

Financial Statements

Golden Charter Limited

For the year ended 31 March 2012



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
Company secretary	Robert D Speir
Company 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	Lloyds TSB Level 6 110 St Vincent Street Glasgow G2 5ER
Solicitors	McClure Naismith LLP 292 St Vincent Street Glasgow G2 5TQ

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Directors' Report

For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

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 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.

Business review and future developments

The company remains focused on protecting the market share of its independent funeral director stakeholder base. Current growth suggests that the market leadership in funeral plans should be achieved within the next twelve months. This growth has been coupled with a significant investment in infrastructure, which will future proof the business for at least the next five years.

Results and dividends

The loss for the year, after taxation, amounted to £76,057 (2011 - loss £46,670).

The directors have not recommended a dividend (2011 £Nil).

Directors' Report

For the year ended 31 March 2012

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 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)

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 £48,000 (2011 £47,275)

The company also made donations of £35,100 (2011 £37,406) to the Charities Aid Foundation in the year

Other donations made by the company for charitable purposes amounted to £500 (2011 £500)

Principal risks and uncertainties

The principal risks and uncertainties affecting the growth of the company are competition levels and the impact of the current economic conditions. The company has recorded increased turnover levels despite these risks and uncertainties.

Provision 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

Scott Moncrieff resigned as auditor and Grant Thornton UK LLP were appointed on 30 April 2012. 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 2012

This report was approved by the board on 5 December 2012 and signed on its behalf

A handwritten signature in black ink, appearing to be 'R. D. Speir', written in a cursive style.

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 2012, 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 2012 and of its loss 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 matter 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

Grant Thornton UK LLP.

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

5 December 2012

Profit and Loss Account

For the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	1,2	11,303,720	9,003,416
Cost of sales		<u>(6,200,563)</u>	<u>(4,720,416)</u>
Gross profit		5,103,157	4,283,000
Administrative expenses		<u>(5,097,371)</u>	<u>(4,253,421)</u>
Operating profit	3	5,786	29,579
Interest receivable and similar income		3,890	14,498
Interest payable and similar charges	6	<u>(85,733)</u>	<u>(90,747)</u>
Loss on ordinary activities before taxation		(76,057)	(46,670)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
Loss for the financial year	14	<u><u>(76,057)</u></u>	<u><u>(46,670)</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

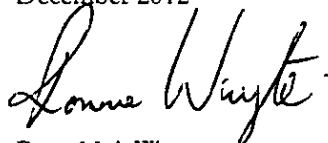
The notes on pages 9 to 17 form part of these financial statements

Balance Sheet

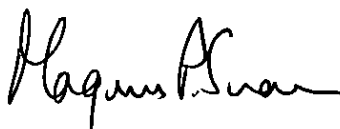
As at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	8		127,392		110,333
Investments	9		84,479		84,479
			<u>211,871</u>		<u>194,812</u>
Current assets					
Stocks	10	41,757		37,114	
Debtors	11	4,438,613		3,434,637	
Cash at bank		395		542,962	
		<u>4,480,765</u>		<u>4,014,713</u>	
Creditors amounts falling due within one year	12	(2,668,814)		(2,109,646)	
Net current assets			<u>1,811,951</u>		<u>1,905,067</u>
Net assets			<u><u>2,023,822</u></u>		<u><u>2,099,879</u></u>
Capital and reserves					
Called up share capital	13		200,000		200,000
Profit and loss account	14		1,823,822		1,899,879
Shareholders' funds	15		<u><u>2,023,822</u></u>		<u><u>2,099,879</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 December 2012



Ronald A Wayte
Director



Magnus P Swanson
Director

The notes on pages 9 to 17 form part of these financial statements

Cash Flow Statement

For the year ended 31 March 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	16	(527,797)	318,422
Returns on investments and servicing of finance	17	(81,843)	(76,249)
Taxation		3,134	4,268
Capital expenditure and financial investment	17	(69,205)	(101,514)
(Decrease)/Increase in cash in the year		(675,711)	144,927

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

For the year ended 31 March 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(675,711)	144,927
Movement in net debt in the year	(675,711)	144,927
Net funds at 1 April 2011	542,962	398,035
Net (debt)/funds at 31 March 2012	(132,749)	542,962

The notes on pages 9 to 17 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2012

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

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 selected by the beneficiary and 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%

1.5 Investments

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

1.6 Operating leases

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

Notes to the Financial Statements

For the year ended 31 March 2012

1. Accounting Policies (continued)

1.7 Stocks

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

1.8 Deferred taxation

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 reversed, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

1.9 Pensions

The company operates several defined contribution pension schemes and the pension charge represents the amounts payable by the company to the funds 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 profit

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	52,146	27,087
Auditor's remuneration	28,000	14,000
Auditor's remuneration - non-audit	21,924	13,828
Operating lease rentals		
- plant and machinery	33,527	28,286
Staff costs (note 4)	3,251,237	2,608,631

Notes to the Financial Statements

For the year ended 31 March 2012

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	2,897,006	2,296,003
Social security costs	246,043	231,408
Other pension costs	108,188	81,220
	<u>3,251,237</u>	<u>2,608,631</u>

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

	2012	2011
	No	No
Sales	15	10
Administration	97	66
	<u>112</u>	<u>76</u>

5. Directors' remuneration

During the year retirement benefits were accruing to 3 directors (2011 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £191,174 £ (2011 - £184,440)

	2012	2011
	£	£
Emoluments	<u>443,966</u>	<u>396,467</u>
Company pension contributions to defined contribution pension schemes	<u>29,036</u>	<u>22,482</u>

Notes to the Financial Statements

For the year ended 31 March 2012

6. Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	84,300	90,174
On finance leases and hire purchase contracts	-	573
Other interest payable	1,433	-
	<u>85,733</u>	<u>90,747</u>

7. Taxation

	2012	2011
	£	£
UK corporation tax charge on loss for the year	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	2012	2011
	£	£
Loss on ordinary activities before tax	<u>(76,057)</u>	<u>(46,670)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(19,775)	(13,068)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,983	5,566
Capital allowances for year in excess of depreciation	(6,960)	(20,188)
Short term timing difference leading to an increase (decrease) in taxation	368	(9,343)
Unrelieved tax losses carried forward	-	37,033
Losses surrendered as group relief	16,384	-
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the year ended 31 March 2012

8. Tangible fixed assets

	Long Term Leasehold Property £	Office equipment £	Total £
Cost			
At 1 April 2011	19,209	877,318	896,527
Additions	-	69,205	69,205
At 31 March 2012	19,209	946,523	965,732
Depreciation			
At 1 April 2011	320	785,874	786,194
Charge for the year	1,281	50,865	52,146
At 31 March 2012	1,601	836,739	838,340
Net book value			
At 31 March 2012	17,608	109,784	127,392
At 31 March 2011	18,889	91,444	110,333

9. Investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2011 and 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 2012 total £83,479 (2011 £83,479). The share capital and reserves of Golden Charter Select Limited as at 31 March 2012 total £102,608 (2011 £1,000).

10. Stocks

	2012 £	2011 £
Branded stationary and related items	41,757	37,114

Notes to the Financial Statements

For the year ended 31 March 2012

11. Debtors

	2012	2011
	£	£
Amounts due from Golden Charter Trust	1,624,786	1,067,749
Amounts due from SAIF Charter Limited	1,600,000	1,600,000
Corporation tax	273	3,407
Other debtors	1,129,871	371,064
Prepayments and accrued income	83,683	392,417
	<u>4,438,613</u>	<u>3,434,637</u>

12. Creditors:**Amounts falling due within one year**

	2012	2011
	£	£
Bank loans and overdrafts	133,144	-
Trade creditors	298,282	641,835
Amounts owed to subsidiary undertakings	78,217	74,411
Social security and other taxes	155,856	138,976
Other creditors	1,229,028	451,816
Accruals and deferred income	774,287	802,608
	<u>2,668,814</u>	<u>2,109,646</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

	2012	2011
	£	£
Allotted, called up and fully paid		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

14. Reserves

	Profit and loss account
	£
At 1 April 2011	1,899,879
Loss for the year	(76,057)
	<u>1,823,822</u>
At 31 March 2012	

Notes to the Financial Statements

For the year ended 31 March 2012

15. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	2,099,879	2,146,549
Loss for the year	(76,057)	(46,670)
Closing shareholders' funds	<u>2,023,822</u>	<u>2,099,879</u>

16. Net cash flow from operating activities

	2012 £	2011 £
Operating profit	5,786	29,579
Depreciation of tangible fixed assets	52,146	27,087
Gain on disposal of tangible fixed assets	-	(1,259)
(Increase)/decrease in stocks	(4,643)	23,701
Increase in debtors	(1,007,110)	(455,317)
Increase in creditors	422,218	694,631
Increase in amounts owed to group undertakings	3,806	-
Net cash (outflow)/inflow from operating activities	<u>(527,797)</u>	<u>318,422</u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	3,890	14,498
Interest paid	(85,733)	(90,747)
Net cash outflow from returns on investments and servicing of finance	<u>(81,843)</u>	<u>(76,249)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(69,205)	(105,514)
Sale of tangible fixed assets	-	4,000
Net cash outflow from capital expenditure	<u>(69,205)</u>	<u>(101,514)</u>

Notes to the Financial Statements

For the year ended 31 March 2012

18. Analysis of changes in net debt

	1 April 2011	Cash flow	31 March 2012
	£	£	£
Cash at bank and in hand	542,962	(542,567)	395
Bank overdraft	-	(133,144)	(133,144)
Net funds	542,962	(675,711)	(132,749)

19. Operating lease commitments

Operating lease payments amounting to £160,770 (2011 £149,930) are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Within 1 year	-	-
Between 2 and 5 years	-	-
After more than 5 years	160,770	149,930
Total	160,770	149,930

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 constituted 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 £3,082,047 (2011 £2,908,067) from the Golden Charter Trust for management, marketing and administrative support for the sale of funeral plans.

Included within accruals is £294,745 (2011 £158,425) of rental costs and management fees payable to the Golden Charter Trust.

During the year the company levied management charge of £100,000 (2011 Nil) to Golden Charter Select Ltd.

Information on outstanding amounts due to its subsidiary companies, Golden Charter (Scotland) Limited and Golden Charter Select Limited, are given in note 12 to the accounts.

Golden Charter Limited

Notes to the Financial Statements

For the year ended 31 March 2012

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