Dignity Finance PLC

Annual report and financial statements

for the period ended 25 December 2009

Registered number: 04488292

Dignity Finance PLC

Annual report and financial statements for the period ended 25 December 2009

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Dignity Finance PLC

Directors' report
for the period ended 25 December 2009

The directors present their annual report and the audited financial statements of Dignity Finance PLC ('the Company') for the period ended 25 December 2009. The Company is a subsidiary of Dignity plc and a member of the Dignity plc group ('the Dignity group').

The company registration number of Dignity Finance PLC is 04488292.

Principal activities

The principal activity of the Company is that of a finance company.

Business review

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 Finance PLC. The development, performance and position of the Dignity plc group, which includes the Company, is discussed within the Business review of the Dignity group's annual report which does not form part of this report.

Risks

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 Dignity plc 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.

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

Financial risk management

Treasury policy

The Company's objective is to raise external finance for the Dignity group. The Company manages its funding requirements by the careful selection of appropriate financing methods. This approach seeks to minimise interest rate fluctuations.

It is not the Company's policy to actively trade in derivatives.

Interest rate risk

The Company's aim is to minimise the effects of interest rate fluctuations. Apart from cash, which is classed as floating, 100% (2008: 100%) of the financial liabilities carried interest at fixed rates.

Directors' report
for the period ended 25 December 2009 (continued)

Financial risk management (continued)

Liquidity risk

The Company's objective is to raise external finance for the Dignity group and consequently seeks to maintain a balance between certainty of funding and a flexible, cost-effective borrowings structure. It therefore seeks facilities that have, for the most part, a maturity of five years or longer.

Currency risk

All the Company's financial assets and liabilities are denominated in Sterling.

Credit risk

The Company uses well-established financial institutions or debt securities with high credit ratings.

Forward-looking statements

Certain statements in this annual report are forward-looking. Although the Board believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

Results and dividends

The profits for the period are shown on page 5. No dividend (2008: £nil) was declared or paid by the Company in the period.

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

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

M K McCollum
S L Whittern
A R Davies
R H Portman

Directors' report
for the period ended 25 December 2009 (continued)

Payment policy

The Company does not directly make any payments and consequently, the average creditor payment period of the Company at 25 December 2009 was nil days (2008: nil days).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 as auditors to the Company will be proposed at the annual general meeting.

By order of the board

S L Whittern

Director

Independent auditors' report to the members of Dignity Finance PLC

We have audited the financial statements of Dignity Finance PLC for the period ended 25 December 2009 which comprise 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 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 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.

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 25 December 2009 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 year 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

Dignity Finance PLC

Profit and loss account
for the period ended 25 December 2009

	Note	**Period ended 25 December 2009**	Period ended 26 December 2008
		£'000	£'000
Operating result	3	**-**	-
Interest receivable and similar income	5	**20,330**	20,682
Interest payable and similar charges	5	**(20,303)**	(20,626)
Net interest receivable and similar income	5	**27**	56
Profit on ordinary activities before taxation		**27**	56
Tax on profit on ordinary activities	6	**-**	(17)
Profit for the financial period	12	**27**	39

The profits 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 material difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents.

Dignity Finance PLC

Balance sheet
as at 25 December 2009

	Note	**As at 25 December 2009**	As at 26 December 2008
		£'000	£'000
Current assets			
Debtors (including £259,435,000 (2008: £262,805,000) due after one year)	7	**265,225**	270,517
Cash at bank and in hand		**12,391**	12,330
Total current assets		**277,616**	282,847
Creditors: amounts falling due within one year	8	**(17,890)**	(17,394)
Net current assets		**259,726**	265,453
Creditors: amounts falling due after more than one year	9	**(259,435)**	(265,189)
Net assets		**291**	264
Capital and reserves			
Called up share capital	11	**50**	50
Profit and loss reserve	12	**241**	214
Shareholders' funds	13	**291**	264

The financial statements on pages 5 to 19 were approved by the board of directors on
and were signed on its behalf by:

S L Whittern
Director

Notes to the financial statements
for the period ended 25 December 2009

1 Principal accounting policies

Basis of accounting

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 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 accounts 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 subsidiary undertakings, whose voting rights are wholly controlled within the Dignity plc group.

Taxation including deferred taxation

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.

Financial Instruments

Debt finance

All borrowings and loans are stated at the fair value of consideration received or paid after deduction of issue costs. The issue costs and interest payable or receivable on debt finance are charged / credited to the profit and loss account, as finance costs or income, on a constant-yield basis over the term of the borrowings, or over a shorter period where it is more likely than not that the lender will require earlier repayment.

Early termination costs

Premiums and discounts arising on the early repayment of borrowings are written-off to the profit and loss account as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits.

2 Turnover

The Company is a finance company and has no turnover (2008: £nil).

3 Operating result

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

Notes to the financial statements for the period ended 25 December 2009 (continued)

4 Staff costs

(a) Employees

There were no staff costs in the period (2008: £nil).

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

	Period ended 25 December 2009	Period ended 26 December 2008
	Number	Number
Administration and managerial	**4**	4

(b) 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 (2008: £nil).

Notes to the financial statements
for the period ended 25 December 2009 (continued)

5 Net interest receivable and similar income

	Period ended 25 December 2009	Period ended 26 December 2008
	£'000	£'000
Bank interest	**1**	30
Release of premium on secured loan notes	**779**	790
Other finance income	**467**	478
Interest receivable on intercompany loans – issued April 2003	**14,009**	14,222
Interest receivable on intercompany loans – issued February 2006	**5,074**	5,162
Interest receivable and similar income	**20,330**	20,682
Interest payable on secured loan notes – issued April 2003	**(13,990)**	(14,203)
Interest payable on secured loan notes – issued February 2006	**(5,067)**	(5,155)
Release of premium on intercompany loan	**(779)**	(790)
Amortisation of issue costs	**(467)**	(478)
Interest payable and similar charges	**(20,303)**	(20,626)
Net interest receivable and similar income	**27**	56

Notes to the financial statements for the period ended 25 December 2009 (continued)

6 Tax on profit on ordinary activities

(a) Analysis of tax charge in the period

	Period ended 25 December 2009	Period ended 26 December 2008
	£'000	£'000
Current tax: current period charge	**-**	9
Adjustment in respect of previous periods	**-**	8
Tax on profit on ordinary activities	**-**	17

(b) Factors affecting tax charge for the period

The current tax charge for the period is lower (2008: higher) than the standard rate of corporation tax in the UK (28% (2008: 28.5%)). The differences are explained below:

	Period ended 25 December 2009	Period ended 26 December 2008
	£'000	£'000
Profit on ordinary activities before taxation	**27**	56
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 28% (2008: 28.5%)	**8**	16
Effects of:		
Permanent adjustments	**(8)**	(7)
Adjustment in respect of previous periods	**-**	8
Current tax charge for the period	**-**	17

Permanent adjustments relate to transfer pricing.

(c) Factors affecting current and future tax charges

From 1 April 2008, the rate of corporation tax was reduced from 30 per cent to 28 per cent, this has resulted in profits for the period being taxed at 28 per cent (2008: 28.5 per cent).

No deferred tax was recognised or unrecognised during the period (2008: £nil).

Notes to the financial statements for the period ended 25 December 2009 (continued)

7 Debtors

	25 December 2009 £'000	26 December 2008 £'000
Amounts falling due within one year		
Called up share capital not paid	**37**	37
Amounts due from group undertakings	**5,753**	7,675
	5,790	7,712
Amounts falling due after more than one year		
Amounts due from group undertakings	**259,435**	262,805

On 11 April 2003, the Company used the proceeds of the A notes and the B notes described in note 9 to loan Dignity (2002) Limited, a fellow group company, £210,000,000. The issue costs charged to Dignity (2002) Limited totalled £8,733,000 and are being released to the profit and loss account over the period of the loan. In order to show the Company's net debtor, the loan and the issue costs have been offset.

On 21 February 2006, the Company used the proceeds of the £45,550,000 Class A secured notes (the 'Further A notes'), £32,500,000 Class B secured notes (the 'Further B notes') and the premium on the Further A notes of £3,589,000 and Further B notes of £10,680,000 described in note 9 to loan Dignity (2002) Limited, a fellow group Company. There were no costs associated with the raising of this debt.

The terms of both intercompany loans described above mirror the terms of the A notes and the B notes (as described in note 9), except that interest accrues at a rate which is 0.01% higher than the A notes, the B notes, the Further A notes and the Further B notes.

8 Creditors: amounts falling due within one year

	25 December 2009 £'000	26 December 2008 £'000
Interest accrued on Class A and B Secured Notes	**9,489**	9,642
Amounts due to group undertakings	**77**	-
Corporation tax	**-**	9
Class A secured notes (see note 9)	**7,556**	6,964
Premium on secured notes issued February 2006 (see note 9)	**768**	779
	17,890	17,394

Notes to the financial statements for the period ended 25 December 2009 (continued)

9 Creditors: amounts falling due after more than one year

	25 December 2009 £'000	26 December 2008 £'000
Class A and B secured notes	**249,112**	254,098
Premium on secured notes issued February 2006	**10,323**	11,091
	259,435	265,189

On 11 April 2003, the Company issued £110,000,000 Class A secured notes (the 'A notes') and £100,000,000 Class B secured notes (the 'B notes').

The A notes carry interest at 6.31%, payable half yearly in arrears. The A notes are repayable in instalments ending in December 2023. The issue costs of the A notes totalled £4,574,000. The B notes carry interest at 8.151%, payable half yearly in arrears. The B notes are repayable in instalments ending in December 2030. The issue costs of the B notes totalled £4,159,000.

In order to show the Company's net borrowing, the notes and the issue costs have been offset. Both the A notes and the B notes are secured by first ranking security in respect of the undertakings and assets of Dignity (2002) Limited and its subsidiaries.

At 25 December 2009, £91,656,000 of the principal of the A notes and £100,000,000 of the principal of the B notes was outstanding (2008: £95,093,000 and £100,000,000).

At 25 December 2009, £2,408,000 and £3,034,000 of the issue costs in respect of the A notes and the B notes respectively remained unamortised (2008: £2,706,000 and £3,203,000).

On 21 February 2006, the Company issued £45,550,000 Class A secured notes (the 'Further A notes') and £32,500,000 Class B secured notes (the 'Further B notes').

There were no costs associated with the raising of this debt.

The Further A notes and Further B notes were issued at a premium of £3,589,000 and £10,680,000 respectively, which is being released in proportion to the interest cost in the notes. At the balance sheet date, £2,360,000 and £8,731,000 respectively remained unamortised (2008: £2,653,000 and £9,218,000).

At 25 December 2009, £37,954,000 of the principal of the Further A notes and £32,500,000 of the principal of the Further B notes was outstanding (2008: £39,377,000 and £32,500,000).

Notes to the financial statements for the period ended 25 December 2009 (continued)

10 Financial instruments

Fair values of non-derivative financial assets and financial liabilities

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at relevant interest rates. The carrying values of short term borrowings approximate to book value.

Fair value estimation

On 1 January 2009, the Company adopted the amendment to FRS 29 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

• Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

All assets and liabilities are held at book value and are level 1, other than intercomany loans that are level 2.

(a) Fair value of current and non-current financial assets and liabilities

	25 December 2009		26 December 2008	
	Book value	**Fair value**	Book value	Fair value
	£'000	**£'000**	£'000	£'000
Long term borrowings	**(259,435)**	**(283,295)**	(265,189)	(233,992)
Fair values of other financial assets and financial liabilities:				
Primary financial instruments held or issued to finance the Dignity group's operations:				
Short term borrowings	**(8,324)**	**(8,940)**	(7,743)	(7,173)
Trade and other payables (excluding statutory liabilities)	**(9,566)**	**(9,566)**	(9,642)	(9,642)
Trade and other receivables	**265,225**	**294,974**	270,508	244,857
Cash and cash equivalents	**12,391**	**12,391**	12,330	12,330

The fair value of the class A and B secured notes are based on the closing price as quoted on the Irish stock exchange.

The trade and other receivables includes an intercompany loan of £270,630,000 (2008: £276,457,000) which relates to the fair value of the Class A and B notes, adjusted for the margin chargeable under the IBLA.

Notes to the financial statements
for the period ended 25 December 2009 (continued)

10 Financial instruments (continued)

(b) Financial instruments held for trading purposes and hedges

The Company has no financial instruments held as hedges. The Company does not trade in financial instruments.

(c) Interest risk rate of financial assets and liabilities

The interest rate risk profile of the Company's financial liabilities was as follows:

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities on which no interest is paid
	£'000	£'000	£'000	£'000
Financial liabilities at 25 December 2009	**277,325**	**-**	**256,668**	**20,657**
Financial liabilities at 26 December 2008	282,574	-	261,061	21,513

All the Company's creditors falling due within one year (other than bank and other borrowings) are excluded from the above table due to the exclusion of short-term items.

Interest rate composition of financial liabilities

	Fixed rate financial liabilities		Financial liabilities on which no interest is paid
	Weighted average interest rate	Weighted average period for which rate is fixed	Weighted average period until maturity
Sterling	**%**	**Years**	**Years**
Financial liabilities 25 December 2009	**7.2**	**17.5**	**-**
Financial liabilities at 26 December 2008	7.2	18.5	-

Notes to the financial statements for the period ended 25 December 2009 (continued)

10 Financial instruments (continued)

(c) Interest risk rate of financial assets and liabilities (continued)

The interest rate risk profile of the Company's financial assets was as follows:

	Total	Floating rate financial assets	Fixed rate financial assets	Financial assets on which no interest is paid
	£'000	£'000	£'000	£'000
Financial assets at 25 December 2009	**277,616**	**12,391**	**265,188**	**37**
Financial assets at 26 December 2008	282,847	12,330	270,557	(40)

The fixed rate financial assets includes an intercompany loan to the Company's intermediate parent company, Dignity (2002) Limited, of £270,630,000 (2008: £276,457,000) which relates to the fair value of the Class A and B notes, adjusted for the margin chargeable under the IBLA.

(d) Maturity of financial liabilities

The tables below analyse the Company's financial liabilities, which will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows, including interest costs yet to be incurred.

25 December 2009

	In less than one year	In more than one year but not more than two years	In more than two years but not more than three years	In more than three years but not more than five years	In more than five years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cash liabilities						
Class A and B Secured Notes (gross)	**8,012***	**5,866**	**6,324**	**14,173**	**227,735**	**262,110**
Interest payable on Notes	**28,221****	**18,382**	**18,005**	**34,758**	**170,405**	**269,771**
Debt repayments	**36,233**	**24,248**	**24,329**	**48,931**	**398,140**	**531,881**
Other financial liabilities	77	-	-	-	-	77
Total	**36,310**	**24,248**	**24,329**	**48,931**	**398,140**	**531,958**

Notes to the financial statements for the period ended 25 December 2009 (continued)

10 Financial instruments (continued)

(d) Maturity of financial liabilities (continued)

	26 December 2008					
	In less than one year	In more than one year but not more than two years	In more than two years but not more than three years	In more than three years but not more than five years	In more than five years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cash liabilities						
Class A and B Secured Notes (gross)	7,431*	5,441	5,866	13,144	235,088	266,970
Interest payable on Notes	28,699**	18,732	18,382	35,603	187,565	288,981
Total	36,130	24,173	24,248	48,747	422,653	555,951

* This amount includes £2,571,000 (2008: £2,484,000) that was paid on 31 December 2009 (2008: 31 December 2008).

** This amount includes £9,489,000 (2008: £9,643,000) that was paid on 31 December 2009 (2008: 31 December 2008).

The amounts disclosed in the tables below represent the anticipated amortisation profile for the issue costs and premium relating to the issue of the A and B Secured Notes.

	25 December 2009					
	In less than one year	**In more than one year but not more than two years**	**In more than two years but not more than three years**	**In more than three years but not more than five years**	**In more than five years**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Non-cash liabilities						
Issue costs	**456**	**443**	**429**	**813**	**3,301**	**5,442**
Premium on Secured Notes	**(768)**	**(755)**	**(742)**	**(1,440)**	**(7,386)**	**(11,091)**
Total	**(312)**	**(312)**	**(313)**	**(627)**	**(4,085)**	**(5,649)**

10 Financial instruments (continued)

Notes to the financial statements for the period ended 25 December 2009 (continued)

(d) Maturity of financial liabilities (continued)

	26 December 2008					
	In less than one year	In more than one year but not more than two years	In more than two years but not more than three years	In more than three years but not more than five years	In more than five years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Non-cash liabilities						
Issue costs	467	456	443	844	3,699	5,909
Premium on Secured Notes	(779)	(768)	(755)	(1,470)	(8,099)	(11,871)
Total	(312)	(312)	(312)	(626)	(4,400)	(5,962)

(e) Trade receivables

The company has no trade receivables at the beginning or at the end of the period.

(f) Borrowing facilities

The Company has the following undrawn committed borrowing facilities available at 25 December 2009, all of which were at floating interest rates, in respect of which all conditions precedent had been met at that date:

	25 December 2009	26 December 2008
	£'000	£'000
Expiring within one year	**40,000**	40,000
Expiring between one and two years	**-**	-
Expiring in more than two years	**5,000**	5,000
	45,000	45,000

£40,000,000 of the amount above is a liquidity facility relating to the Class A and B Secured Notes. This facility may only be used to repay interest and principal on the Secured Notes in the event of insufficient cash to service these instruments. The facility is subject to annual renewal. However, if the bank providing the facility does not renew it, then the provider is required to place £40,000,000 in a bank account, which the Company may access as if it represented a borrowing facility on the same terms.

The remaining £5,000,000 facility expires in April 2013. Both these facilities incur commitment fees at market rates.

Notes to the financial statements for the period ended 25 December 2009 (continued)

11 Called up share capital

	25 December 2009	26 December 2008
	£'000	£'000
Authorised		
100,000 Ordinary shares of £1 each	**100**	100
Allotted and not fully paid		
50,000 Ordinary shares of £1 each (two shares fully paid, 49,998 quarter paid)	**50**	50

The amount of paid up share capital at 25 December 2009 was £12,502 (2008: £12,502).

12 Profit and loss reserve

	25 December 2009
	£'000
At beginning of the period	**214**
Profit for the financial period	**27**
At end of the period	**241**

13 Reconciliation of movements in shareholders' funds

	25 December 2009	26 December 2008
	£'000	£'000
Profit for financial period	**27**	39
Opening shareholders' funds	**264**	225
Closing shareholders' funds	**291**	264

Notes to the financial statements for the period ended 25 December 2009 (continued)

14 Ultimate parent company and controlling party

The Company's ultimate holding company and controlling party at 25 December 2009 and 26 December 2008 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 the Dignity (2002) Limited group are available from Plantsbrook House, 94 The Parade, Sutton Coldfield, West Midlands, B72 1PH.

The parent company of the largest group in which financial statements of the Company are consolidated is Dignity plc. Copies of the consolidated financial statements of Dignity plc are available from Plantsbrook House, 94 The Parade, Sutton Coldfield, West Midlands, B72 1PH.

The immediate parent company is Dignity Finance Holdings Limited.

15 Contingent liabilities

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

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

At 25 December 2009, the amount outstanding in relation to these borrowings was £273,201,000 (2008: £278,841,000).

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