

Phillips Holdings (Hertfordshire) Limited
Annual report and financial statements
for the 52 week period ended 30 December 2011

Registered number 03487607



Phillips Holdings (Hertfordshire) Limited

Annual report and financial statements for the 52 week period ended 30 December 2011

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Phillips Holdings (Hertfordshire) Limited

Directors' report

for the 52 week period ended 30 December 2011

The directors present their annual report and the audited financial statements of Phillips Holdings (Hertfordshire) Limited ('the Company') for the 52 week period ended 30 December 2011. 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 ending 30 December 2011. The financial statements for the comparative period have been prepared for the 53 week period ending 31 December 2010.

Principal activities, business review and future developments

The Company does not trade. The only transactions in the period were:

- A dividend in specie of £2,095,565 received from its wholly owned subsidiary Phillips Funeral Services Limited,
- A dividend in specie of £76,640 received from its wholly owned subsidiary Phillips Supplies Limited,
- A dividend in specie of £3,188,165, £15.94 per share, paid to its immediate parent company Dignity Funerals Limited, and
- An impairment of £250,002 recorded against its investments in its subsidiaries.

The Directors believe the Company will be dormant going forward.

Risks

All risks are managed by the directors of Dignity plc on a group basis. Details of the risks and how they are managed are discussed within the Principal risks and uncertainties Report of the Dignity group's annual report which does not form part of this report.

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 Report of the Dignity group's annual report which does not form part of this report.

Results and dividends

The results for the 52 week period are shown on page 4. The Company declared and paid a dividend in specie of £3,188,165, £15.94 per share (2010: £nil).

Directors

The directors who served during the 52 week period and up to the date of signing the financial statements were:

M K McCollum
S L Whittern
A R Davies

Phillips Holdings (Hertfordshire) Limited

Directors' report

for the 52 week period ended 30 December 2011 (continued)

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.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards 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.

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.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

By order of the board



S L Whittern
Director

30 April 2012.

Independent auditors' report to the members of Phillips Holdings (Hertfordshire) Limited

We have audited the financial statements of Phillips Holdings (Hertfordshire) Limited for the 52 week period ended 30 December 2011 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

30 APRIL 2012

Phillips Holdings (Hertfordshire) Limited

Profit and loss account

for the 52 week period ended 30 December 2011

		52 week period ended 30 December 2011	53 week period ended 31 December 2010
	Note	£	£
Operating result	3	-	-
Impairment of investments		(250,002)	-
Income from shares in group undertakings		2,172,205	-
Profit on ordinary activities before taxation		1,922,203	-
Tax on profit on ordinary activities	5	-	-
Profit for the financial period	10	1,922,203	-

The results have been derived wholly from continuing activities

Statement of total recognised gains and losses

There were no other recognised gains or losses other than those included within the profit for the financial periods as shown above. Therefore no separate statement of total recognised gains and losses has been presented.

Note of historical profit and loss

There is no difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents.

Phillips Holdings (Hertfordshire) Limited

Balance sheet as at 30 December 2011

		30 December 2011	31 December 2010
	Note	£	£
Fixed assets			
Investments	7	-	250,002
Current assets			
Debtors (including £nil (2010 £nil) due after more than one year)	8	200,000	1,215,960
Net current assets		200,000	1,215,960
Total assets less current liabilities		200,000	1,465,962
Net assets		200,000	1,465,962
Capital and reserves			
Called up share capital	9	200,000	200,000
Profit and loss reserve	10	-	1,265,962
Total shareholders' funds	11	200,000	1,465,962

The financial statements on pages 4 to 11 were approved by the board of directors on 30 April 2012 and were signed on its behalf by



S L Whittern

Director

Phillips Holdings (Hertfordshire) Limited

Registered number 03487607

Phillips Holdings (Hertfordshire) Limited

Notes to the financial statements for the 52 week period ended 30 December 2011

1 Principal accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below. The financial statements of the company for the 53 week period ended 31 December 2010, forming the corresponding figures in the financial statements for the 52 week period ended 30 December 2011, are unaudited, as the company was exempt from audit requirements.

The company has taken advantage of the exemptions contained within Financial Reporting Standard ('FRS') 1 (revised 1996), 'Cash flow statements' and has not prepared a cash flow statement, as the Company is included in the consolidated financial statements of Dignity plc, which include a consolidated cash flow statement.

The Company is a wholly owned subsidiary of Dignity plc and has taken advantage of the exemption provided within FRS 8, Related Party Disclosures, not to disclose transactions with wholly owned subsidiary undertakings, whose voting rights are controlled within the Dignity group.

Investments

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

Dividends Policy

Dividends payable are only recognised when they are appropriately approved.

2 Turnover

The Company was an intermediate holding company and has no turnover in the current or prior period.

3 Operating result

Auditors' remuneration is borne by a fellow subsidiary of the group, and are not material to disclose separately.

Phillips Holdings (Hertfordshire) Limited

Notes to the financial statements for the 52 week period ended 30 December 2011 (continued)

4 Staff costs

Employees

There were no staff costs in the period (2010 £nil)

The monthly average number of people, including directors, employed by the Company during the period was

	52 week period ended 30 December 2011	53 week period ended 31 December 2010
	Number	Number
Administration and managerial	3	3

Directors' remuneration

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 (2010 £nil)

Phillips Holdings (Hertfordshire) Limited

Notes to the financial statements for the 52 week period ended 30 December 2011 (continued)

5 Tax on profit on ordinary activities

(a) Analysis of tax in the period

The current tax charge in the period was £nil (2010 £nil)

(b) Factors affecting tax charge for the period

The current tax charge for the period is lower than (2010 equal to) the standard rate of corporation tax in the UK of 26.5% (2010 28%), as set out below

	52 week period ended 30 December 2011	53 week period ended 31 December 2010
	£	£
Profit on ordinary activities before tax	1,922,203	-
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	509,384	-
Effects of		
Income not chargeable for tax purposes	(509,384)	-
UK to UK transfer pricing	(3,691)	(18,762)
Group relief surrendered without charge	3,691	18,762
Current tax charge for the period	-	-

(c) Factors affecting current and future tax charges

The standard rate of corporation tax in the UK changed from 28 per cent to 26 per cent with effect from 1 April 2011

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The Company has no recognised or unrecognised deferred tax (2010 £nil)

Phillips Holdings (Hertfordshire) Limited

Notes to the financial statements for the 52 week period ended 30 December 2011 (continued)

6 Dividends

	52 week period ended 30 December 2011	53 week period ended 31 December 2010
	£	£
Dividends in specie £15.94 per Ordinary Share (2010: £nil per Ordinary Share)	3,188,165	-

7 Investments

	Shares in group undertaking
	£'000
Cost	
At beginning of the period	250,002
At end of the period	250,002
Accumulated provision	
At beginning of the period	-
Charge in the period	(250,002)
At end of the period	(250,002)
Net book value	
At end of the period	-
At beginning of the period	250,002

Investments include 100% holdings in a number of dormant subsidiary undertakings, all of which are incorporated in Great Britain, a complete list of which is available upon request to the Company and will be filed with the next Annual Return to the Registrar of Companies.

During the period, an impairment review was completed and £250,002 was written off to the profit and loss account. This followed the receipt of dividends in specie totalling £2,172,205 from various subsidiaries.

Phillips Holdings (Hertfordshire) Limited

Notes to the financial statements for the 52 week period ended 30 December 2011 (continued)

8 Debtors

	30 December 2011	31 December 2010
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	200,000	1,215,960

The amounts owed by group undertakings are unsecured and non interest bearing

9 Called up share capital

	30 December 2011	31 December 2010
	£	£
Allotted and fully paid		
200,000 Ordinary Shares of £1 each	200,000	200,000

10 Profit and loss reserve

	30 December 2011
	£
At the beginning of the period	1,265,962
Profit for the financial period	1,922,203
Dividends (note 6)	(3,188,165)
At the end of the period	-

Phillips Holdings (Hertfordshire) Limited

Notes to the financial statements for the 52 week period ended 30 December 2011 (continued)

11 Reconciliation of movements in shareholders' funds

	30 December 2011 £	31 December 2010 £
Profit for the financial period	1,922,203	-
Dividends (note 6)	(3,188,165)	-
Net decrease in shareholders' funds	(1,265,962)	-
Opening shareholders' funds	1,465,962	1,465,962
Closing shareholders' funds	200,000	1,465,962

12 Ultimate parent undertaking and controlling party

The Company's ultimate holding company and controlling party at 30 December 2011 was Dignity plc

The parent company of the smallest group in which the financial statements of the Company are consolidated is Dignity (2002) Limited and the largest group in which the financial statements of the Company are consolidated is Dignity plc. Copies of the consolidated financial statements of Dignity (2002) Limited and Dignity plc are available from 4 King Edwards Court, King Edwards Square, Sutton Coldfield, West Midlands, B73 6AP, the Company's Registered office

The immediate parent company is Dignity Funerals Limited

13 Contingent liabilities

On 11 April 2003, the Dignity group refinanced its debt by way of a whole business securitisation. Furthermore, on 21 February 2006 and 27 September 2010 further secured notes were issued on identical terms. As a result, the following guarantees and charges were granted to BNY Mellon Corporate Trustee Services Limited (formerly BNY Corporate Trustee Services Limited) in its capacity as Security Trustee in the securitisation

- The Company granted the Security Trustee, fixed and floating charges over the assets and undertakings of the Company

At 30 December 2011, the total of the principal amounts owing and unamortised premium, by the Dignity (2002) Group, in relation to these borrowings was £339,475,000 (2010: £349,117,000)

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