Registered number: SC526049

Inverclyde Funeral Directors Limited

Annual report and financial statements

for the 30 week period ended 30 December 2016

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Inverclyde Funeral Directors Limited

Annual report and financial statements for the 30 week period ended 30 December 2016

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Inverclyde Funeral Directors Limited

Strategic report
for the 30 week period ended 30 December 2016

The Directors present their annual report for the 30 week period ended 30 December 2016 and the financial statements of Inverclyde Funeral Directors Limited ('the Company') for the 30 week period from 8 June 2016 to 30 December 2016. The Company became a wholly owned subsidiary of Dignity Funerals Limited, a subsidiary of Dignity plc and a member of the Dignity plc group ('the Group') on 8 June 2016. The comparative period is for the 17 week period ended 7 June 2016.

During the period, the accounting reference date has been changed from 7 June to 31 December to bring it in line with the Group.

Business review and future development

Prior to the acquisition by Dignity Funerals Limited the activities of the Company were those of a funeral director.

Change of ownership and subsequent activity

On 8 June 2016, the entire issued share capital of the Company was acquired by Dignity Funerals Limited.

Also on 8 June 2016, the trade and assets of the business were sold to Dignity Funerals Limited for £1,925,076, which generated a profit of £156,319 and has no impact on tax.

Following these transactions the Company is not expected to trade.

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
11/09/2017

Inverclyde Funeral Directors Limited

Directors' report
for the 30 week period ended 30 December 2016

The Directors present their annual report for the 30 week period ended 30 December 2016 and the financial statements of Inverclyde Funeral Directors Limited ('the Company') for the 30 week period from 8 June 2016 to 30 December 2016.

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

No dividends were declared or paid by the Company in either the current or preceding period.

Directors

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

M K McCollum	(appointed 8 June 2016)
R H Portman	(appointed 8 June 2016)
S L Whittern	(appointed 8 June 2016)
A R Davies	(appointed 8 June 2016)
J I Darroch	(resigned 8 June 2016)
D H Smith	(resigned 8 June 2016)

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.

Directors' report
for the 30 week period ended 30 December 2016 (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;
- 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 30 December 2016. 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
11/09/2017

Independent auditors' report to the members of Inverclyde Funeral Directors Limited

We were engaged to audit the financial statements of Inverclyde Funeral Directors Limited for the period ended 30 December 2016 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 11. 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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. 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. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for disclaimer of opinion on financial statements

For the period ended 7 June 2016, 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 & Ireland) 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 only item in Income statement for the current period ended 30 December 2016.

Disclaimer of opinion on financial statements

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Independent auditors' report to the members of Inverclyde Funeral Directors Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, 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 period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no 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.

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:

- 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.

Other matters

The corresponding information for the period ended 30 December 2016 is unaudited.

Andrew Merrick (Senior Statutory Auditor)

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

Birmingham 12/9/17

Inverclyde Funeral Directors Limited

Income Statement
for the 30 week period ended 30 December 2016

	Note	30 week period ended 30 December 2016 £	17 week period ended 7 June 2016 £
Turnover		-	20,221
Cost of sales		-	(12,863)
Gross profit		-	7,358
Administrative expenses		-	(34,911)
Operating loss	2	-	(27,553)
Profit on disposal of trade and net assets		**156,319**	-
Interest payable and similar charges	4	-	(10)
Profit / (loss) on ordinary activities before taxation		**156,319**	(27,563)
Tax on profit / (loss) on ordinary activities	5	-	(6,091)
Profit / (loss) for the financial period		**156,319**	(33,654)

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 / (loss) for the financial periods as shown above and the total comprehensive income. Therefore no separate statement of comprehensive income has been presented.

Inverclyde Funeral Directors Limited

Balance sheet
as at 30 December 2016

	Note	30 December 2016 £	7 June 2016 £
Fixed assets			
Intangible assets	6	-	1,621,562
Tangible assets	7	-	117,091
		-	1,738,653
Current assets			
Stock		-	19,666
Debtors	8	**1,925,076**	20,320
Cash at bank and in hand		-	676
		1,925,076	40,662
Creditors: amounts falling due within one year	9	-	(4,814)
Net current assets		**1,925,076**	35,848
Total assets less current liabilities		**1,925,076**	1,774,501
Provisions for Liabilities		-	(5,744)
Net assets		**1,925,076**	1,768,757
Capital and reserves			
Called up share capital	10	**1,802,411**	1,802,411
Profit and loss reserve		**122,665**	(33,654)
Total shareholders' funds		**1,925,076**	1,768,757

The financial statements on pages 6 to 16 were approved by the board of directors on 11/09/17 and were signed on its behalf by:

SL Whittern

Director

Inverclyde Funeral Directors Limited Registered number: SC526049

Inverclyde Funeral Directors Limited

Statement of changes in equity as at 30 December 2016

	Called up share capital	Profit and loss reserve	Total shareholders' funds
	£	£	£
Shareholders' funds as at 5 February 2016	1,802,411	-	1,802,411
Loss for the financial period	-	(33,654)	(33,654)
Total comprehensive loss for the period	-	(33,654)	(33,654)
Shareholders' funds as at 7 June 2016	1,802,411	(33,654)	1,768,757
Profit for the financial period	-	156,319	156,319
Total comprehensive income for the period	-	156,319	156,319
Shareholders' funds as at 30 December 2016	**1,802,411**	**122,665**	**1,925,076**

Inverclyde Funeral Directors Limited

Notes to the financial statements for the 30 week period ended 30 December 2016

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 30 December 2016 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 17 week period ended 7 June 2016, forming the corresponding figures in the financial statements for the 30 week period ended 30 December 2016, 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 30 December 2016.

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.

Notes to the financial statements for the 30 week period ended 30 December 2016

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 Limited:

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the transfer of the business from Inverclyde Funeral Services Limited on 1 June 2016, is being amortised evenly over its estimated useful life of 10 Years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

Fixtures and equipment	-	15% on reducing balance
Vehicles	-	25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making sue allowance for obsolete and slow moving items.

Taxation

Taxation for the period comprises current and deferred tax, Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements for the 30 week period ended 30 December 2016

1 Principal accounting policies (continued)

Prior period accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Operating loss

Operating loss is stated after charging:

	30 week period ended 30 December 2016	17 week period ended 7 June 2016
	£	£
Depreciation – owned assets	-	209
Goodwill amortisation	-	3,124

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

3 Staff costs

Employees

There were no employees in the period.

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.

4 Interest payable and similar charges

	30 week period ended 30 December 2016	17 week period ended 7 June 2016
	£	£
Interest payable and similar charges		
Bank interest and charges	-	(10)
Net interest payable and similar charges	-	(10)

5 Tax on profit on ordinary activities

Analysis of tax charge / (credit) in the period

	30 week period ended 30 December 2016	17 week period ended 7 June 2016
	£	£
Current tax: current period	-	(347)
Deferred tax: current period	-	(5,744)
Tax on profit / (loss) on ordinary activities	-	(6,091)

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

	30 week period ended 30 December 2016	17 week period ended 7 June 2016
	£	£
Profit / (loss) on ordinary activities before tax	**156,319**	(27,563)
Profit / (loss) on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 20% (prior period: 20%)	**31,264**	(5,513)
Effects of:		
Expenses not deductible for tax purposes	-	5,860
Non taxable profit on sale of operations	**(31,264)**	-
Deferred tax – Accelerated Capital Allowances	-	5,744
Total tax charge / (credit) for the period	-	6,091

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and then to 17% from 1 April 2020 were substantively enacted at the balance sheet date. The reduction of the rate effective from 1 April 2020 from 18% to 17% was substantively enacted during the period.

Notes to the financial statements for the 30 week period ended 30 December 2016 (continued)

6 Intangible assets

	Goodwill £
Cost	
At 7 June 2016	1,624,686
Transfer to Dignity Funerals Limited	1,624,686
At 30 December 2016	-
Amortisation	
At 7 June 2016	3,124
Transfer to Dignity Funerals Limited	(3,124)
At 30 December 2016	-
Net book value	
At 30 December 2016	-
At 7 June 2016	1,621,562

Notes to the financial statements for the 30 week period ended 30 December 2016 (continued)

7 Tangible assets

	Freehold property	Fixtures and fittings	Motor vehicles	Total
		£	£	£
Cost				
At 7 June 2016	70,000	7,400	39,900	117,300
Transfer to Dignity Funerals Limited	(70,000)	(7,400)	(39,900)	(117,300)
At 30 December 2016	-	-	-	-
Accumulated depreciation				
At 7 June 2016	-	21	188	209
Transfer to Dignity Funerals Limited	-	(21)	(188)	(209)
At 30 December 2016	-	-	-	-
Net book value				
At 30 December 2016	-	-	-	-
At 7 June 2016	70,000	7,379	39,712	117,091

8 Debtors

	30 December 2016	7 June 2016
Amounts falling due within one year:	£	£
Trade debtors	-	18,451
Amounts owed by group undertakings	**1,925,076**	-
Other debtors	-	1,869
	1,925,076	20,320

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

Notes to the financial statements for the 30 week period ended 30 December 2016 (continued)

9 Creditors

	30 December 2016	7 June 2016
Amounts falling due within one year	**£**	£
Trade creditors	-	2,329
Taxation and social security	-	347
Accrued expenses	-	2,138
	-	4,814

10 Called up share capital

	30 December 2016	7 June 2016
	£	£
Allotted and fully paid		
1,802,411 (prior period: 1,802,411) Ordinary Shares of £1 each	**1,802,411**	1,802,411

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

11 Ultimate parent undertaking and controlling party

The Company was acquired on 8 June 2016 and the Company's ultimate holding company and controlling party since that date and at 30 December 2016 was Dignity plc.

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

The parent company of the 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 Limited.