Registered number: SC484801

Aberdeen Funeral Directors Limited

Report and financial statements

for the 43 week period ended 29 December 2017

Aberdeen Funeral Directors Limited

Report and financial statements for the 43 week period ended 29 December 2017

Aberdeen Funeral Directors Limited

Strategic report
for the 43 week period ended 29 December 2017

The Directors present their report for the 43 week period ended 29 December 2017 and the financial statements of Aberdeen Funeral Directors Limited ('the Company') for the 43 week period ended 29 December 2017. The Company became a wholly owned subsidiary of Dignity Funerals No.3 Limited, a subsidiary of Dignity plc and a member of the Dignity plc group ('the Group') on 2 March 2017. The comparative period is for the 48 week period ended 1 March 2017. During the period, the accounting reference date has been changed from 1 March to 31 December to bring it in line with the Group.

Business review and future development

Prior to the acquisition by Dignity Funerals No.3 Limited the activities of the Company were those of a funeral director.

Change of ownership and subsequent activity

On 2 March 2017, the entire issued share capital of the Company was acquired by Dignity Funerals No.3 Limited.

The Company ceased to trade on 2 March 2017. The only transactions after this period were:

- On 2 March 2017, having incurred an administrative expense of £44,874 the trade and assets of the business were sold to Dignity Funerals No.3 Limited for £9,437,210 which generated a profit of £6,047,285. The sale transaction had no impact on tax; and
- A dividend in specie of £7,020,281, £35,101.41 per share, paid to its immediate parent company Dignity Funerals No.3 Limited.

The Directors believe the Company will be dormant going forward.

The profit for the period is set out in the Income Statement on page 6.

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, Balance Sheet, Statement of comprehensive income and Statement of changes in equity.

Risks

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 Group and are not managed separately. Accordingly, the principal risks and uncertainties of the 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.

The Strategic report has been approved by the Board.

By order of the board

SL Whittern
Director
20 April 2018

Aberdeen Funeral Directors Limited

Directors' report
for the 43 week period ended 29 December 2017

The Directors present their report for the 43 week period ended 29 December 2017 and the financial statements of Aberdeen Funeral Directors Limited ('the Company') for the 43 week period ended 29 December 2017.

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 Group is presented within the Dignity Group's annual report which does not form part of this report.

Having performed this assessment, the Directors have concluded that the Company either has adequate resources to meet its current operational and financial obligations, or to the extent that is required, that continued support is available within the Dignity Group to ensure that the Company will remain in operation and meet its liabilities as they fall due over a period of at least 12 months from the date that the financial statements were approved. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Dividends

The Company declared a dividend in specie of £7,020,281, £35,101.41 per share (48 week period ended 1 March 2017: £60,000, £300 per share).

Directors

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

M K McCollum	(appointed 2 March 2017)
R H Portman	(appointed 2 March 2017)
S L Whittern	(appointed 2 March 2017)
A R Davies	(appointed 2 March 2017; resigned 5 January 2018)
L Bruce	(resigned 2 March 2017)
S Pirie	(resigned 2 March 2017)

Directors' indemnities

During the period, the Group maintained liability insurance for its Directors and Officers. The Directors of this Company have the benefit of this indemnity provision in the 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.

Aberdeen Funeral Directors Limited

Directors' report
for the 43 week period ended 29 December 2017 (continued)

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic report, 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 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent auditors

The Company appointed Ernst & Young LLP as auditors on 27 July 2017. The Company was previously exempt from audit requirements.

Statement of disclosure of information to auditors

The Directors confirm that as far as each Director is aware there is no relevant audit information of which the Company's auditor are unaware. The Directors further confirm each of them have taken all steps that they ought to have done as Directors to make themselves 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

SL Whittern
Director
20 April 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN FUNERAL DIRECTORS LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Aberdeen Funeral Directors Limited for the period ended 29 December 2017 which comprise the Income Statement, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion on financial statements

For the period ended 1 March 2017, the company was exempt from audit under section 477 of Companies Act 2006. We were unable to perform sufficient procedures on the corresponding figures as required by ISA (UK) 510 Initial Audit Engagements – Opening Balances. As a result, we have not been able to obtain sufficient appropriate audit evidence to provide such reasonable assurance about the amounts and disclosures in the comparative period. Because of the possible effect of the limitation in evidence available to us in respect of the carrying value of net assets prior to the hive up of the business, we are unable to determine whether any adjustments might have been found necessary in respect of the profit on disposal of trade and net assets which comprises the majority of the items in the Income Statement for the current period ended 29 December 2017.

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.

Other Matter

The corresponding information for the period ended 1 March 2017 is unaudited.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion on whether, 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

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERDEEN FUNERAL DIRECTORS LIMITED (continued)

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:

- 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Ernst Young LLP

Andrew Merrick (Senior statutory auditor)

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

Birmingham

20 April 2018

Aberdeen Funeral Directors Limited

Income Statement
for the 43 week period ended 29 December 2017

	Note	43 week period ended 29 December 2017 £	48 week period ended 1 March 2017 £
Turnover		-	2,357,038
Cost of sales		-	(901,782)
Gross profit		-	1,455,256
Administrative expenses		**(44,874)**	(793,104)
Operating (loss) / profit	3	**(44,874)**	662,152
Profit on disposal of trade and net assets		**6,047,285**	-
Interest receivable and similar income		-	3,619
Interest payable and similar charges		-	(734)
Net interest receivable and similar income	4	-	2,885
Profit before taxation		**6,002,411**	665,037
Tax on profit	5	-	(185,438)
Profit for the financial period		**6,002,411**	479,599

The results have been derived wholly from discontinued activities.

Statement of comprehensive income

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

Aberdeen Funeral Directors Limited

Balance sheet
as at 29 December 2017

	Note	29 December 2017 £	1 March 2017 £
Fixed assets			
Intangible assets	7	-	1,927,130
Tangible assets	8	-	450
		-	1,927,580
Current assets			
Stock		-	30,902
Debtors	9	**2,416,929**	200,278
Cash at bank and in hand		-	1,638,371
		2,416,929	1,869,551
Creditors: amounts falling due within one year	10	-	(362,332)
Net current assets		**2,416,929**	1,507,219
Total assets less current liabilities		**2,416,929**	3,434,799
Net assets		**2,416,929**	3,434,799
Capital and reserves			
Called up share capital	11	**200**	200
Share premium account		**2,416,729**	2,416,729
Profit and loss reserve		-	1,017,870
Total shareholders' funds		**2,416,929**	3,434,799

The financial statements on pages 6 to 19 were approved by the board of directors on 20 April 2018 and were signed on its behalf by:

SL Whittern

Director

Aberdeen Funeral Directors Limited

Registered number: SC484801

Aberdeen Funeral Directors Limited

Statement of changes in equity as at 29 December 2017

	Called up share capital	Share premium account	Profit and loss reserve	Total shareholders' funds
	£	£	£	£
Shareholders' funds as at 31 March 2016	100	2,416,729	598,271	3,015,100
Profit for the financial period	-	-	479,599	479,599
Total comprehensive income for the period	-	-	479,599	479,599
Issue of share capital	100	-	-	100
Dividends paid (note 6)	-	-	(60,000)	(60,000)
Shareholders' funds as at 1 March 2017	200	2,416,729	1,017,870	3,434,799
Profit for the financial period	-	-	6,002,411	6,002,411
Total comprehensive income for the period	-	-	6,002,411	6,002,411
Dividends paid (note 6)	-	-	(7,020,281)	(7,020,281)
Shareholders' funds as at 29 December 2017	**200**	**2,416,729**	**-**	**2,416,929**

Notes to the financial statements for the 43 week period ended 29 December 2017

1 Principal accounting policies

Authorisation of financial statements and statement of compliance with FRS 102

The financial statements of the Company for the period ended 29 December 2017 were authorised for issue by the board of directors and the balance sheet was signed on the board's behalf by Mr SL Whittern. The Company is incorporated and domiciled in England and Wales. The company's registered address is 280 Kinfauns Drive, Glasgow, G15 7AR.

These financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and in accordance with applicable accounting standards.

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

The financial statements of the Company for the 48 week period ended 1 March 2017, forming the corresponding figures in the financial statements for the 43 week period ended 29 December 2017, are unaudited, as the Company was exempt from audit requirements.

As the consolidated financial statements of Dignity plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following:

- The rights and any restrictions of share capital as required by Section Statement of Financial Position, paragraph 4.12(a)(iv)
- A cash flow statement and related notes as required by Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation, paragraph 3.17(d)
- The requirements of Section 11, paragraphs 11.41(e), 11.42, 11.44, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) regarding disclosures in respect of financial instrument and fair value
- The requirement of Section 33 – Related Party Disclosures, paragraph 33.7 to disclose key management personnel compensation in total.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 29 December 2017.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 102 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.

Dividends policy

Dividends payable are only recognised when they are appropriately approved.

Short-term debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Notes to the financial statements for the 43 week period ended 29 December 2017 (continued)

1 Principal accounting policies (continued)

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 years.

Deferred taxation is recognised in respect of all timing 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 timing 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.

Prior period accounting policies

The following accounting policies were applied in respect of the prior period. Since the acquisition date, all assets have been hived up into the financial statements of Dignity Funerals No.3 Limited:

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements for the period ended 1 March 2017 are the first financial statements of Aberdeen Funeral Directors Limited prepared in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of funeral services is recognised once the services have been rendered.

1 Principal accounting policies (continued)

Prior period accounting policies (continued)

Intangible fixed assets – goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	-	20% Straight balance
Motor vehicles	-	25% Straight balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decreases.

Recognised impairment losses are reversed if, an only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Principal accounting policies (continued)

Prior period accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of the Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classifies as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except the investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other that those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

1 Principal accounting policies (continued)

Prior period accounting policies (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the assert in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classifies according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivative are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designed as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the financial statements
for the 43 week period ended 29 December 2017 (continued)

1 Principal accounting policies (continued)

Prior period accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported on the profit and loss account because it excludes items of income or expense that are taxable or deducible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that t is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit not the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision in measured at present value the unwinding of the discount is recognised as a finance cost n profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the financial statements
for the 43 week period ended 29 December 2017 (continued)

2 Staff costs

Employees

There were no employees in the period (prior period monthly average number of employees: 17).

The directors are directors of the ultimate parent company, Dignity plc and details of their emoluments are included in the financial statements of that company. They received no emoluments in respect of their services to the Company in the current period.

3 Operating (loss) / profit

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

4 Net interest receivable and similar income

	29 December 2017	1 March 2017
	£	£
Interest on overdue taxation	-	(734)
Interest payable and similar charges	-	(734)
Bank interest	-	3,619
Interest receivable and similar income	-	3,619
Net interest receivable and similar income	-	2,885

5 Tax on profit

Analysis of tax charge in the period

	43 week period ended 29 December 2017	48 week period ended 1 March 2017
	£	£
Current tax: current period	-	154,989
Current tax: prior period	-	33,428
Total current tax	-	188,417
Deferred tax: current period	-	(2,979)
Tax on profit	-	185,438

Notes to the financial statements
for the 43 week period ended 29 December 2017 (continued)

5 Tax on profit (continued)

The current tax charge for the period is lower (prior period: higher) than the standard rate of corporation tax in the UK of 19.25% (prior period: 20%). The differences are explained below:

	43 week period ended 29 December 2017	48 week period ended 1 March 2017
	£	£
Profit before tax	**6,002,411**	665,037
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.25% (prior period: 20%)	**1,155,464**	133,007
Effects of:		
Expenses not deductible for tax purposes	**8,638**	21,982
UK to UK transfer pricing	**19,247**	-
Group relief claimed without charge	**(19,247)**	-
Non taxable profit on sale of operations	**(1,164,102)**	-
Deferred tax – Accelerated Capital Allowances	**-**	(2,979)
Adjustment for prior period	**-**	33,428
Total tax charge for the period	**-**	185,438

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. In the prior period, legislation to reduce the main rate of corporation tax from 18% to 17% from 1 April 2020 was substantively enacted at the balance sheet date.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

6 Dividends

	43 week period ended 29 December 2017	48 week period ended 1 March 2017
	£	£
Dividends in specie: £35,101.41 per Ordinary Share (prior period: £300)	**7,020,281**	60,000

7 Intangible assets

	Goodwill £
Cost	
At 1 March 2017	2,192,000
Eliminated on disposal	(2,192,000)
At 29 December 2017	-
Accumulated amortisation	
At 1 March 2017	264,870
Eliminated on disposal	(264,870)
At 29 December 2017	-
Net book value	
At 29 December 2017	-
At 1 March 2017	1,927,130

Notes to the financial statements for the 43 week period ended 29 December 2017 (continued)

8 Tangible assets

	Plant and machinery £
Cost	
At 1 March 2017	485,374
Transfer to Dignity Funerals No.3 Limited	(485,374)
At 29 December 2017	-
Accumulated depreciation	
At 1 March 2017	484,924
Transfer to Dignity Funerals No.3 Limited	(484,924)
At 29 December 2017	-
Net book value	
At 29 December 2017	-
At 1 March 2017	450

9 Debtors

	29 December 2017	1 March 2017
Amounts falling due within one year:	**£**	£
Amounts owed by group undertakings	**2,416,929**	-
Trade debtors	-	135,830
Other debtors	-	62,522
Deferred tax asset	-	1,926
	2,416,929	200,278

Amounts owed by group undertakings are unsecured and non interest bearing.

10 Creditors

	29 December 2017	1 March 2017
Amounts falling due within one year	**£**	£
Corporation tax	-	187,364
Other taxes and social security	-	762
Other creditors	-	174,206
	-	362,332

11 Called up share capital

	29 December 2017	1 March 2017
	£	£
Allotted and fully paid		
200 (prior period: 200) Ordinary Shares of £1 each	**200**	200

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

12 Ultimate parent undertaking and controlling party

The Company was acquired on 2 March 2017 and the Company's ultimate holding company and controlling party since that date and at 29 December 2017 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 immediate parent company is Dignity Funerals No.3 Limited.