

GOLDEN CHARTER LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 2000

Company Number: 02511598



GOLDEN CHARTER LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 2000

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DIRECTORS AND ADVISERS

AS AT 31 MARCH 2000

**Directors**

Gordon H Kee CA	(Chairman)
J Andrew Harvey CA	(Deputy Chairman)
Peter T O'Neill	(Chief Executive)
Alan J Kee BA	
Clive Leverton Dip FD	
Jeremy West	
John F Harris	
Charles P Nethercott	

**Secretary and Registered Office**

Gordon A Fergusson  
Crowndale House  
1 Ferdinand Place  
Camden  
London  
NW1 8EE

**Company Address**

Melville House  
70 Drymen Road  
Bearsden  
Glasgow  
G61 2RP

**Auditors**

Scott-Moncrieff  
25 Bothwell Street  
Glasgow  
G2 6NL

**Solicitors**

McClure Naismith  
292 St Vincent Street  
Glasgow  
G2 5TQ

**Bankers**

Lloyds TSB Bank (Scotland) PLC  
177 Ingram Street  
Glasgow  
G1 1DL

## DIRECTORS' REPORT

The directors submit their report and the audited accounts of the company for the year ended 31 March 2000.

## Directors' responsibilities

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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 of fraud and other irregularities.

## Principal activities, business review and future prospects

The principal activity of the company is the marketing, promotion, sale and administration of a comprehensive range of funeral plans throughout the UK.

## Business review

The directors continue to be actively involved with Government departments regarding regulation and legislation of the industry.

The directors expect steady growth of plan sales to continue throughout 2001 having implemented various marketing initiatives which continue to be developed.

## Profit and dividends

The results for the year are shown on page 5.

The directors do not recommend the payment of a dividend.

## Directors and their interests

All the directors served throughout the year.

The interests of the directors in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	31 March 2000	31 March 1999
Gordon H Kee	70,000	70,000
J Andrew Harvey	70,000	70,000

No other directors have an interest in the shares of the company.

## SAIFCharter Trust

On 27 March 1999 the SAIFCharter Trust acquired 30% of the issued share capital from the existing shareholders to assist in ensuring that the future of committed independent funeral directors will remain in their own hands.

## DIRECTORS' REPORT

## Charitable donations

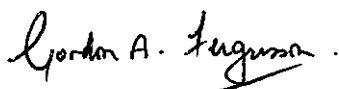
Golden Charter are corporate sponsors of the Woodland Trust and have an exclusive arrangement to fund the planting of trees for plans sold. During the year the amount donated was £52,135 (1999 : £53,215).

Other donations made by the company for charitable purposes amounted to £2,634 (1999: £5,201).

## Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution to re-appoint Scott-Moncrieff as auditors will be put to the Members at the Annual General Meeting.

By order of the Board



GORDON A FERGUSSON

Secretary

30 January 2001

AUDITORS' REPORT TO GOLDEN CHARTER LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16 together with the accounts of the company for the year ended 31 March 2000 prepared under section 226 of the Companies Act 1985 (the full accounts).

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with that provision.

*Scott Moncrieff*

SCOTT-MONCRIEFF

Chartered Accountants  
Registered Auditors

25 Bothwell Street  
Glasgow G2 6NL

*30 January 2001*

## ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2000

	Note	2000 £	1999 £
GROSS PROFIT		2,220,087	2,094,247
Administrative expenses		2,140,671	1,989,911
OPERATING PROFIT		79,416	104,336
Interest payable	1	56,247	50,106
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	23,169	54,230
Taxation	4	16,461	28,240
PROFIT FOR YEAR	14	6,708	25,990

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit for the year.

The statement of accounting policies and notes on pages 8 to 16 form part of these accounts.

## GOLDEN CHARTER LIMITED

## BALANCE SHEET

31 MARCH 2000

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Intangible assets	5	339,308	543,078
Tangible assets	6	553,675	402,387
Investments	7	83,479	83,479
		<u>976,462</u>	<u>1,028,944</u>
<b>CURRENT ASSETS</b>			
Stocks	8	424,363	412,656
Debtors	9	327,500	428,005
Cash at bank and on hand		189	36,395
		<u>752,052</u>	<u>877,056</u>
CREDITORS: amounts falling due within one year	10	808,594	791,625
<b>NET CURRENT (LIABILITIES) ASSETS</b>		<u>(56,542)</u>	<u>85,431</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>919,920</u>	<u>1,114,375</u>
CREDITORS: amounts falling due after more than one year	11	610,894	812,057
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	-	-
		<u>610,894</u>	<u>812,057</u>
		<u>309,026</u>	<u>302,318</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	200,000	200,000
Profit and loss account	14	109,026	102,318
<b>SHAREHOLDERS' FUNDS - EQUITY</b>	15	<u>309,026</u>	<u>302,318</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.



J ANDREW HARVEY



Director

30 January 2001

The statement of accounting policies and notes on pages 8 to 16 form part of these accounts.



## CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	16	512,848	264,402
Returns on investments and servicing of finance	1	(56,247)	(50,106)
		<u>456,601</u>	<u>214,296</u>
Taxation		(36,605)	(42,000)
Capital expenditure	18	(285,808)	(77,759)
Financing	18	(214,439)	(277,150)
Decrease in cash	17	<u>(80,251)</u>	<u>(182,613)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Decrease in cash		(80,251)	(182,613)
Repayment of hire purchase creditor		45,848	74,061
Repayment of bank loan		195,949	56,663
Repayment of debenture		372,642	146,426
New bank loan		(400,000)	-
New hire purchase agreements		(29,000)	(50,145)
Change in net funds		<u>105,188</u>	<u>44,392</u>
Net debt at 1 April 1999	17	(968,678)	(1,013,070)
Net debt at 31 March 2000	17	<u>(863,490)</u>	<u>(968,678)</u>

The statement of accounting policies and notes on pages 8 to 16 form part of these accounts.

## STATEMENT OF ACCOUNTING POLICIES

## (i) Accounting convention

The accounts have been prepared under the historical cost convention.

## (ii) The accounts present information about the company as an individual undertaking and not about the group.

Group accounts have not been prepared as permitted under Section 248(1) of the Companies Act 1985 on the grounds that the group qualifies as a small group.

## (iii) Turnover

Turnover represents the value of arrangement fees and charges earned on pre-paid funeral plans sold during the year.

## (iv) Intangible fixed assets

Development expenditure incurred on establishing, developing and marketing the company's products is carried forward when its future recoverability can be foreseen with reasonable assurance and amortised on a systematic basis over the period expected to benefit from the expenditure. All other development expenditure is written off in the year in which it is incurred.

## (v) Tangible fixed assets

Depreciation is provided on all tangible fixed assets in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost of the assets.

The following principal rates are used:

Office equipment	:	10% to 20%
Motor vehicles	:	25%

## (vi) Hire purchase contracts

Assets held under hire purchase contracts are capitalised and the corresponding liability to pay instalments is shown net of interest as hire purchase creditors. The capitalised values are written off in line with the depreciation policy above. Interest is charged to the profit and loss account on a straight line basis.

## (vii) Stocks

Stocks comprise consumable stocks held by the company and its outlets valued at cost.

## (viii) Deferred taxation

Provision is made under the liability method for taxation deferred in respect of accelerated capital allowances and other timing differences but only to the extent that it is thought reasonably probable that an actual liability will arise in the foreseeable future.

## (ix) Operating leases

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

## (x) Pension scheme

The company contributes to several defined contribution pension schemes. The profit and loss charge represents the costs to the company.

## NOTES ON THE ABBREVIATED ACCOUNTS

Year ended 31 March 2000

	2000 £	1999 £
1. Interest payable		
Bank loan and overdraft interest	51,415	48,058
Hire purchase interest	6,892	6,567
	<u>58,307</u>	<u>54,625</u>
Interest received	(2,060)	(4,519)
	<u>56,247</u>	<u>50,106</u>
2. Profit on ordinary activities before taxation		
The profit is stated after charging:		
Amortisation of intangible fixed assets	203,770	300,694
Depreciation of tangible fixed assets	162,705	157,879
Auditors' remuneration	9,700	9,400
Operating lease costs - plant and equipment	10,575	10,575
- property rental	91,340	72,000
	<u>478,130</u>	<u>550,548</u>
3. Directors and other employees		
The average number of persons employed by the company during the year was 34 (1999: 28).		
Staff costs comprise:		
Wages and salaries	658,658	530,231
Social security costs	63,755	49,887
Pension costs	38,813	19,627
	<u>761,226</u>	<u>599,745</u>
The remuneration of the directors was as follows:		
Emoluments	332,877	259,797
Company contributions to money purchase schemes in relation to directors' pensions	25,177	5,758
	<u>358,054</u>	<u>265,555</u>
Three directors are accruing pension benefits under a money purchase scheme		
Emoluments paid to highest paid director (including benefits in kind)	<u>107,700</u>	<u>104,832</u>
Company contributions to money purchase schemes in relation to highest paid director	<u>8,360</u>	<u>1,876</u>

4. /

## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

4.	Taxation	2000 £	1999 £
	The tax charge based on the profit for the year is made up as follows:		
	UK Corporation tax		
	- current year	17,856	38,000
	- prior year overprovision	(1,395)	(3,000)
	Deferred tax	-	(6,760)
		<u>16,461</u>	<u>28,240</u>
5.	Intangible fixed assets		Development Costs
	Cost:		£
	At 1 April 1999 and 31 March 2000		<u>1,828,936</u>
	Amortisation:		
	At 1 April 1999		1,285,858
	Charge for year		<u>203,770</u>
	At 31 March 2000		<u>1,489,628</u>
	Net book amount:		
	At 31 March 2000		<u>339,308</u>
	At 31 March 1999		<u>543,078</u>

Development costs have been included in accordance with the accounting policy on page 8 and it is anticipated that the amortisation period will not exceed 10 years.

6. /

## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

	Motor vehicles £	Office equipment £	Total £
6. Tangible fixed assets			
<i>Cost:</i>			
At 1 April 1999	219,983	715,027	935,010
Additions	32,882	295,931	328,813
Disposals	(19,795)	(6,505)	(26,300)
At 31 March 2000	<u>233,070</u>	<u>1,004,453</u>	<u>1,237,523</u>
<i>Depreciation:</i>			
At 1 April 1999	52,718	479,905	532,623
Charge for year	55,862	106,843	162,705
On disposals	(11,480)	-	(11,480)
At 31 March 2000	<u>97,100</u>	<u>586,748</u>	<u>683,848</u>
<i>Net book amount:</i>			
At 31 March 2000	<u>135,970</u>	<u>417,705</u>	<u>553,675</u>
At 31 March 1999	<u>167,265</u>	<u>235,122</u>	<u>402,387</u>

The motor vehicles are held under hire purchase contracts.

7. Investments	£
Shares in subsidiary at 1 April 1999 and 31 March 2000	<u>83,479</u>

The company holds 100% of the share capital of Golden Charter (Scotland) Limited, registered in Scotland, being 100,000 ordinary shares of £1 each. The subsidiary did not trade during the year.

Group accounts have not been prepared as permitted by Section 248(1) of the Companies Act 1985. Aggregate capital and reserves of the subsidiary company were as follows:

	2000 £	1999 £
Capital and reserves	<u>83,479</u>	<u>83,479</u>
8. Stocks		
Stock of consumables	<u>424,363</u>	<u>412,656</u>
9. /		

## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

	2000	1999
	£	£
9. Debtors		
Prepayments and other debtors	326,356	427,093
Amount due from Golden Charter (Scotland) Trust	550	550
Amount due from Golden Charter Trust	594	362
	<u>327,500</u>	<u>428,005</u>
10. Creditors: amounts falling due within one year		
Bank term loan (note 11)	66,191	55,425
Bank overdraft	142,094	98,049
Trade creditors	200,806	215,189
Accruals	227,684	247,117
Amounts due to Golden Charter (Scotland) Ltd	74,552	74,552
Directors' loans	3,482	3,482
Hire purchase creditor	44,500	39,542
Other taxes and social security costs	31,429	20,269
Corporation tax	17,856	38,000
	<u>808,594</u>	<u>791,625</u>

The bank borrowing is secured by a bond and floating charge over the assets of the company.

	2000	1999
	£	£
11. Creditors: amounts falling due after more than one year		
Hire purchase creditor	30,917	52,723
Bank term Loan	333,809	140,524
Debenture stock	246,168	618,810
	<u>610,894</u>	<u>812,057</u>

Amounts/

## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

## 11. Creditors: amounts falling due after more than one year (continued)

Amounts repayable after more than one year:

	2000 £	1999 £
i) Hire purchase creditor		
repayable between one and two years	35,855	30,222
repayable between two and five years	-	22,501
	<u>35,855</u>	<u>52,723</u>
ii) Bank term loan		
repayable between one and two years	72,399	65,105
repayable between two and five years	261,410	75,419
	<u>333,809</u>	<u>140,524</u>

The bank term loan is secured by a bond and floating charge over the assets of the company and is repayable in equal monthly instalments with interest charged at 3% over the Bank's base rate.

The bank borrowings are guaranteed by G H Kee and J A Harvey.

	2000 £	1999 £
iii) Debenture stock		
repayable between one and two years	-	118,810
repayable between two and five years	246,168	500,000
	<u>246,168</u>	<u>618,810</u>

The Debenture Stock previously comprised £1,570,000 of Guaranteed Debenture Stock 2002 issued by the company to The Golden Charter Trust. The Debenture Stock is interest free and is redeemable in five escalating annual instalments which commenced on 31 March 1998.

12. Deferred taxation	2000 £	1999 £
At 1 April 1999	-	6,760
Transfer for year	-	(6,760)
	<u>-</u>	<u>-</u>
At 31 March 2000	-	-
Full provision has been made for deferred tax as follows:		
Accelerated capital allowances	-	-
	<u>-</u>	<u>-</u>

13. /

## GOLDEN CHARTER LIMITED

## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

	2000 £	1999 £
13. Called up share capital		
Authorised:		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted and fully paid:		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
14. Profit and loss account		
At 1 April 1999	102,318	76,328
Retained profit for year	<u>6,708</u>	<u>25,990</u>
At 31 March 2000	<u>109,026</u>	<u>102,318</u>
15. Reconciliation of movement in shareholders' funds		
Profit for year	6,708	25,990
Opening shareholders' funds	<u>302,318</u>	<u>276,328</u>
Closing shareholders' funds	<u>309,026</u>	<u>302,318</u>
16. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	79,416	104,336
Amortisation of intangible fixed assets	203,770	300,694
Depreciation charges	162,705	157,879
Loss on sale of fixed assets	815	395
Increase in stocks	(11,707)	(43,142)
Decrease (Increase) in debtors	100,505	(227,727)
Decrease in creditors	<u>(22,656)</u>	<u>(28,033)</u>
Net cash inflow from operating activities	<u>512,848</u>	<u>264,402</u>



## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

17. Analysis of changes in net debt	At 31 March 1999	Cash flow	Other changes	At 31 March 2000
Cash	36,395	(36,206)	-	189
Overdraft	(98,049)	(44,045)	-	(142,094)
	<u>(61,654)</u>	<u>(80,251)</u>	<u>-</u>	<u>(141,905)</u>
Debt due within one year:				
Hire purchase creditor	(39,542)	45,848	(50,806)	(44,500)
Bank loan	(55,425)	-	-	(55,425)
	<u>(94,967)</u>	<u>45,848</u>	<u>(50,806)</u>	<u>(99,925)</u>
Debt due after one year:				
Hire purchase creditor	(52,723)	-	21,806	(30,917)
Bank loan	(140,524)	195,949	(400,000)	(344,575)
Debenture stock	(618,810)	372,642	-	(246,168)
	<u>(812,057)</u>	<u>568,591</u>	<u>(378,194)</u>	<u>(621,660)</u>
Total	<u>(968,678)</u>	<u>534,188</u>	<u>(429,000)</u>	<u>(863,490)</u>

18. Analysis of cash flows for headings netted in cash flow statement:	2000 £	1999 £
Capital expenditure:		
Purchase of tangible fixed asset	(299,813)	(92,759)
Sale of tangible fixed assets	14,005	15,000
	<u>(285,808)</u>	<u>(77,759)</u>
Financing:		
Capital element of hire purchase repayments	(45,848)	(74,061)
Capital element of bank loan repayments	(195,949)	(56,663)
Debenture stock	(372,642)	(146,426)
New secured loan	400,000	-
	<u>(214,439)</u>	<u>(277,150)</u>

## 19. Contingent liability

The company has granted to its bankers a guarantee in respect of advances to Golden Charter (Scotland) Limited and to Golden Charter UK Limited.

## NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 2000

20. Transactions with directors

During the year the company incurred charges for services carried out by Clyde Associated Group Limited, Clyde Associated Consultants Limited and Melville Developments Limited, companies in which Mr G H Kee has a material interest.

The total value of the transactions during the year ended 31 March 2000 was £346,101 (1999 : £263,210).

21. Related party transactions

Turnover comprises arrangement fees from The Golden Charter Trust and charges for the sale and marketing of pre-paid funeral plans. Mr Gordon H Kee, Mr J Andrew Harvey and Mr Clive Leverton are trustees of The Golden Charter Trust.

Information on guarantees by directors are given in note 11.