

Registered number: 04995412

Dignity (2004) Limited
Annual report and financial statements
for the period ended 25 December 2020

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Dignity (2004) Limited

Annual report and financial statements for the period ended 25 December 2020

	Page
Strategic report for the period ended 25 December 2020	1
Directors' report for the period ended 25 December 2020	3
Independent auditors' report to the members of Dignity (2004) Limited.....	5
Income statement for the period ended 25 December 2020.....	8
Statement of comprehensive income for the period ended 25 December 2020	8
Balance sheet as at 25 December 2020	9
Statement of changes in equity for the period ended 25 December 2020	10
Notes to the financial statements for the period ended 25 December 2020.....	11

Dignity (2004) Limited

Strategic report for the period ended 25 December 2020

The Directors present their annual report and the audited financial statements of Dignity (2004) Limited ('the Company') for the period ended 25 December 2020. The Company is a subsidiary of Dignity plc and a member of the Dignity plc group ('the Dignity Group').

The financial statements have been prepared for the 52 week period ended 25 December 2020. The financial statements for the comparative period have been prepared for the 52 week period ending 27 December 2019.

Business review and future developments

The profit for the period was £16,345,000 (2019: £nil) after receiving dividend income from a subsidiary company of £16,345,000 (2019: £nil). The results for the period are set out in the Income statement on page 8.

The company operates as an intermediate holding company. The company may receive income from its investments in the form of dividends and interest receivable on amounts due from Dignity Group companies, and may incur costs in the form of interest payable on amounts due to Dignity Group companies. The directors do not currently anticipate any change in the company's activities.

The Directors do not consider there are any key performance indicators in respect of the Company other than the financial information set out in the Income statement, Statement of comprehensive income, Balance sheet and the Statement of changes in equity.

The directors of Dignity plc manage the Dignity Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Dignity (2004) Limited. The development, performance and position of the Dignity Group, which includes the Company, is discussed within the Strategic report of the Dignity Group's annual report which does not form part of this report.

Risks

As an intermediate holding company, the key risks relate to impairment of the carrying value of investments or amounts due from group companies and the ability of the company to meet its obligations under its intercompany liabilities. All risks are managed by the directors of Dignity plc on a group basis. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Dignity Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Dignity Group, which include those of the Company, are discussed within the Principal risks and uncertainties within the Strategic report of the Dignity Group's annual report which does not form part of this report.

Section 172 statement

The directors are aware of their duty under s172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, and in doing so, to have a regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly towards all stakeholders of the Company.

The directors of the Company consider that they have had regard in material respects to the factors set out above.

Dignity (2004) Limited

Strategic report

for the period ended 25 December 2020 (continued)

Section 172 statement (continued)

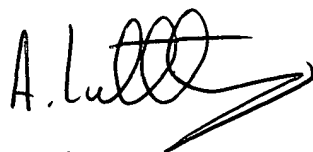
The Company is a UK subsidiary of Dignity plc, a company quoted on the London Stock Exchange. The Dignity plc board determines the strategic objectives and policies of the Dignity Group to best support the delivery of long-term value, providing overall strategic direction within an appropriate framework of controls, delegated authority, and rewards. The Company follows Group policies and procedures, including those relating to standards of business conduct, employees, customers, suppliers, the environment, the communities in which we operate, and other stakeholders such as regulatory bodies and non-government organisations. Stakeholder engagement takes place at a Group level and the Company looks to Group initiatives for guidance and takes them into account in its decision making. More detail can be found in the Dignity Group's annual report which does not form part of this report.

The Company delegates authority for day-to-day management to the Dignity Group senior leadership team, who set, approve and oversee the execution of the Company's activities. Board meetings are held from time to time where the directors consider Company business, such as appointment of directors, approval of accounts, approval of dividends, guarantees and other strategic decisions relating to business operations. In considering items of business the Company makes autonomous decisions on each item's own merits, after due consideration of the long-term success of the Company, Section 172 factors, where relevant, and the stakeholders impacted.

During the period, a dividend was paid to a fellow group company. For further details please see note 6.

The Strategic report has been approved by the Board.

By order of the board

A handwritten signature in black ink, appearing to read 'A. Lathbury', with a long, sweeping horizontal stroke extending to the right.

A Lathbury
Director

18 May 2021

Dignity (2004) Limited

Directors' report for the period ended 25 December 2020

The Directors present their annual report and the audited financial statements of Dignity (2004) Limited ('the Company') for the period ended 25 December 2020.

Going concern

In order to assess the appropriateness of the application of the going concern principle in these financial statements the Directors have considered the principal risks and uncertainties and financial position of both the company and of the Dignity Group as a whole, reflecting how the company is managed.

Further information in respect of the Directors' assessment of the ability of the Dignity Group to continue as a going concern in addition to information in respect of the longer term viability of the Dignity Group is presented within the Dignity Group's annual report which does not form part of this report.

The Company has carried out a diligent going concern analysis to include having considered the ongoing impact of COVID-19 on these financial statements. Full details of this analysis are set out in note 1 to the financial statements.

Following consideration of the base case forecasts, and the range of downside and stress test scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period at least through to 30 June 2022. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Dividends

The Company declared and paid dividends of £16,345,000, £16,345 per share (2019: £nil, £nil per share).

Directors

The directors who served during the period and up to the date of signing the financial statements were:

A Judd (appointed 14 December 2020)
A Lathbury (appointed 14 December 2020)
M K McCollum (resigned 3 April 2020)
S L Whittern (resigned 14 December 2020)
R H Portman (resigned 14 December 2020)

Directors' indemnities

During the period, the Dignity Group maintained liability insurance for its Directors and Officers. The Directors of this company have the benefit of this indemnity provision in the Dignity Group's Articles of Association. The indemnity provision, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006, was in force throughout the period and is currently in force.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). 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:

Dignity (2004) Limited

Directors' report for the period ended 25 December 2020 (continued)

Statement of directors' responsibilities (continued)

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditors

A resolution to reappoint Ernst & Young LLP as auditors to the Company will be proposed at the annual general meeting.

Statement of disclosure of information to auditors

As at the date this report was signed, so far as each director is aware, there is no relevant audit information of which the company's auditor are unaware and each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

Other matters

In accordance with the Companies Act 2006, section 414C(11), the Company's Strategic Report contains certain disclosures required in the Directors' Report.

The Directors' report has been approved by the Board.

By order of the board



A Lathbury
Director

18 May 2021

Independent auditors' report to the members of Dignity (2004) Limited

Opinion

We have audited the financial statements of Dignity (2004) Limited for the period ended 25 December 2020 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 25 December 2020 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern from when the financial statements are authorised for issue through to 30 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditors' report to the members of Dignity (2004) Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 3 & 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

Independent auditors' report to the members of Dignity (2004) Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We understood how Dignity (2004) Limited is complying with those frameworks by making enquiries of management, internal audit and those charged with governance to understand how the company, as part of the wider Dignity group, maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management, internal audit and those charged with governance to understand where it considered there was susceptibility to fraud. We understood the programmes and controls that the company, as part of the wider Dignity group, has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher in respect of management override, we performed audit procedures to address the identified fraud risk. These procedures included, journals posted by the key management personnel including directors of the company and journals indicating large or unusual transactions. We have considered the nature of these transactions and for those that we do not consider to be in the normal course of business and are not of a trivial value we obtain evidence to support the validity of the transactions. Our procedures were designed to provide reasonable assurance that the financial statements were free from material misstatements arising from fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals posted by the key management personnel including directors of the company and journals indicating large or unusual transaction based on our understanding of the business and enquiries of management and internal audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Andrew Merrick (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

18 May 2021

Dignity (2004) Limited

Income statement for the period ended 25 December 2020

		52 week period ended 25 December 2020	52 week period ended 27 December 2019
	Note	£'000	£'000
Operating result	3	-	-
Dividend income		16,345	-
Profit before taxation		16,345	-
Tax on profit	5	-	-
Profit for the financial period		16,345	-

The results have been derived wholly from continuing activities.

Statement of comprehensive income for the period ended 25 December 2020

There were no other items of comprehensive income such that there is no difference between the result for the financial period as shown above and the total comprehensive income. Therefore no separate statement of comprehensive income has been presented.

Dignity (2004) Limited

Balance sheet as at 25 December 2020

		25 December 2020	27 December 2019
	Note	£'000	£'000
Fixed assets			
Investments	7	14,275	14,275
Net assets			
		14,275	14,275
Capital and reserves			
Called up share capital	8	1	1
Share premium account		14,274	14,274
Profit and loss reserve		-	-
Total shareholders' funds			
		14,275	14,275

The financial statements on pages 8 to 21 were approved by the board of directors on 18 May 2021 and were signed on its behalf by:



A Lathbury
Director

Dignity (2004) Limited

Registered number: 04995412

Dignity (2004) Limited

Statement of changes in equity for the period ended 25 December 2020

	Called up share capital	Share premium account	Profit and loss reserve	Total shareholders' funds
	£'000	£'000	£'000	£'000
Shareholders' funds as at 28 December 2018	1	14,274	-	14,275
Profit for the financial period	-	-	-	-
Total comprehensive income	-	-	-	-
Dividends paid (note 6)	-	-	-	-
Shareholders' funds as at 27 December 2019	1	14,274	-	14,275
Profit for the financial period	-	-	16,345	16,345
Total comprehensive income	-	-	16,345	16,345
Dividends paid (note 6)	-	-	(16,345)	(16,345)
Shareholders' funds as at 25 December 2020	1	14,274	-	14,275

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020

1 Principal accounting policies

Basis of preparation

The financial statements of the Company for the period ended 25 December 2020 were authorised for issue by the board of directors and the balance sheet was signed on the board's behalf by Mr A Lathbury. The Company is incorporated and domiciled in England and Wales. The company's registered address is 4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP.

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a going concern basis under the historical cost convention. The principal accounting policies are set out below and have been applied consistently throughout the period.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pound (£'000) except where otherwise indicated.

The financial statements contain information about the Company as an individual undertaking and do not contain consolidated financial information as the parent of a group. The reason for this is that the Company is a wholly owned subsidiary of Dignity plc and is included in that company's consolidated financial statements. Consequently the Company by virtue of section 400 of the Companies Act 2006 is exempt from the preparation of its own consolidated financial statements.

Going Concern

The Company operates as part of the Dignity plc group ('Dignity Group'). The day-to-day liquidity requirements of the Company are sourced either from within the Company or, where necessary, from the continued support of certain other entities within the Dignity Group, such support having been confirmed in writing as available for a period at least through 30 June 2022.

The Company's position in the Dignity Group structure is such that it sits outside of a sub-group of companies which form part of a Securitisation Group established in connection with the Dignity Group's only loan borrowings.

The key factors which impact the Dignity Group's financial performance are death rate, market share, mix and average revenue per funeral. As previously reported, following the outbreak of the COVID-19 pandemic, whilst the death rate in the UK has sadly increased and the Dignity Group's market share remained broadly stable, both the average revenue received per funeral and the revenue received for memorial sales has declined. Whilst not back to pre-pandemic levels, following the adaptation of limousines and application of other protective measures for our colleagues and customers, the take up of full service funerals compared to simple funerals has increased to approximately 68:32 in the fourth quarter compared to 54:46 in the second quarter. This has resulted in the recovery of average revenues through 2020 to close the year (and start 2021) at approximately 94 per cent of those achieved prior to the start of COVID-19. The Dignity Group has also taken prudent action to manage costs, where appropriate, to protect its position in terms of ensuring sufficient headroom on both profitability and liquidity measures.

The impact on 2021 revenue and profitability will depend in part on various factors outside of the Dignity Group's control, such as the number of deaths in the UK and the length of time social distancing measures continue to be in place.

The financial performance of the Dignity Group and the Securitisation Group has been forecast and those forecasts have been subjected to a number of sensitivities. These forecasts reflect an assessment of current and future market conditions and their impact on the future profitability of the Dignity Group and the Securitisation Group. The forecasts reflect recovery at the beginning of 2022.

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

1 Principal accounting policies (continued)

Going concern (continued)

When considering the going concern assumption, the Directors have reviewed the principal risks within the environment in which the Dignity Group operates and have prepared relevant sensitised scenarios, these include:

- Prolonged period of social distancing restrictions which may serve to keep the mix and average revenue per funeral lower for a sustained period; and
- A significant reduction in the number of deaths.

In all base scenarios modelled, the Dignity Group is forecast to have sufficient liquidity and meet its debt service cover ratio ('DSCR') in the period assessed through to 30 June 2022.

To provide further consideration of going concern, the Directors also considered what would happen in an ongoing scenario of reduced profitability significantly below management's forecasts, such as a significant reduction in the market share or average revenues (the year to date analysis through March 2021 does not indicate the likelihood of such a scenario).

In such a scenario, the Securitisation Group may not meet its DSCR covenant requirements, before the consideration of additional mitigating activities such as reducing controllable spend. Under the terms of the Securitisation Group's borrowings, the Securitisation Group is required to maintain a DSCR of at least 1.5 times, measured on a rolling 12 month basis every quarter. However, a breach of the covenant does not give rise to an immediate requirement to repay the associated borrowings. Rather, such a breach results in a requirement for the bond trustees to appoint a financial adviser who will review the financial and operational circumstances of the Securitisation Group prior to making recommendations as to how the breach can be resolved. Notwithstanding this, given the current cash on hand and facilities available to it, the Securitisation Group (as supported by Dignity plc as needed) would have sufficient liquid resources to make all required debt service payments for a period through to 30 June 2022.

Having considered all the above, including the Company, Securitisation Group and Dignity Group's current financial position, the directors remain confident in the long-term future prospects for the Company and its ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

Exemptions

The following exemptions from the requirements of International Financial Reporting Standards ("IFRS") have been applied in the preparation of these financial statements:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79 (a) (iv) of IAS 1 'Presentation of financial statements'.
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- IFRS 7, 'Financial instruments: Disclosures'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

1 Principal accounting policies (continued)

Exemptions (continued)

The Company is eligible to apply the above exemptions as it is included in the consolidated financial statements of Dignity plc who prepare financial statements under IFRS and include the above disclosures.

The consolidated financial statements of Dignity plc are available from 4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP.

New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 25 December 2020, have had a material impact on the company.

Investments

Investments are stated at historical cost, less any provision for impairment.

Taxation

The tax charge for the period includes the charge for tax currently payable and deferred tax. The current tax charge represents the estimated amount due that arises from the operations of the Company in the period and after making adjustments to estimates in respect of prior periods.

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that they are regarded as more likely than not to be recoverable.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted, by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Dividends policy

Dividends payable are only recognised when they are appropriately approved.

Dividend income

Dividend income is only recognised when appropriately declared and approved by a subsidiary undertaking.

Critical accounting estimates and assumptions

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Management has not made any judgements, estimates or assumptions in preparing these financial statements that materially affects the application of policies or the reported amounts of assets, liabilities, income or expenses.

2 Turnover

The Company is an intermediate holding company and has no turnover in either period.

3 Operating result

Auditors' remuneration is borne by a fellow subsidiary of the Dignity Group, and is not allocated to individual entities.

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

4 Staff costs

Employees

There were no employees in either period.

The current directors are directors of the Dignity Funerals Limited and details of their emoluments are included in the financial statements of that company. The services provided to this Company are considered to represent an insignificant proportion of their time and as such the current directors have received no emoluments in respect of their services to the Company in either period.

The previous directors were also the directors of the ultimate parent company, Dignity plc and details of their emoluments are included in the financial statements of that company. The services provided to this Company were considered to represent an insignificant proportion of their time and as such the previous directors received no emoluments in respect of their services to the Company in either period.

5 Tax on profit

Analysis of tax charge in the period

The tax charge in the period was £nil (2019: £nil).

There is no tax impact on other comprehensive income or equity in either period.

The tax charge for the period is equal to (2019: equal to) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	52 week period ended 25 December 2020	52 week period ended 27 December 2019
	£'000	£'000
Profit before tax	16,345	-
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	3,106	-
Effects of:		
Income not chargeable for tax purposes	(3,106)	-
Total tax charge for the period	-	-

In the budget announced in March 2020, the legislation to reduce the main rate of corporation tax to 17 per cent was cancelled and the main rate of corporate tax will remain at 19 per cent from 1 April 2020 and 1 April 2021. The change was substantively enacted at the balance sheet date.

Following the budget announced on 3 March 2021, the legislation to increase the main rate of corporation tax from 19 per cent to 25 per cent from 1 April 2023 was not substantively enacted at the balance sheet date.

The Company has no recognised or unrecognised deferred tax (2019: nil).

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

6 Dividends

	52 week period ended 25 December 2020 £'000	52 week period ended 27 December 2019 £'000
Dividends paid: £16,345 per Ordinary Share (2019: £nil per Ordinary Share)	16,345	-

7 Investments

	£'000
At beginning and end of the period	14,275

A full list of subsidiary undertakings is included in note 12. The directors believe that the carrying value of the investment is supported by its underlying net assets.

8 Called up share capital

	25 December 2020 £'000	27 December 2019 £'000
Allotted and fully paid		
1,000 (2019: 1,000) Ordinary Shares of £1 each	1	1

Each Ordinary Share carries equal voting rights and there are no restrictions on any share.

9 Ultimate parent undertaking and controlling party

The Company's immediate parent and ultimate holding company and controlling party at 25 December 2020 was Dignity plc.

The parent company of the smallest and largest group in which the financial statements of the Company are consolidated is Dignity plc. Copies of the consolidated financial statements of Dignity plc are available from 4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP, the Company's registered office.

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

10 Contingent liabilities

On 17 October 2014, the Dignity Group issued £238,904,000 Class A Secured 3.5456% Notes due 2034 ('Secured Class A Notes') and £356,402,000 Class B Secured 4.6956% Notes due 2049 ('Secured Class B Notes' and together with the Secured Class A Notes, the 'Secured Notes').

As a result of the issue of Secured Notes, BNY Mellon Corporate Trustee Services Limited in its capacity as Security Trustee of the Secured Notes has the following guarantees and charges:

- The Company granted the Security Trustee, with full title guarantee a first fixed charge over the shares (and any monies receivable in respect of the shares) which it holds in Dignity Holdings No.2 Limited.
- The Company granted the Security Trustee, with full title guarantee a first fixed charge over the shares (and any monies receivable in respect of the shares) which it holds in Dignity (2002) Limited.
- The Company has granted the Security Trustee, with full title guarantee a floating charge over the assets now or in the future owned by the Company (other than those assets validly and effectively charged by way of fixed security).

At 25 December 2020, the amounts outstanding by the Dignity (2002) Group, in relation to these borrowings was £542,186,000 (2019: £551,835,000).

In the opinion of the directors, no liability is likely to crystallise in respect of these guarantees.

11 Post balance sheet events

Tax rate change

In the budget on 3 March 2021 by HM Government, legislation to increase the main rate of corporation tax from 19 per cent to 25 per cent from 1 April 2023 was announced. This will be reflected in the Company's financial results once substantively enacted.

12 Subsidiary undertakings of Dignity (2004) Limited

Principal subsidiaries

Company name	Principal activity
Advance Planning Limited	Pre-arranged funeral plans
Dignity (2002) Limited	Intermediate holding company
Dignity Finance PLC	Finance company
Dignity Funerals Limited	Funeral services
Dignity Pre Arrangement Limited	Pre-arranged funeral plans
Dignity Securities Limited	Pre-arranged funeral plans
Pitcher & Le Quesne Limited ***	Funeral services

Other subsidiaries

Company name	Principal activity
Birkbeck Securities Limited	Intermediate holding company
Dignity (2014) Limited	Intermediate holding company
Dignity Finance Holdings Limited	Intermediate holding company
Dignity Holdings Limited	Intermediate holding company
Dignity Holdings No.2 Limited	Intermediate holding company
Dignity Mezzco Limited	Finance company
Dignity Services	Intermediate holding company

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

12 Subsidiary undertakings of Dignity (2004) Limited (continued)

Dormant

Company name

A. & G. Huteson Ltd	Chosen Heritage Limited
A & N Duckworth Limited	Chosen Heritage Services Limited
A Ashton & Sons Limited	Clegg Humphreys Limited
A Bennett & Sons Limited	Cooksey & Son Limited
A F Townsend (Funeral Directors) Limited	Cooksley & Son Limited
A Hazel & Sons Limited	Coombes & Sons (Bovey Tracey) Limited
A Shepherd & Sons Limited	Counties Crematorium Limited
A T Genders Limited	Coyne Brothers Limited
A V Band Limited	Cumbernauld Funeral Services Ltd*
A. Haxby & Sons (Filey) Limited	Cyril H. Lovegrove Limited
Abbey Funeral Service Limited	D J Thomas (Funeral Directors) Limited
Adela Funeral Homes Limited	D. J. Evans Forse & Co Limited
Anglian Funeral Service Limited	D. Walsh & Son Limited
Armitage (Funeral Directors) Limited	Daly & Company Limited
Arthur Denyer Limited	David B Hendry Limited
Arthur G Whitehead (Westminster) Limited	David Silvey & Son Limited
Ashton & Ebbutt Limited	Davis McMullan Funeral Directors Limited
Ashton Ebbutt Holdings Limited	Derriman & Haynes Funeral Services Limited
Ashton Memorials Limited	Dignity (2009) Limited
Ashtons (Brighton) Limited	Dignity Caring Funeral Services Limited
Associated Funeral Services Limited	Dignity Funerals No.2 Limited
B & B Funeral Directors Limited	Dignity In Destiny Limited
B. Bernard & Sons Limited	Dignity Legal Services Limited
Baguley Bros. Limited	Dignity Manufacturing Limited
Banks Funeral Service Limited	Dillistone Funeral Service Limited
Bayley Brothers Hereford Limited	Docklands Funeral Services Limited
Birmingham Crematorium (1973) Limited	Dottridge Brothers Limited
Boyce Anderson Motors Limited**	Downer & White Limited
Bracher Brothers Limited	Downs Crematorium Limited
Brighton Stonemasons Limited	Dowsett & Jenkins Limited
Broadwater Limousines Limited	Dundee Crematorium Limited*
C Powell Funeral Service Limited	Dunning (Undertaking) Limited
Caledonian Funeral Services Limited*	Dyson Richards Limited
Carrwood Funeral Supplies Limited	E Hurton & Son Limited
Castle Court Funeral & Limousine Services Limited	E M Lander Limited
Chichester Crematorium Limited	E Seymour & Son Limited
Chosen Heritage (Scotland) Limited*	E. Brigham Funeral Directors Limited

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

12 Subsidiary undertakings of Dignity (2004) Limited (continued)

Dormant

Company name

E.F. Edwards Limited	Ginns & Gutteridge Limited
E. Finch & Sons Limited	Gornalls Funeral Services Limited
Earl Of Plymouth Limited	Graeme Buckle Funeral Services Limited
Eden Park Estate Limited	Grave Design Limited
Edmund & Lewis Limited	Great Southern Group Limited
Edward Lewis Wicks & Sons Limited	Grimmett & Timms Limited
Ely Funeral Service Limited	H & G Wilde Funeral Directors Limited
Exeter & Devon Crematorium Limited	H A Harrold & Son Limited
F L Mildred & Sons (Funeral Directors) Limited	H Eaton & Sons Holdings Limited
F. Kneeshaw & Sons (Funeral Directors) Limited	H. Eaton & Sons Limited
F.E.J. Green & Sons Limited	H J Dawson Limited
F.G. Pymm (Funeral Directors) Limited	H J Phillips & Son (Funeral Directors) Limited
F. Harrison & Son (Funeral Directors) Limited	H Johnson & Sons Limited
F. J. Gibb Limited	H Leslie Humphreys Limited
F. Smith & Son (Staines) Limited	H Tonkin Limited
Family Funeral Services Limited	H. J. Whalley & Sons Limited
Farebrother Funeral Services Limited	H. Towell Ltd
Fisher & Townsend (Funeral Directors) Limited	H. Copeland & Son Limited
Flowers By Design Limited	H. Dorricott & J. Bent Limited*
Ford Ennals Funeral Services Limited	H.G. Brown & Sanders Limited
Forethought Limited	H. Hill Funeral Service Limited
Francis Chappel & Sons Limited	H.R.H. Holdings Limited
Frank Stephenson & Son (Funeral Directors) Limited	Hambrook & Johns Limited
Frederick W Chitty & Co Limited	Hanningtons (Funeral Directors) Limited
Fredk. W. Paine Limited	Hardacres Funeral Directors Limited
Funeral Debt Collection Limited	Harry Williams & Sons (Cambridge) Limited
Funeral Services London Limited	Heighton & Son Limited
G & L Evans Ltd	Hemley Funeral Service Limited
G. M. Charlesworth & Son Limited	Henry Naylor (Funeral Directors) Limited
G.F. Cook (Funerals) Limited	Henry Paul Limited
G.F. Hunt (Bath) Limited	Henry Smith (Wandsworth) Limited
G. Gamble & Son Limited	Highfield Funeral Service Limited
G. Smith (Wooburn) Limited	Hindu Funeral Service Limited
George Hall & Son Funeral Directors Limited	Hodgson Holdings (Scotland) Limited
George S. Munn & Company, Limited*	Hodgson Holdings Limited
George Stanton (1935) Limited	Holdfast (Funerals) Limited**

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

12 Subsidiary undertakings of Dignity (2004) Limited (continued)

Dormant

Company name

Howard Jenkins (Edge Hill) Limited	L J Clegg Limited
Hunters Funeral Directors Limited	Lambeth & Brixton Community Funeral Services Limited
Ian Clarke Funeral Service Limited	Lambeth Funeral Services Limited
Ingall Services Limited	Lea Valley Funeral Services Limited
Invicta Memorials Limited	Leeds Limousines Limited
Inverclyde Funeral Directors Limited*	Leehope Services Limited
J H Kenyon Limited	London Necropolis Company Limited
J H Raven Limited	Longhurst (Undertakers) Limited
J Hylton & Sons Limited	Lowden Wells Limited
J Kynaston Limited	MacIntosh & Steven Limited*
J Steadman & Sons Limited	Malcolm J Presland Limited
J.W.Tate & Son (Holdings) Limited	Mannerings Limited
J.W.Tate & Son Limited	Mason Funeral Service Limited
Jack Lee & Sons Limited	Mathias's of Putney Limited
James Allen & Son (Disley) Limited	Maxwell Bros. Limited
James Crook Limited	Meadow Pool Limited
John & William Shering Limited	Mews & Yeatmans Limited
John Bardgett & Sons Limited	Mid Sussex Funeral Services Limited
John G Ashton & Co (Funeral Directors) Limited	Middleton & Wood (1919) Limited
Johnson Funeral Supplies Limited	Monumental Masons Limited
Johnson-Sears Limited	Moody's Funeral Directors Limited
Jonathan Harvey Limited*	Moray Crematorium Holdings Limited*
Jonathan Walker Funeral Directors Limited	Moray Crematorium Limited*
Joseph Swift (Funeral Director) Limited	Morecambe & Heysham Funeral Service Limited
Joseph Tomlinson & Sons Limited	N A Medd Limited
Joslin Memorials (1974) Limited	National Funeral Trust Limited
Kellaways (Funeral Service) Limited	Newport Hire (I.W.) Limited
Ken Gregory & Sons Limited	Newsome's Funeral Service (Royston) Limited
Kent Funeral Supplies Limited	Norfolk Crematorium Limited
Kenyon Air Transportation Limited	Northampton Crematorium Limited
Kenyon Emergency Services Limited	Norwich Crematorium Holdings Limited
Kenyon Repatriation Limited	Norwich Crematorium Limited
Kenyon Securities Limited	Nubian Funeral Directors Limited
Kenyons Funeral Directors Limited	Oxford Crematorium Limited
Kirkwoods (Funeral Directors) Limited**	Patrick Stonemasons Limited
L Fulcher Limited	Personal Choice Funeral Plan Limited

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

12 Subsidiary undertakings of Dignity (2004) Limited (continued)

Dormant

Company name

Peter Johnson Funerals Ltd.	Shankill Funeral Services Limited**
PFG Hodgson Kenyon (Services) Limited	Silver Lady Funeral Service Limited
PFG Hodgson Kenyon (UK) Limited	Simplicity Funerals Limited
PFG Hodgson Kenyon Limited	Simpsons (Undertakers Requisites) Limited
Philip Ford & Son (Funeral Directors) Limited	Stanway & Garnett Funeral Service Limited
Phillips Funeral Plans Limited	Swift & Mildred Limited
Phillips Funeral Services Limited	T & R O'Brien Limited*
Phillips Holdings (Hertfordshire) Limited	T H Fenton Limited
Phillips Supplies Limited	T S Annison & Sons Limited
Piccioni (Masonry) Limited	T. S. Horlock & Son Limited
Plantsbrook Group Limited	T.H.Sanders & Higgs Limited
Plantsbrook Limited	T.H.Sanders & Sons Limited
Preston Ireland Bowker Limited	T.J.Davies & Sons (Funeral Directors) Limited
Priestley & Cockett Limited	Taylor's Funerals (Wirral) Limited
R Butler & Sons Limited	The Crematorium Company Limited
R C Holden & Son Limited	The Dignity Plan Limited
R Garner Son & Wood Limited	The East Riding Crematorium Company Limited
R.Davies & Son Limited	The Haltemprice Crematorium Limited
R.S. Johnson & Sons Limited	The Lawrence Funeral Service Limited
R.S.Scott (Funerals) Limited	The Leverton Funeral Service (Dartford) Limited
Ravenhill Funeral Services Limited**	The South London & Southern Counties Cremation Society Limited
Remembrance Limited	The South London Crematorium Co Limited
Robemanor Limited	The Titford Funeral Service Limited
Roberts & Brain Limited	Thomas Brothers (Wellington and Taunton) Limited
Romney Marsh Funeral Services Limited	Thompsons (Busbys) Limited
Rosspark Limited	Thompsons (Funeral Furnishers) Limited
S A Bates & Sons Limited	Thompsons (Maguires) Limited
S Wellens & Sons Limited	Thompsons (Rimmers) Limited
Saftway Limited	Tovey & Morris Limited
Salenew Limited	U.F.D. Limited
Sanders Goodale & Co.Limited	UK Funerals Limited
SCI Pre Arrangement Limited	UKF Limited
Seaford Funeral Service Limited	Valedictus Group Limited **
Seddons of Southport Limited	Valedictus Holdings Limited **
Selim Smith & Co. Limited	Valedictus Limited **
Serenity Limited	W G Dixon Limited

Dignity (2004) Limited

Notes to the financial statements for the period ended 25 December 2020 (continued)

12 Subsidiary undertakings of Dignity (2004) Limited (continued)

Dormant

Company name

W G Rathbone Funeral Directors Limited	Warburton Funerals Limited
W S Bond Limited	Wetton Funeral Services Limited
W S Harrison & Son Limited	White Lady Funerals Limited
W Thorp & Sons (Leigh-on-Sea) Limited	Whyte Funeral Services Limited*
W.E.Turner (Funeral Furnishers) Limited	William Pearce & Son Limited
W.Garstin & Sons Limited	Wilmshurst & Dickson Limited
Walkers Funeral Directors Limited	Woodfield Park Funeral Home Limited
Walmsley Hammond (Rayleigh) Limited	Yew Holdings Limited

Registered office

* The registered office for these subsidiaries is 280 Kinfauns Drive, Glasgow, G15 7AR

** The registered office for these subsidiaries is 14 Scotch Quarter, Carrickfergus, County Antrim, BT38 7DP

*** The registered office for this subsidiary is 59 Kensington Place, St Heller, JE2 3PA, Jersey

All other subsidiary undertakings are registered at 4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP.

Other Information

All of the subsidiaries are incorporated in the United Kingdom except for Pitcher & Le Quesne Limited which is incorporated in Jersey. All subsidiaries are controlled by Dignity (2004) Limited.

All of the above shareholdings are held indirectly, with the exception of Dignity (2002) Limited and Dignity Holdings No.2 Limited.

With the exception of Pitcher & Le Quesne Limited, Dignity (2004) Limited owns, either directly or indirectly, 100 per cent of the equity interest of all the subsidiaries. Dignity (2004) Limited owns 99% of Pitcher & Le Quesne Limited with the remaining 1% being owned by a fellow group company.