
At 31 March 2013	<u>1,889,198</u>

15. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	2,023,822	2,099,879
Profit/(loss) for the financial year	65,376	(76,057)
Closing shareholders' funds	<u>2,089,198</u>	<u>2,023,822</u>

16. Net cash flow from operating activities

	2013 £	2012 £
Operating (loss)/profit	(148)	5,786
Depreciation of tangible fixed assets	91,958	52,146
Increase in stocks	-	(4,643)
Increase in debtors	(2,255,321)	(1,007,110)
Increase in creditors	2,885,094	422,218
Increase in amounts owed to group undertakings	219,695	3,806
Net cash inflow/(outflow) from operating activities	<u>941,278</u>	<u>(527,797)</u>

17. Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	5,043	3,890
Interest paid	(130,548)	(85,733)
Net cash outflow from returns on investments and servicing of finance	<u>(125,505)</u>	<u>(81,843)</u>

Notes to the Financial Statements

For the year ended 31 March 2013

17. Analysis of cash flows for headings netted in cash flow statement (continued)

	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(516,594)</u>	<u>(69,205)</u>

18. Analysis of changes in net debt

	1 April 2012 £	Cash flow £		31 March 2013 £
Cash at bank and in hand	395	226,510	-	226,905
Bank overdraft	(133,144)	72,942	-	(60,202)
Net debt	<u>(132,749)</u>	<u>299,452</u>	<u>-</u>	<u>166,703</u>

19. Operating lease commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	2012 £
Expiry date.		
After more than 5 years	<u>160,770</u>	<u>160,770</u>

Notes to the Financial Statements

For the year ended 31 March 2013

20. Related party transactions

The Golden Charter Trust is a related party by virtue of remitting a portion of plan monies to the company as permitted in terms of the Trust Deed. Both Golden Charter (Scotland) Limited and Golden Charter Select Limited are subsidiaries of the company. SAIF Charter Limited is the immediate parent of the company. The SAIF Charter Association is the ultimate parent. Golden Charter (Ireland) Limited is a fellow subsidiary of the company.

Information on the amounts due from Golden Charter Trust and SAIF Charter Limited are given in note 11 to the accounts. During the year the company received £3,746,672 (2012 £3,082,047) from the Golden Charter Trust for management, marketing and administrative support for the sale of funeral plans.

Included within accruals is £Nil (2012 £294,745) of rental costs and management fees payable to the Golden Charter Trust. Included within prepayments is £32,154 (2012 £Nil) of rental costs payable to the Golden Charter Trust.

During the year ended 31 March 2013 Golden Charter Limited received £220,000 from The Golden Charter Trust as a contribution to the costs of the financial systems under construction. This balance has been recognised within accruals and deferred income and will be released to the profit and loss account over the life of the asset.

During the year the company levied a management charge of £160,000 (2012 £100,000) to Golden Charter Select Ltd.

At 31 March 2013 outstanding amounts due to subsidiary company, Golden Charter (Scotland) Limited are £74,411 (2012 £74,411).

21. Ultimate parent undertaking and controlling party

The ultimate controlling parties are the Trustees for and on behalf of the SAIF Charter Association.

22. Immediate controlling party

The immediate parent company is SAIF Charter Limited.