

Annual Review  
**2020 – 21**





## WHAT OUR CUSTOMERS SAY...

I chose Golden Charter because of the excellent service I have received, also how simple it is to set up. I am so pleased I can now rest easy knowing my family can have peace of mind.

### **Mrs Guest**

Now that I have received my information from Golden Charter I am happy to say that I am very pleased with the service I have been given. My initial enquiry was with a local independent funeral director and their help and advice was also exemplary.

### **L Seddon**

The assistance in forming our funeral plan was excellent, our funeral director guided us through the whole process in a very professional manner, and would recommend them to friends and family.

### **Mr McIntosh**



After using Golden Charter for my wife, I was so impressed by the service we received from you, and especially the funeral director, Peakes in Cwmbran, that I took out a plan for myself. I am now confident of getting the send off I want and that my children can cope when the time comes.

### **Mr Jenkins**

Thank you the process was so easy and the peace of mind you get knowing your family won't have to worry about your funeral is fantastic.

### **D Clarke**

# IN THIS YEAR'S ANNUAL REVIEW

WHAT OUR CUSTOMERS SAY	2
CHAIRMAN'S REPORT	4
BOARD OF DIRECTORS	6
CHIEF EXECUTIVE'S REPORT	8
FINANCIAL REPORT	12
THE YEAR IN REVIEW	14
SAIFCHARTER'S YEAR	19
THE GOLDEN CHARTER TRUST	21





# Chairman's Report

**Golden Charter is one of the UK's leading providers of pre-paid funeral plans and we're proud to help connect customers to their preferred independent funeral director, selected from the country's widest network.**

As I completed my statement last year, the COVID-19 pandemic had started to affect countries across the world and, in turn, Golden Charter and our funeral director partners, who were at the forefront as the death rate increased. Our priority in the early part of the year was to ensure the safety of our staff whilst maintaining service to our existing pre-paid funeral plan holders and supporting our funeral director colleagues. As the pandemic continued and governments placed increasing restrictions on attendance at funerals, both Golden Charter and funeral directors had to adapt in order to deliver on the wishes of customers whilst supporting their loved ones. I would like to recognise here the incredible efforts of these funeral directors and our staff who continued to ensure a high-quality service through the most challenging period in recent times.

The Funeral Planning Authority (FPA) reported total market sales of pre-paid funeral plans for 2020 of 160,500. Although it welcomed a number of new registered providers during 2019 and 2020, it is estimated that the market for the more established providers reduced by approximately 11% in the year. Ultimately, we meet the needs of our customers through the network of independent funeral directors, who meet with customers to support their choices in relation to their funeral plan. The United Kingdom recorded an 18% increase in deaths for the twelve months to March 2021 with 110,000 additional funerals. In response to the growing death rate, the Board decided to pare back our sales and marketing activity during the year to allow funeral directors to concentrate on serving the needs of families who had lost a loved one. Accordingly, total sales of Golden Charter pre-paid funeral plans reduced by a third over the course of the year. Despite the reduction in sales, we remained profitable in the year whilst maintaining our levels of investment in the future strategy of the business.

Underlying consumer demand for funeral plans remains high, which means that we expect our sales to return to prior levels in the 2021-22 financial year. Our activities are currently overseen by the FPA, whose primary aim is to ensure that plan providers operate in a manner which safeguards customers' needs. The FPA reported that there were just over 1.5m undrawn funeral plans across its registered providers at the end of 2020. Golden Charter accounts for more than a quarter of this total.



The UK Government has confirmed its intention for the sale of funeral plans to be regulated by the Financial Conduct Authority (FCA) and passed the necessary legislation in December 2020. The Financial Conduct Authority subsequently fixed the date of regulation of the funeral plan industry in July 2022, and published its final rulebook on 5 July 2021. Golden Charter is fully engaged to ensure independent funeral directors can continue to support customers and local communities directly with their experience and expertise when they are buying a funeral plan.

### Board Changes

There were no changes to our Board directors during the financial year. The Board did approve a temporary increase in its membership to ten directors, and Paul Boyle OBE subsequently joined the Board on 1 May 2021 as an independent non-executive director of Golden Charter and will take up the position of Audit Committee Chair during 2021. Paul is a chartered accountant with over 35 years' experience in commercial roles and in leadership positions in regulatory organisations.

The Board now operates with ten directors in total. Three are funeral directors nominated by SAIFCharter, our ownership association, and Adam Ginder, Helen Wathall and James Tovey bring significant funeral profession experience and insight to Board discussions. I am joined as an independent non-executive director by Paul Boyle, Steve Burnett and Mark Huggins who bring extensive board experience in regulated financial services environments. Steve Burnett chairs our Audit Committee and Mark Huggins is Chair of our Remuneration Committee. During the last year, we introduced a formal Nominations Committee, which I currently chair. There are three executive director roles on the Board; Suzanne Grahame, Chief Executive Officer, Robert Speir, Chief Financial Officer and Karen Trickett, Chief Commercial Officer.

### Outlook

Golden Charter ended 2020-21 in a strong financial position, with a modest improvement in the level of cash reserves. Despite our reduced sales across the year, we continued to invest in the business, provide continuity of service to our customers and support our funeral director partners through the current uncertainty. Our strong position also reflects the continued professionalism, commitment and hard work of our employees.

Our business plan for 2021-22 reflects our continued drive to invest in technology and product development for the benefit of our customers and our funeral director partners, and to prepare for changes in the regulatory oversight of the industry. We are actively engaged with the FCA to ensure that the future regulatory model is proportionate and protects the vital service that the funeral directors who work with us deliver to customers. We trust that the investment we have made in recent years to ensure our sales processes always treat customers fairly will put us in a strong position to operate successfully under the future changes to regulatory oversight of the market. The Board believes that the independent funeral businesses we partner with provide the best service and value for consumers in the market and we will continue to support them through the regulation process. I would like again to thank our employees for the way they have adapted to the challenges and pay tribute to the independent funeral directors who have responded so magnificently to the demands put on them all by this crisis.

John Thornton  
Chairman

## Strategy and business model

We are owned by SAIFCharter Limited, which was formed to hold the shares in the company on behalf of independent funeral businesses who form the SAIFCharter Association, known as SAIFCharter.

The activities of SAIFCharter are overseen by an executive committee made up of eleven elected or nominated funeral director representatives and the Chief Executive Officer of Golden Charter. The executive committee elects three of their members to serve as directors on the Board of Golden Charter including the current Chairman of the SAIFCharter executive committee. Our principal activity is to support our network of independent funeral directors in offering pre-paid funeral plans to customers across the United Kingdom. This activity is supplemented by offering funeral plans to consumers directly through other routes to market. The ultimate provision of the funeral services is conducted by approved independent funeral director businesses who collectively perform almost half of all funerals that take place in the UK each year.



## Board of Directors Golden Charter Limited

### John Thornton – Chairman

John is an experienced non-executive director who has undertaken numerous roles in both public and private sector companies. In these roles he has chaired board sub-committees, including both audit and remuneration committees. In his executive career John held senior roles with major financial services organisations, all of which were fully regulated by the FCA or its predecessors.

### Steve Burnett – Non-Executive Director

Steve is an experienced non-executive director who splits his time between the Government Internal Audit Agency and the Theatre Clywd Trust. Steve is also a lay member of the General Medical Council.

### Adam K Ginder – Non-Executive Director

Adam is an independent funeral director and has been running his family funeral business for the past 10 years. Adam is currently Chairman of Golden Charter's ownership association, SAIFCharter, and a past-President of the London Association of Funeral Directors.

### Suzanne Grahame – Chief Executive Officer

Suzanne joined Golden Charter in 2017 from UK top-twenty law firm Addleshaw Goddard, where she was Executive Director. A professionally qualified accountant, she has previously held senior roles with FCA-regulated investment fund manager Standard Life plc and UA Group plc.

### Mark Huggins – Non-Executive Director

Following executive and non-executive positions with organisations such as Admiral and the AA, Mark is currently also working with Covea Insurance. There he holds executive accountability for the formulation and delivery of Covea UK's affinity strategy across motor, home, pet, income protection, personal accident and life insurance.

### Robert Speir – Chief Financial Officer

Robert joined Golden Charter as Finance Director in 2012. A qualified management accountant, Robert has previously held senior finance roles with the University of Glasgow and Diageo.

### James Tovey – Non-Executive Director

James is an independent funeral director who has been running his family funeral business for 25 years and is a member of the SAIFCharter Executive. James is a Chartered Accountant, having trained with PwC, and also sits on Golden Charter's Audit and Nominations Committees.

### Karen Trickett – Chief Commercial Officer

Karen joined Golden Charter as Director of Marketing in 2015. She holds a wealth of director-level experience in marketing and creative roles, and formally joined the Golden Charter Board in August 2018.

### Helen Wathall – Non-Executive Director

Helen is an independent funeral director who is a member of the SAIFCharter Executive and is a past president of SAIF, the National Society of Allied and Independent Funeral Directors. Helen has been Managing Director of her family funeral business for over 25 years and in 2019 received an MBE for services to business and the local community.





# Chief Executive's Report

**The last year has been one of challenge and change for us all with the impact COVID-19 being felt across the global economy, the UK and throughout local communities. We have all had to come together and connect in new ways and this, in turn, has shifted the way we live our lives and how we work.**

Funeral directors have been at the forefront of the pandemic and the resulting pressures on the at-need service provision saw us reduce our sales activity and increase support for our funeral director network. The UK funeral sector performed 720,000 funerals during the financial year, a significant increase as highlighted in our Chairman's section. Almost all of these funerals were performed under some form of restriction on the service that could be provided to families.

As an organisation, we successfully and safely transitioned the majority of our colleagues to home working in response to government guidelines. A small number of staff were maintained within our offices to deliver vital services that could not be provided remotely. Our business model has been historically based on face-to-face contact between funeral directors and customers and this was restricted all throughout the year. Despite these challenges, our independent funeral director network, our partners and our employees have helped us continue to safely meet the needs of customers and their loved ones, whilst maintaining the sound financial health of the business.



## Market place

Social distancing restrictions put in place in response to COVID fundamentally changed the way our funeral director network could engage with local communities. While our main business is the provision of pre-paid funeral plans, the majority of these sales result from conversations between the customer and their chosen funeral director. Against the background of scaled down marketing activity, we created 24,500 pre-paid funeral plans during the financial year, broadly a third fewer than in the same period last year. The sales pattern mirrored the severity of the pandemic with significant reductions in volumes during the first and second waves of the pandemic, with more normal levels returning during summer and early autumn months as infection rates reduced. In addition to the sale of pre-paid funeral plans, Golden Charter also has arrangements with a number of UK insurance providers, where their guaranteed over 50s insurance policy holders are offered the option to add a funeral benefit to their insurance policy. We connected more than 20,000 over 50s insurance policy holders to our independent funeral director network during the year.

## Meeting customer needs

Our business is, of course, all about our customers. We exist to help connect people with their choice of funeral. The benefits of funeral planning extend well beyond setting aside money to pay for funeral directors' services. The real value comes from the sense of being prepared, knowing who will take care of the arrangements, and removing the emotional burden of responsibility from loved ones. We regularly survey our customers and over 90% are satisfied or very satisfied with the service that we provide, placing particular value on staff availability, helpfulness, and product knowledge. These results from our structured research are endorsed by our excellent Trust Pilot Rating of 4.7 out of 5 stars, which was derived from over 1,500 individual customers reviews received in the last year.

Our model has traditionally been based on face-to-face interactions between funeral directors and customers and this was not possible throughout the year. We have worked hard to support our customers and funeral directors, enabling many of these conversations to transfer to a digital environment.







### Responding to changes in consumer behaviours

We have all had to adapt over the last year, and for many that has seen us rely more on digital interactions and working in an online environment. We have invested in our technology, with improvements made to our funeral director facing platform mygoldencharter.co.uk. The site is now easier to use and has been developed with future regulation in mind, increasing security and efficiency and we have seen very positive take up and feedback to date. We have also seen a move towards more digital engagement and online transactions, with customers feeling comfortable with video calls when enquiring about buying a plan and an increase in those who are buying directly online. As consumers increasingly research for funeral provision digitally, our dedicated online platform localfuneral.co.uk ensures that 1,500 participating businesses are highly visible in searches online for funerals. It offers the capability for funeral directors to amend and display their prices and post funeral notices online. In addition, we encourage funeral directors to ensure that their own online presence is strong - through a range of digital channels including websites, landing pages, enquiry buttons and social media. As more customers look to engage and purchase a funeral plan online, we have provided digital assets and tools to help funeral directors develop their online presence in order to meet the needs of this growing market.

With this shift in consumer behaviour, we have continued to invest in technology that will enable us to help funeral directors engage digitally with their local communities. We are building an increasingly secure and easy online journey for customers and ensuring independent funeral directors are fully supported to deliver this. We have also introduced a more secure, online system for funeral directors allowing them to conclude a funeral plan sale remotely or in person via our updated paperless applications programme. Notwithstanding these enhancements, we understand that

face to face engagement remains highly valued by many of our customers and look forward to reinstating direct engagement and visits to our funeral director network. As restrictions continue to ease and pressure lifts, we hope these can be safely restored as soon as guidance allows.

### Ensuring we are regulation ready

Regulation by the Financial Conduct Authority (FCA) is not a new concept and we have been preparing for the impending changes for many years. The Funeral Planning Authority (FPA) brought in new rules at the start of 2020, which enhanced Treating Customers Fairly and Vulnerable Customer principles. Our staff have been fully trained on these principles and customer needs and security continue to be central to Golden Charter. Our Funeral Director Handbook and Agreement were a key component to prepare funeral directors who we work with and to demonstrate the principles of treating customers fairly. These enhanced standards were a precursor to expectations of the FCA and this was confirmed when, in March 2021, it unveiled its draft rule book and opened a consultation, with the final policy statement published on 5 July 2021. Having led calls, over several years, for industry regulation to be strengthened, we welcomed the consultation document and responded in full in April 2021. We're supportive of the vast majority of the FCA proposals and believe that they will improve the standards across the industry, bringing increased security for individuals and families. We remain anxious that, as with all systematic change, there may be some unintended consequences within the rulebook. This could discourage independent funeral directors from continuing to provide a service to customers who wish to arrange their funeral plan through a face-to-face meeting with a trusted local funeral firm. We are preparing to apply for FCA authorisation at the first opportunity, ahead of the funeral planning market coming under its oversight in July 2022.

### Setting our employees up for success

As with most organisations, this year has demanded fundamental change in the ways in which we work, engage and deliver our services. During 2020, we furloughed a small number of staff for a short period of time, however, we declined to accept the Government's financial support. I have always been proud of our highly engaged and motivated workforce and, this year, we ensured a safe transition to remote working for the majority of our staff. We have put in place a number of mechanisms to guarantee employees are kept informed about the direction of the company and are involved in decisions affecting their daily work and the company's progress. Information flows through a weekly company update, a more formal monthly business newsletter, an intranet reference site, CEO blog and live remote events and conferences to introduce the most significant developments. This activity is supplemented by individual managers cascading issues of relevance to their department.

Our bi-annual full team strategy briefings were replaced by a series of monthly activities including virtual all colleague events and video briefings to ensure our employees remained connected and informed as we moved to remote working for the majority of staff. Our operations and customer service teams continued to provide services and advice to customers without any interruption throughout the year and, as mentioned, we increased our enquiry support to allow funeral directors to respond to at-need priorities.

As face-to-face engagement with funeral directors paused for the majority of the financial year, our business managers maintained regular contact, where possible, over digital channels. We also held regular insight calls with funeral directors to ensure there were platforms to continue conversations and provide support where required.

We are committed to ongoing employee development and have an extensive programme of learning and development activity to support them in their day-to-day roles.

### Looking ahead

As we begin to look ahead and start to reconnect following the pandemic, we do so with a cautious optimism. The network of independent funeral directors that chooses to work with us remains a unique benefit for our customers, offering unrivalled choice across the UK. These, often multi-generational, funeral director businesses are pillars of their local communities and we believe they offer the best quality, value and consistency of service in the market place. Our goal is to be future fit, to grow sustainably, to reflect society as it stands today and how it will look tomorrow. At the heart of our strategy is the customer. Our services will become increasingly more personal and will provide best value in addressing the needs of our diverse customer base.

We will also continue our investment in the digital services that we provide for funeral directors to ensure they can securely and effectively meet customer needs. We are already seeing the initial results of our increased investment in technology and the feedback from funeral directors has been very positive. We will continue to provide independent funeral directors with more features enabling them to effectively deliver online and provide a secure and positive customer experience.

Our relationship with funeral directors continues to be grounded in respect and partnership as our plans are taken forward under the authorisation of the Financial Conduct Authority.

Suzanne Grahame  
Chief Executive Officer

# Financial Report

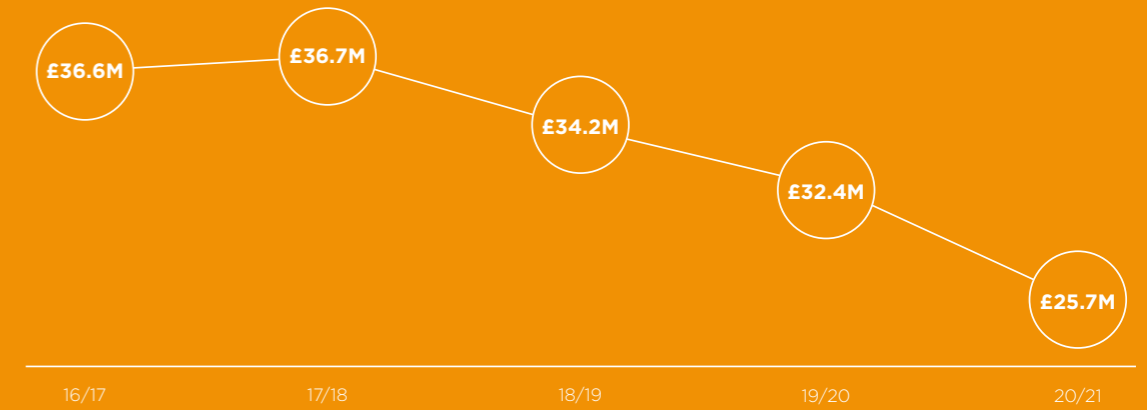
Despite the well-documented challenges, our financial results for the year to 31 March 2021 were reassuringly positive. Turnover for the year was £25.7m, which was a 21% decrease compared to last year. The reduction in turnover reflects a decrease in new plan sales for the year, which resulted from restrictions put in place by the pandemic, limiting the ability for direct face-to-face sales through funeral directors. Despite the reduction in turnover, we delivered an operating profit for the ninth year in a row, at £2.9m. At the end of the year, we held cash of £13.7m. The £573k increase in cash was driven by the operating profit, offset by an increased working capital requirement to secure funeral benefit options for independent funeral directors.

We expect to see a reduction in our operating profit for 2021-22 as our business plans reflect further investment in technology, product development, and preparation for regulatory oversight of the industry. We will also continue to reduce the level of ongoing remuneration that we receive to support the administration of our existing customer base. We are cautiously optimistic that sales and turnover will increase as we look ahead, with the lifting of some restrictions across the country.

Robert Speir  
Chief Financial Officer



## Turnover



## Operating Profit



## Cash at Bank and In Hand



## Net Assets





# The Year In Review

---

## Future of the market

With preparations for regulation, responding to the challenges of a global pandemic and continuing to ensure a personal and high-quality service despite local and national restrictions, the last year has been one of continued challenge. At Golden Charter, we have worked hard to respond positively to these tests to enable good outcomes for funeral directors and customers.

We took the decision early in the year to limit our sales and marketing activity and focus on supporting our funeral director network. We increased our enquiry support capacity, to allow funeral directors to continue to focus on at-need priorities, as we provided a direct and personal response to customer enquiries. This let funeral directors concentrate on servicing the needs of families, by taking some of the workload from them as they dealt with the pandemic.

In response to COVID-19 restrictions and the need for social distancing, the shift in consumer habits towards digital engagement and online transactions has become more evident. We continue to invest in technology that enables us to support these changes and ensures a secure and positive customer journey online. This has included a complete renewal of our customer facing website [goldencharter.co.uk](https://goldencharter.co.uk) which incorporates extra on-line support when a customer is looking for a funeral plan and investing in technology to help our funeral director network effectively and securely deliver online. This move has also enabled us on the road to regulation; provided secure and transparent technology and a user-friendly journey.

In addition to mandatory changes to funerals because of the pandemic, attitudes towards funerals continue to shift. According to the Sunlife Cost of Dying Report 2021, half of funerals in 2020 were described as a “celebration of life”. Furthermore, 80% of funeral directors questioned in the report saw an increase in the number of celebration of life funerals. Consumers are becoming more aware of options available to them and increasingly research those options. It is therefore more important than ever that we are able to respond and we’re working across the organisation to develop flexible product options for customers for funeral directors to deliver.

While we understand the significance of these digital channels, and that our technology meets regulatory requirements, the importance of community and personal interaction cannot be underestimated. We hope that as we move cautiously out of restrictions, that customers can safely re-engage with funeral directors once again.



### We are prepared for Financial Conduct Authority regulation

While the final rulebook for Financial Conduct Authority regulation has only recently been announced, the majority of our independent funeral director partners, are already well on the way to meeting the standards. Golden Charter took the lead in being proactive in our preparations by introducing our Funeral Plan Handbook and Agreement to meet the Funeral Planning Authority's strengthened rules and to provide extra security for customers when buying plan. We are confident that the vast majority of our partners are well positioned to meet FCA requirements ahead of July 2022.

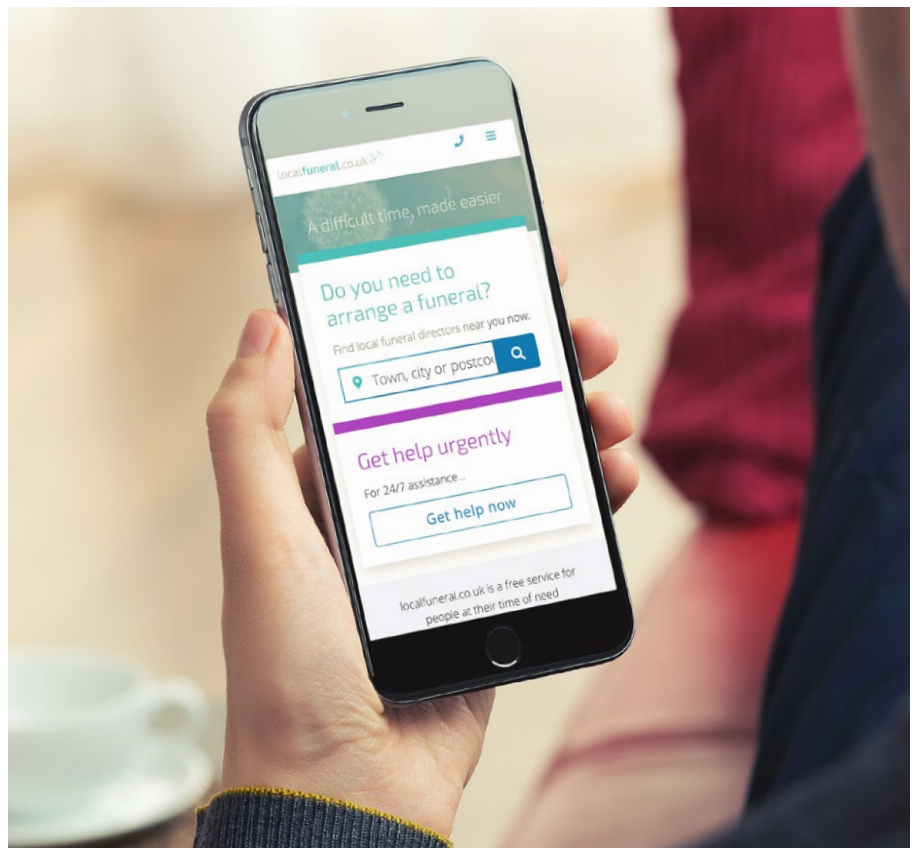
While there will be work to be done, we are committed to meeting the requirements of FCA regulation and ensuring our staff and partners are

fully supported to continue working effectively with us, ensuring the needs of customers are kept as our central focus.

### localfuneral.co.uk

localfuneral.co.uk, our 'find a funeral director' website, continues to go from strength to strength. Providing the most comprehensive UK-wide choice for customers, the service has seen a growth in enquiries, connecting over 5,000 families to a local independent funeral director in the last year. All of these families were routed directly to independent funeral directors and the majority became purchasers of a funeral service with Independents. We continued to integrate customer and funeral director feedback as we extended the breadth of features on localfuneral.co.uk.

A key driver for development has been making it easier for customers to compare funeral service details. Our online pricing feature allows each funeral director to publish and update their own prices in real time. We've developed localfuneral.co.uk as a way for funeral directors without their own on-line presence to publish funeral prices and comply with this requirement under the Competition and Market Authority's requirement for transparency of at-need prices. Our funeral notice feature has also continued to provide families with the opportunity to share their loss with family and friends who are able to leave memories and marks of respect for their loved ones.







### The value of our partnership

Golden Charter was formed to provide consumers with a trusted and secure funeral plan through their local independent funeral director. We embedded a partnership way of working as a core business principle, providing the most comprehensive package available to the funeral directors who work with us, well beyond simple assistance with pre-paid plan enquiries. We're very proud of our partnerships with independent funeral directors. We believe we are stronger together, and we are committed to providing the right tools and industry insight to funeral directors to help their businesses flourish. We were delighted that figures from our latest funeral director survey reflected this as satisfaction with Golden Charter was exceptionally high, at 94%. This sentiment continued with our customer survey showing that customer satisfaction remained hugely positive reaching 95% in our latest poll and 99% found it easy or very easy to purchase a Golden Charter plan. The role played by funeral directors in the purchase process was thoroughly commended.

Events of 2020 brought unprecedented interest in funeral plans and we're very aware of the added pressure responding to these enquiries placed on funeral director businesses. Building on our business support model, we created new and different ways to help free up funeral directors' valuable time, and make it easier for them to secure future funerals for customers. As well as practical support and advice, we are providing vital tools to ensure our network is regulation ready and delivers a compliant service for customers.

Our business managers continue to provide insight and support on industry issues and regulation for funeral director businesses. We have also increased our marketing support to build a pipeline of future funerals and protect each funeral director's share of the at-need market through [localfuneral.co.uk](http://localfuneral.co.uk).

Our expertise, customer research and guidance on regulatory matters is key now and for the future, to help funeral directors navigate the journey to regulation. In order to be able to deliver in a regulated environment, our administrative and technology services help ensure independent funeral director businesses can deliver funeral plans efficiently and thrive.

“

The pandemic asked questions of our organisation that we could never have anticipated. The ingenuity and resilience that our people have demonstrated in response has been astounding.”

#### Our people

Our hugely positive customer survey results reflect the dedicated and talented team we have at Golden Charter. Our employee engagement survey measures the extent to which employees are committed to the organisation and how enabled they are to carry out their roles. We have a strong record of accomplishing significantly higher than average engagement and our last survey had a staggering 99% participation rate. This gives us accurate and valuable insight in to how our employees feel about working at Golden Charter and shows our people feel confident their views are valued.

Covid brought further complexity with most colleagues working from home for the year. With a small group of staff still working in our offices to support customers and funeral directors, maintaining that shared sense of purpose and teamwork required new ways of communication and support.

We increased the range of digital channels available to employees, including whole company and departmental virtual Microsoft Teams events and regular updates from our Executive leadership group and team cascades. This all contributed to an 8% increase in our employee engagement score in our latest employee survey, which rose to 82%. We also raised agreement amongst employees that we were in a position to achieve our goals within the next three years by 25%.

Despite the changes in working practices, we also continue to invest in training and development to ensure the organisation as a whole is regulation ready and fully informed throughout our regulation journey.





# Supporting good causes and local communities



## Royal British Legion and Poppyscotland

2021 will represent the sixth year of our partnership with the Royal British Legion and Poppyscotland. During the first five years, we, alongside independent funeral directors, have collectively raised over £500,000. This is an incredible achievement and we are grateful for the hard work and contributions that have helped us meet this fundraising milestone.

It's a special year for both charities as the Royal British Legion celebrates 100 years of supporting the Armed Forces community and Poppyscotland commemorates 100 years since the very first Scottish Poppy Appeal in 1921. We will continue to participate in the partnership as every donation makes a real difference to the lives of members of our Armed Forces community.



## Our employees making a difference

We are proud that, at Golden Charter, our employees have a long tradition of charitable giving. In normal times, we regularly get together to raise money for charities through bake sales, raffles and other events. Events like this were impossible this year, but we were conscious that charities needed our support more than ever. We encouraged our people to continue with individual charitable challenges and highlighted their fundraising efforts amongst the rest of our employees who made generous contributions.

At Christmas, our employees joined us in making donations to support Social Bite's Festival of Kindness appeal. Collectively we raised £1,425 for the charity, helping to fund the distribution meals and essential items to people in need over the winter months.

# SAIFCharter's Year

**SAIFCharter is the association of independent funeral directors that is the ownership group of Golden Charter Limited. Membership is open to independent funeral businesses that are members of the SAIF trade association and commit to exclusively promote and sell Golden Charter's funeral plans. There is no cost attached to becoming a member of SAIFCharter.**

It has been an unprecedented year for our members and our profession. We have played, and continue to play, a fundamental role in the country's response to the ongoing coronavirus pandemic, meanwhile navigating the latest market and regulatory change impacting the funeral sector.

I would like to acknowledge the ongoing commitment and professionalism of our members in supporting families and communities through this period. I would also like to commend Golden Charter for their shift in approach with funeral directors throughout the year demonstrating their understanding of, not only the critical frontline work we have been carrying out, but also the pressures we have faced both personally and as business owners.

It's clear to see the role of independent funeral directors has been widely respected in these most difficult of times, supporting the bereaved, caring for the deceased and generally leading the way in the provision of at-need services. On behalf of the profession, we are grateful to be acknowledged, and we are most especially appreciative of the thanks we receive directly from the families we serve.



The main responsibilities of SAIFCharter Limited are to own and hold the shares of Golden Charter and the power to appoint three members from amongst its Executive to sit on the Golden Charter board.

SAIFCharter acts as a shareholder group and through its oversight of the executive and non-executive directors on the board of Golden Charter Ltd, invests in these individuals the ability to influence the direction of the company.

I believe Independents are also leading the way in the provision of the highest standards of pre-need services. It was encouraging to see that many of our members continued with sensitively positioned awareness campaigns throughout the year, understanding that, more than ever, families were looking to plan in advance. This involved a sharp change in the types and focus of the support provided to us, with more emphasis on digital support and enquiry follow up to help us stay connected with our communities.

As trusted independent funeral directors with established relationships within our own local areas and expert knowledge of our local marketplace, we can provide families with a highly personal, tailored experience when purchasing a funeral plan. But we must also recognise that not all families are ready to plan ahead with us so directly, and some find the guaranteed over 50s insurance market easier to engage with.

By putting in place relationships with several UK insurance providers whose guaranteed over 50s policy holders are offered the option to add a funeral benefit option to their policy, Golden Charter has allowed us to retain our share of the future at-need market in this space. The arrangements put in place serve to connect customers with a local independent funeral director, and provide us with the opportunity to establish relationships and look after these families for generations to come.

Meanwhile, as we responded to the demands of the pandemic, the reality of statutory regulation of the pre-need market was brought into sharp focus, with confirmation that funeral plans would be brought under the remit of the Financial Conduct Authority (FCA).

The FCA is ultimately seeking to provide reassurance and protection to families, giving them the comfort that they will be treated properly and receive the funeral they've paid for when needed. I have no doubt this principle is at the heart of all of our businesses, and I firmly believe Independents offer families the highest quality, most personal experience.

We need to have confidence that our plan provider shares these customer first values and know we are working with a provider who, not only meets the highest professional standards themselves, but also expects the same from their partners. In this respect I am confident Golden Charter has led the sector this year in supporting and preparing our members for the changes ahead.

As we approach the regulated market, I'm pleased to report that SAIFCharter entered the current financial year with a steady number of members, an encouraging sign that independent funeral directors increasingly see the need to work together to overcome the challenges ahead.

In addition to preparations for the new regulated environment, we continue to strive to make SAIFCharter more open and accessible to members and understand the diverse needs of individual firms. The events of the year have resulted in a shift to digital channels of engagement for our association too, including our first ever virtual AGM which was held in September. While remote engagement can't ever serve as a full replacement for in-person interaction, the shift has undoubtedly presented opportunities for wider engagement with our membership and increased participation in our working groups.

Our association has also strengthened our relationship with Golden Charter this year, as we look to provide greater clarity and transparency of our relationship structure, providing confidence to the regulators, to our elected representatives and to our wider network.

The past year truly has been one like no other for the funeral profession. While much has changed in the lives of us all over the last year, we can be proud of the role we have played supporting families and communities through the most unprecedented of challenges.

We must now continue this work, to provide the highest quality of pre-need services, demonstrating to our customers, competitors and the regulators, that doing the right thing for customers is at the heart of every aspect of our businesses.

Adam K Ginder  
SAIFCharter Chairman



# The Golden Charter Trust

## About the Trust



### The Trust exists both for the protection of customers and for funeral directors

**Background**

The Golden Charter Trust was established in 1990 with the fundamental purpose to ingather, hold, invest and administer the funds received from individuals and families who purchase funeral plans from Golden Charter Limited, with a view to ensuring that the Trust funds are at all times sufficient to meet, in full, the anticipated invoice costs of all outstanding and matured plans.

The Trust exists for the protection of both the customers who have purchased funeral plans from Golden Charter Limited, and for the funeral directors who have undertaken to carry out the funeral services in accordance with the plan terms and conditions. To ensure this protection, the Trust's assets are entirely separate and independent of Golden Charter Limited.

The Trust is governed by its Trust Deed which requires the Trustees to comply with the rules of the Funeral Planning Authority (FPA) of which Golden Charter Limited is a registered

provider. In addition, the Trust must comply with the Financial Services and Markets Act (Regulated Activities) Order 2001. From July 2022, the Financial Conduct Authority (FCA) will regulate the sale and administration of pre-paid funeral plans. Golden Charter Limited will become a regulated entity and although the Trust will not be directly regulated, it will be required to comply with the FCA rules relating to trusts.

The Trust's investments are held by The Golden Charter Trust Limited which is wholly owned by the Trust. Holding its investments in a company allows the Trust to conduct its investment business more efficiently and to take advantage of the lower taxation rates applicable to companies. The Trustees of The Golden Charter Trust are appointed as the directors of The Golden Charter Trust Limited and so the safeguards provided by the Trust are unaffected by this arrangement.

**How the Trust is managed**

The Board of Trustees comprises experienced individuals from a wide range of business backgrounds. They are required by majority to be independent of Golden Charter Limited. The Trust exceeds the requirement with eight of the nine trustees currently serving, being wholly independent. One trustee is nominated by the SAIFCharter Executive.

The Board of Trustees is responsible for all executive decisions. However, certain areas, including investment strategy, are assigned to various committees for specific focus and to make recommendations to the Board. The Trust's executive team is responsible for managing the legal, financial and administrative affairs of the Trust on a 'day to day' basis.

**Expenses of the Trust**

The Trust incurs operating expenses for maintaining the Trust which include fees paid to the Trust's investment managers and professional advisers, and the remuneration of the Trustees and the Trust's employees.

In addition to the direct operating expenses, the Trust makes a payment to Golden Charter Limited for the on-going maintenance and administration of the live funeral plans for which the sale proceeds are held in the Trust. The amount of this payment is agreed annually between the Trust and Golden Charter Limited and is paid in equal monthly instalments. An annual fee is also paid by the Trust to Golden Charter Limited for the provision of accounting and other administrative services provided to the Trust under a Service Level Agreement between the two entities.

**How plan monies are protected and invested until required at time of need**

All monies received directly into the Trust from the sale of funeral plans are invested (net of up-front deductions for administration costs) in accordance with the Trust's investment strategy.



1. Customers buy Golden Charter funeral plans which are subcontracted to the chosen or allocated funeral directors.
2. All payments from customers for their funeral plans are paid directly into the Trust.
3. The Trust makes payments to Golden Charter Limited for administration costs and ongoing maintenance of plans.
4. The Trust invests the net funds received with carefully selected investment managers.
5. Funeral directors perform the funeral services as specified in the funeral plans.
6. The Trust pays the invoice amounts, as advised by Golden Charter Limited, to funeral directors.



## The Golden Charter Trust Chairman's Statement

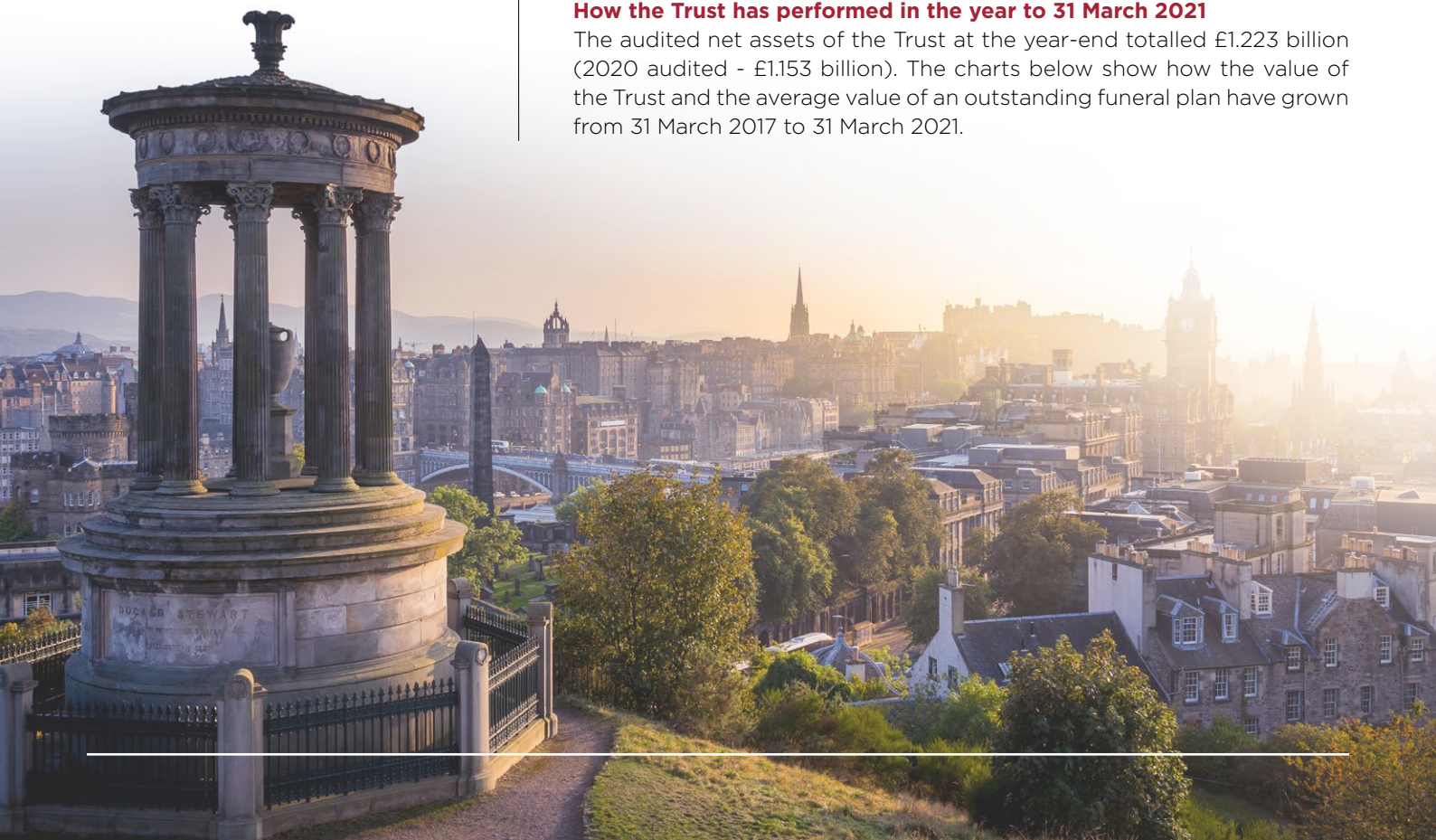
**The Golden Charter Trust is the leading funeral plan trust in the UK available to independent funeral directors.**

On behalf of the Board of Trustees, I am pleased to present our Annual Review of The Golden Charter Trust for the year to 31 March 2021.

In the year, we welcomed two new Trustees, Clare Brady and Christine Johnson. Clare and Christine bring with them exceptional and complementary skills, and have already begun to make their mark. In March 2021, we said farewell to Ian Blackford, my predecessor as Chairman, who served the Trust and Trust Limited with great skill and dedication for many years.

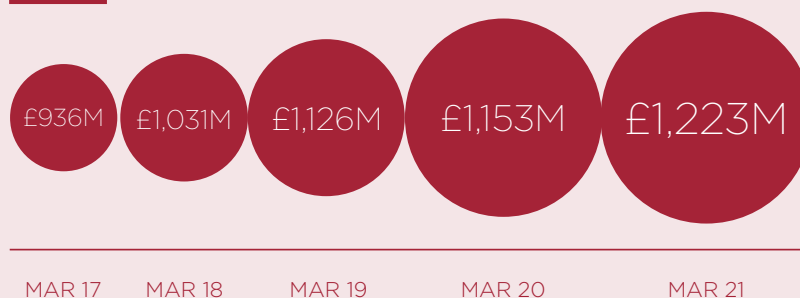
### **How the Trust has performed in the year to 31 March 2021**

The audited net assets of the Trust at the year-end totalled £1.223 billion (2020 audited - £1.153 billion). The charts below show how the value of the Trust and the average value of an outstanding funeral plan have grown from 31 March 2017 to 31 March 2021.





## YEAR-END NET ASSET VALUE



## AVERAGE PLAN VALUE



We anticipate that the Trust's value, and the average plan value, will continue to grow in line with Golden Charter Limited's forecasts for plan sales and from prudent management of our investments.

### Investment portfolio

The investment objective of the Trust is to invest the funds received with a view to ensuring that at all times, there are sufficient funds to meet the anticipated invoice costs of all outstanding and matured funeral plans.

Details on the performance of the investment portfolio are given by Christine Johnson, Chair of the Investment Strategy Group, in her Investment Report.

### Actuarial valuation

A full actuarial valuation is undertaken each year to determine if the assets in the Trust are sufficient to meet the anticipated invoice costs payable to funeral directors for all plans in force at the valuation date. Additional

updates are also provided to the Trust by the Actuary as requested by the Board.

The most recent full valuation at 31 March 2021 showed that the Trust's assets were 100% of the funds required to meet the anticipated invoice costs of all outstanding and matured plans, allowing for the affordable level of increases in the anticipated invoice costs as advised by the Actuary.

### Regulatory compliance

In June 2019, the government announced that it proposed to bring all funeral plan providers within the remit of the Financial Conduct Authority (FCA). After extensive consultations in which the Trust and Golden Charter Limited participated, the FCA produced its proposed rules in February 2021, and asked interested parties for their responses. As Golden Charter Limited will be the regulated entity, the Trust's responses to the FCA were confined to those questions with a direct bearing on the Trust's activities and obligations,

and were submitted to the FCA after discussions with Golden Charter Limited.

On 5 July 2021, the FCA published their Policy Statement which sets out the majority of the final rules in relation to the FCA's regulation of the sale and administration of pre-paid funeral plans from July 2022. The Trust will give careful consideration to the Policy Statement and will liaise with its legal advisers and with Golden Charter Limited on any implications on the operations of the Trust and the obligations and duties of the Trustees.

The Golden Charter Trust is the leading funeral plan trust in the UK available to independent funeral directors. We have always striven to set high standards of openness, financial strength and consumer protection. We welcome, without reservation, the new regulatory regime which will impose the same high standards on the whole market.

### **Governance**

The Trust's Audit Committee monitors the integrity of the Trust's financial statements, reviews internal financial controls including risk management systems, and recommends the appointment of external auditors to the Board of Trustees.

The Trust's Nominations and Remuneration Committee is responsible for the reappointment of Trustees upon conclusion of their initial term of office, identifying and nominating new Trustees, and making recommendations in respect of membership and chairmanship of Board committees.

In the year, we instructed an external review of the Board of the Trust. We will consider and implement the recommendations to improve the performance of our Trustees.

### **Uplift to plan values and additional maturity payments**

Over the years, our prudent management of Trust funds has allowed the Trust to continue to uplift plan values and deliver sustainable plan pay-outs to independent funeral directors. Despite the unprecedented challenges faced in 2020/21, the agreed growth rate was applied to all live plans in full and without interruption. Whilst challenges remain, we are pleased that the Trust continues to be in a strong position to deliver growth on plan values.

The Trustees are also pleased to confirm that additional maturity payments as advised by Golden Charter Limited, will be paid from the Trust to qualifying funeral directors, on each plan maturing between 1 April 2021 and 31 March 2022.

### **Communication**

The Trustees remain committed to providing clear information about The Golden Charter Trust and the funds we hold on behalf of customers and funeral directors.

The Trust's website is regularly updated with information about the Trust and its Trustees. This information includes Frequently Asked Questions (FAQs) that reflect the key questions current and prospective customers ask about the Trust. FAQs specifically tailored to funeral directors are available on the Golden Charter funeral director portal. The managed investments of the Trust are held in our subsidiary company, The Golden Charter Trust Limited. The statutory accounts of The Golden Charter Trust Limited are filed on public record at Companies House and are available to view on our website.

The Trust recognises the importance of communicating directly with funeral directors and the Trust is represented at SAIFCharter's AGM and at SAIFCharter Executive meetings. The Trust also contributes articles on relevant topics to the SAIFInsight magazine from time to time.

### **Outlook**

While funeral directors in the front line were coping with the extraordinary stresses of the COVID-19 pandemic, the Trustees and the executive team were working hard in the background to defend the Trust's financial robustness, and to ensure that our ability to pay out promptly and in full on maturing plans was never compromised. As we gradually return to a more normal situation, we are cautiously optimistic about the continuing recovery in plan sales by Golden Charter Limited and the further improvement in our cash flow which that recovery will bring about.

To my fellow Trustees and to our employees, I extend warm thanks for their hard work and professionalism over the past year.

Gareth Howlett  
Chairman of the Golden Charter Trust



# The Golden Charter Trust

## Investment Report

### Investment objective

The investment objective of the Trust is to invest the funds received from plan sales to maximise the likelihood that the Trust's assets will be sufficient to meet the anticipated invoice costs of all outstanding and matured plans.

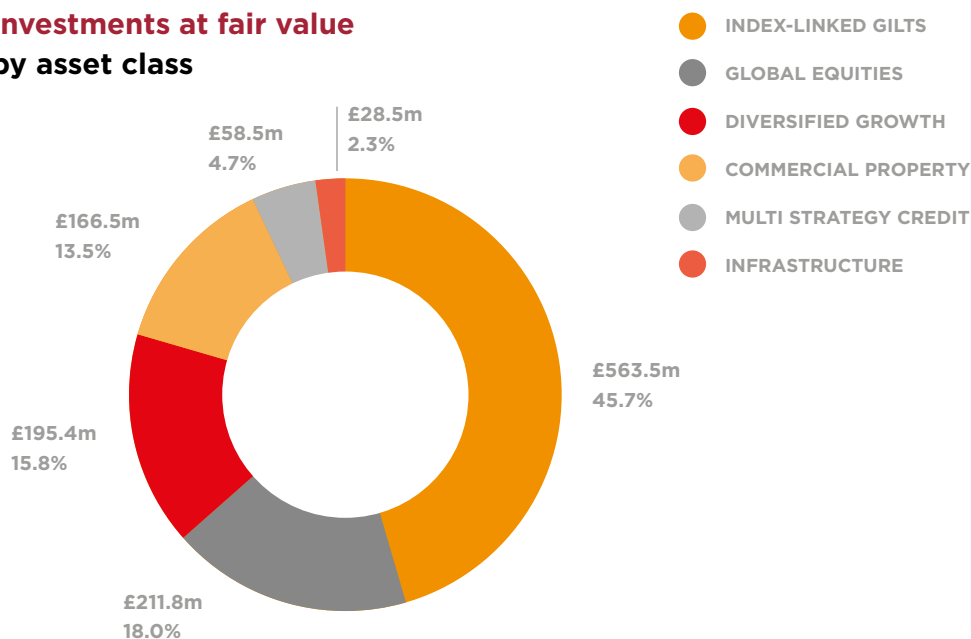
In pursuit of this objective, the Trustees keep under constant review both the estimated real value in today's terms of the Trust's assets, including the forecast returns from those assets, and the estimated value of all future anticipated payments on maturing plans.

### Investment strategy

Based on the advice of the Investment Strategy Group, the Board has put in place a diversified asset allocation which comprises mandates with eight investment managers to take advantage of investment and expertise in different areas. Our current target is to hold up to 50% of assets in index-linked gilts, with the remaining percentage divided between global equities, diversified growth funds, commercial property, infrastructure assets, corporate debt and cash.

The allocation by asset class at 31 March 2021 is shown in the chart below.

### Investments at fair value by asset class



**Investment update**

In response to the temporary increased cashflow demands over the year due to the impact of the COVID-19 pandemic, the Trust switched from income reinvestment to distribution where possible. In the year to 31 March 2021 the invested assets distributed £12.4m which was supplemented by a total disinvestment of £20.0m from LGIM's index-linked government bond holding (£10m disinvested in both June and July 2020) to meet net cash outflows.

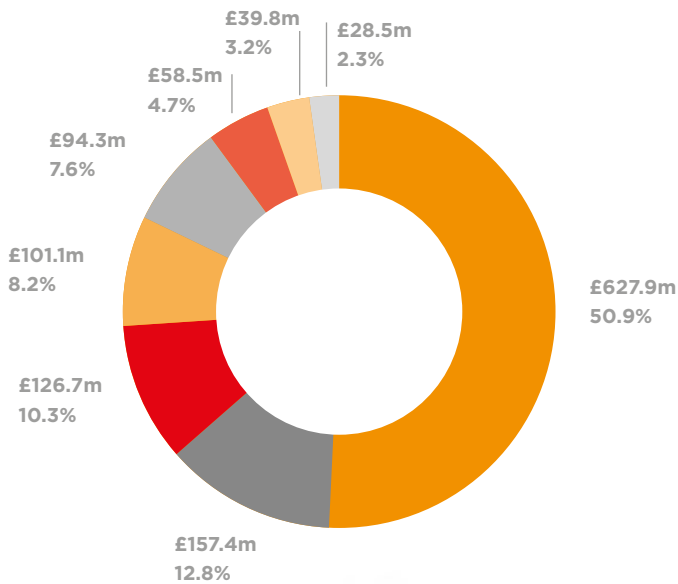
**Investment managers**

Representatives from each of the eight managers of the underlying funds, including the senior personnel directly responsible for managing the mandate, are invited on a rolling basis to attend meetings with the Investment Strategy Group. This helps both to monitor performance and to understand how each investment manager is discharging its responsibilities.

The allocation by investment manager at 31 March 2021 is shown in the chart below.

**Investments at fair value by investment manager**

- LGIM
- ARTISAN
- AVIVA
- RUFFER
- BAILLIE GIFFORD
- HERMES
- THREADNEEDLE
- PARTNERS GROUP







### Investment performance

The performance of the investment managers is measured against specific benchmarks and monitored by our investment advisers and by the Investment Strategy Group. Each month our investment advisers provide the Investment Strategy Group with a statement of the overall performance of the investment portfolio and of the individual underlying managers. A full report is provided each quarter which is used by the Board in its review of investment performance.

The overall return on the portfolio was 10.7% for the year to 31 March 2021 compared to 1.4% in the previous year. The significant improvement in performance year on year reflects the swift recovery in markets from the sharp falls in March 2020 due to the COVID-19 crisis. Support from governments and central banks brought the initial wave of recovery at the beginning of this 2020/21 financial year. The growth asset portfolio rallied in the quarter to 30 June 2020 with an overall return of 14.5%, owing to returns in excess of 20% from the global equity holdings with Artisan and LGIM. Over the year to 31 March 2021, all areas made a positive contribution, with most of the underlying managers performing in line with, or ahead of, their specific benchmarks.

During the year, markets responded to the ever-changing outlook on vaccine development, lockdown restrictions easing and tightening and variants of the COVID-19 virus. The overarching sentiment at the end of this financial year was one of optimism around the roll out of vaccines, the reopening of economies and continued support from governments and central banks.

### Outlook

Whilst the recovery in financial markets from the lows of 31 March 2020 is welcomed and the outlook for global economic growth is positive and encouraging, the Investment Strategy Group remains vigilant of potential downside risks to these scenarios.

The likelihood and impact of risks to the investment portfolio are considered by the Investment Strategy Group at its quarterly meetings and any agreed actions and additional control measures are taken to the Board for approval. Alongside this we regularly instruct our investment advisers to perform and report on the results of stress testing scenarios.

It has been the objective of the Board to spread the risks of investment and to strengthen the investment portfolio so that it can meet such challenges. I take some comfort in the fact that our strategy has demonstrated its worth in these unprecedented times, protecting against significant market falls and also managing to capture the rebound from the COVID-19 market shock. The Investment Strategy Group continues to work to ensure the portfolio is positioned to meet its objectives and to be resilient to risks and volatility in so far as is possible now and into the future.

Christine Johnson  
 Chair of the Investment Strategy Group

# ANNUAL REVIEW 2020/21

## Golden Charter

**Golden Charter Ltd**  
Canniesburn Gate  
10 Canniesburn Drive  
Bearsden  
Glasgow G61 1BF

Registered office:  
One Fleet Place  
London EC4M 7WS

Company no: 02511598

**0800 833 800**  
[goldencharter.co.uk](http://goldencharter.co.uk)

