

GOLDEN CHARTER LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 1999

Company Number: 02511598



GOLDEN CHARTER LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 March 1999

CONTENTS	Page
Directors and advisors	1
Directors' report	2
Auditors' report	4
Abbreviated Profit and loss account	5
Balance sheet	6
Cashflow statement	7
Statement of accounting policies	8
Notes on the abbreviated accounts	9

DIRECTORS AND ADVISORS

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 Ferguson
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 1999.

1. 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.

2. 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.

The Directors continue their commitment to ensuring that Golden Charter complies in all respects with the Funeral Planning Council Code of Conduct and remains actively involved in continuing consultation with various Government Departments regarding the important issue of self-regulation and future legislation.

The Directors fully expect that there will be a continued and steady growth of plan sales in 2000 and subsequent years with Golden Charter becoming an established brand name and leader for funeral planning in the UK.

3. Profit and dividends

The results for the year are shown on page 5.

The directors do not recommend the payment of a dividend.

4. Directors and their interests

Mr Michael A France resigned as a director on 6 October 1998. Mr Peter T O'Neill was appointed as director on 1 January 1999. The other 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 1999	31 March 1998
Gordon H Kee	70,000	100,000
J Andrew Harvey	70,000	100,000

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

DIRECTORS' REPORT (cont'd)

5. 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.

6. Year 2000

The directors have identified the key risks to the business and have developed a plan to minimise their impact. They have considered not only the company's systems but also those of their major suppliers and customers. Although no organisation can guarantee that no year 2000 problems will arise, the directors believe that, having identified and removed the major risks to the business in accordance with the plan they have developed, it will be possible to quickly resolve any such problems as may arise without significant additional costs.

7. 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 £53,215 (1998 : £54,255).

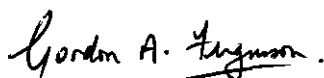
Other donations made by the company for charitable purposes amounted to £5,201 (1998: £966).

8. Auditors

Moores Rowland merged with Scott-Moncrieff on 1 March 1999 and changed their name to Scott-Moncrieff on the same date. The auditors' report has been signed in their new name.

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

19 January 2000

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 1999 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

20 January 2000

GOLDEN CHARTER LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 1999

		1999	1998
	Note	£	£
GROSS PROFIT		2,094,247	1,805,560
Administrative expenses		1,989,911	1,635,060
OPERATING PROFIT		<u>104,336</u>	<u>170,500</u>
Interest payable	1	<u>50,106</u>	<u>33,504</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	54,230	136,996
Taxation	4	<u>28,240</u>	<u>40,954</u>
PROFIT FOR YEAR	14	<u><u>25,990</u></u>	<u><u>96,042</u></u>

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 1999

		1999	1998
	Note	£	£
FIXED ASSETS			
Intangible assets	5	543,078	843,772
Tangible assets	6	402,387	432,757
Investments	7	83,479	83,479
		<u>1,028,944</u>	<u>1,360,008</u>
CURRENT ASSETS			
Stocks	8	412,656	369,514
Debtors	9	428,005	200,278
Cash at bank and on hand		36,395	120,959
		<u>877,056</u>	<u>690,751</u>
CREDITORS: amounts falling due within one year	10	791,625	723,734
NET CURRENT ASSETS (LIABILITIES)		<u>85,431</u>	<u>(32,983)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,114,375</u>	<u>1,327,025</u>
CREDITORS: amounts falling due after more than one year	11	812,057	1,043,937
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	-	6,760
		<u>812,057</u>	<u>1,050,697</u>
		<u>302,318</u>	<u>276,328</u>
CAPITAL AND RESERVES			
Called up share capital	13	200,000	200,000
Profit and loss account	14	102,318	76,328
SHAREHOLDERS' FUNDS - EQUITY	15	<u>302,318</u>	<u>276,328</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.

G H KEE

Director



19 January 2000

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

GOLDEN CHARTER LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 1999

		1999	1998
	Note	£	£
Net cash inflow from operating activities	16	264,402	1,334,363
Returns on investments and servicing of finance	1	(50,106)	(33,504)
		<u>214,296</u>	<u>1,300,859</u>
Taxation		(42,000)	(20,910)
Capital expenditure	18	(77,759)	(45,837)
Financing	18	(277,150)	(930,767)
(Decrease) Increase in cash	17	<u>(182,613)</u>	<u>303,345</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease) increase in cash		(182,613)	303,345
Repayment of hire purchase creditor		74,061	13,757
Repayment of bank loan		56,663	47,388
Repayment of debenture		146,426	804,764
New hire purchase agreements		(50,145)	(123,000)
Change in net funds		<u>44,392</u>	<u>1,046,254</u>
Net debt at 1 April 1998	17	(1,013,070)	(2,059,324)
Net debt at 31 March 1999	17	<u>(968,678)</u>	<u>(1,013,070)</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 two defined contributes pension schemes. The profit and loss charge represents the costs to the company.

NOTES ON THE ABBREVIATED ACCOUNTS

Year ended 31 March 1999

	1999 £	1998 £
1. Interest payable		
Bank loan and overdraft interest	48,058	36,788
Hire purchase interest	6,567	2,128
	<u>54,625</u>	<u>38,916</u>
Interest received	(4,519)	(5,412)
	<u>50,106</u>	<u>33,504</u>
2. Profit on ordinary activities before taxation		
The profit is stated after charging:		
Amortisation of intangible fixed assets	300,694	300,008
Depreciation of tangible fixed assets	157,879	135,487
Auditors' remuneration	9,400	8,400
Operating lease costs - plant and equipment	10,575	10,575
Property rental	72,000	72,000
	<u>549,548</u>	<u>526,470</u>
3. Directors and other employees		
The average number of persons employed by the company during the year was 28 (1998: 28).		
Staff costs comprise:		
Wages and salaries	530,231	457,115
Social security costs	49,887	44,918
Pension costs	19,627	1,575
	<u>599,745</u>	<u>503,608</u>
The remuneration of the directors was as follows:		
Emoluments	259,797	219,319
Company contributions to money purchase schemes in relation to directors' pensions	5,758	1,575
	<u>265,555</u>	<u>220,894</u>
Three directors are accruing pension benefits under a money purchase scheme		
Emoluments paid to highest paid director (including benefits in kind)	<u>104,832</u>	<u>91,059</u>
Company contributions to money purchase schemes in relation to highest paid director	<u>1,876</u>	<u>-</u>
4. /		

GOLDEN CHARTER LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 1999

4. Taxation

The tax charge based on the profit for the year is made up as follows:

	1999 £	1998 £
UK Corporation tax		
- current year	38,000	45,000
- prior year overprovision	(3,000)	(2,297)
Deferred tax	(6,760)	(1,749)
	<u>28,240</u>	<u>40,954</u>

5. Intangible fixed assets

Development costs

Cost:

£

At 1 April 1998 and 31 March 1999

1,828,936

Amortisation:

At 1 April 1998

985,164

Charge for year

300,694

At 31 March 1999

1,285,858

Net book amount:

At 31 March 1999

543,078

At 31 March 1998

843,772

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. /

GOLDEN CHARTER LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 1999

	Motor vehicles £	Office equipment £	Total £
6. Tangible fixed assets			
<i>Cost:</i>			
At 1 April 1998	187,858	622,268	810,126
Additions	50,145	92,759	142,904
Disposals	(18,020)	-	(18,020)
At 31 March 1999	<u>219,983</u>	<u>715,027</u>	<u>935,010</u>
<i>Depreciation:</i>			
At 1 April 1998	10,603	366,766	377,369
Charge for year	44,740	113,139	157,879
On disposals	(2,625)	-	(2,625)
At 31 March 1999	<u>52,718</u>	<u>479,905</u>	<u>532,623</u>
<i>Net book amount:</i>			
At 31 March 1999	<u>167,265</u>	<u>235,122</u>	<u>402,387</u>
At 31 March 1998	<u>177,255</u>	<u>255,502</u>	<u>432,757</u>

The motor vehicles are held under hire purchase contracts.

7. Investments	£
Shares in subsidiary at 1 April 1998 and 31 March 1999	<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:

	1999 £	1998 £
Capital and reserves	<u>83,479</u>	<u>83,479</u>
8. Stocks		
Stock of consumables	<u>412,656</u>	<u>369,514</u>
9. /		

GOLDEN CHARTER LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 1999

9.	Debtors	1999 £	1998 £
	Prepayments and other debtors	427,093	186,099
	Amount due from Golden Charter (Scotland) Trust	550	550
	Amount due from Golden Charter Trust	362	13,629
		<u>428,005</u>	<u>200,278</u>
10.	Creditors: amounts falling due within one year		
	Bank term loan (note 11)	55,425	55,425
	Bank overdraft	98,049	-
	Trade creditors	215,189	278,730
	Accruals	247,117	217,715
	Amounts due to Golden Charter (Scotland) Ltd	74,552	74,728
	Directors' loans	3,482	2,157
	Hire purchase creditor	39,542	34,667
	Other taxes and social security costs	20,269	15,312
	Corporation tax	38,000	45,000
		<u>791,625</u>	<u>723,734</u>

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

11.	Creditors: amounts falling due after more than one year	1999 £	1998 £
	Hire purchase creditor	52,723	81,514
	Bank term Loan	140,524	197,187
	Debenture stock	618,810	765,236
		<u>812,057</u>	<u>1,043,937</u>

Amounts/

NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 1999

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

Amounts repayable after more than one year:

i) Hire purchase creditor

	1999 £	1998 £
repayable between one and two years	30,222	34,042
repayable between two and five years	22,501	47,472
	<u>52,723</u>	<u>81,514</u>

ii) Bank term loan

repayable between one and two years	65,105	60,286
repayable between two and five years	75,419	136,901
	<u>140,524</u>	<u>197,187</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.

iii) Debenture stock

	1999 £	1998 £
repayable between one and two years	118,810	-
repayable between two and five years	500,000	765,236
	<u>618,810</u>	<u>765,236</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	1999 £	1998 £
At 1 April 1998	6,760	8,509
Transfer for year	(6,760)	(1,749)
At 31 March 1999	<u>-</u>	<u>6,760</u>
Full provision has been made for deferred tax as follows:		
Accelerated capital allowances	<u>-</u>	<u>6,760</u>

13. /

NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 1999

	1999 £	1998 £
13. Called up share capital		
Authorised:		
200,000 ordinary shares of £1 each	200,000	200,000
Allotted and fully paid:		
200,000 ordinary shares of £1 each	200,000	200,000
14. Profit and loss account		
At 1 April 1998	76,328	(19,714)
Retained profit for year	25,990	96,042
At 31 March 1999	102,318	76,328
15. Reconciliation of movement in shareholders' funds		
Profit for year	25,990	96,042
Opening shareholders' funds	276,328	180,286
Closing shareholders' funds	302,318	276,328
16. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	104,336	170,500
Amortisation of intangible fixed assets	300,694	300,008
Depreciation charges	157,879	135,487
Loss (gain) on sale of fixed assets	395	(12,544)
Increase in stocks	(43,142)	(24,781)
(Increase) decrease in debtors	(227,727)	575,490
(Decrease) increase in creditors	(28,033)	190,203
Net cash inflow from operating activities	264,402	1,334,363

NOTES ON THE ABBREVIATED ACCOUNTS (Cont'd)

Year ended 31 March 1999

	At 1 April 1998	Cash flow	Other changes	At 31 March 1999
17. Analysis of changes in net debt				
Cash	120,959	(84,564)	-	36,395
Overdraft	-	(98,049)	-	(98,049)
	<u>120,959</u>	<u>(182,613)</u>	<u>-</u>	<u>(61,654)</u>
Debt due within one year:				
Hire purchase creditor	(34,667)	74,061	(78,936)	(39,542)
Bank loan	(55,425)	56,663	(56,663)	(55,425)
	<u>(90,092)</u>	<u>130,724</u>	<u>(135,599)</u>	<u>(94,967)</u>
Debt due after one year:				
Hire purchase creditor	(81,514)	-	28,791	(52,723)
Bank loan	(197,187)	-	56,663	(140,524)
Debenture stock	(765,236)	146,426	-	(618,810)
	<u>(1,043,937)</u>	<u>146,426</u>	<u>85,454</u>	<u>(812,057)</u>
Total	<u>(1,013,070)</u>	<u>94,537</u>	<u>(50,145)</u>	<u>(968,678)</u>
18. Analysis of cash flows for headings netted in cash flow statement:			1999	1998
			£	£
Capital expenditure:				
Purchase of tangible fixed asset			(92,759)	(73,432)
Sale of tangible fixed assets			15,000	27,595
			<u>(77,759)</u>	<u>(45,837)</u>
Financing:				
Capital element of hire purchase repayments			(74,061)	(78,615)
Capital element of bank loan repayments			(56,663)	(47,388)
Debenture stock			(146,426)	(804,764)
			<u>(277,150)</u>	<u>(930,767)</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 1999

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 1999 was £263,210 (1998 : £256,678).