



## About Dignity

Serving the people in our local communities at one of the most difficult times in their lives remains at the heart of everything we do and we are committed to providing the highest standards of service and care.

We are a FTSE 250 company listed on the London Stock Exchange, with over 3,000 employees serving families and local communities across the United Kingdom for generations. At 30 December 2016 Dignity owned 792 funeral locations and operated 44 crematoria in the United Kingdom. We continue to have a strong market presence in pre-arranged funeral plans, where people plan and pay for their funeral in advance.

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#### Stay informed

Find out more about Dignity and the latest financial information, results, presentations, reports and shareholder services or to view and download a pdf version of the 2016 Annual Report:



[www.dignityfuneralsplc.co.uk](http://www.dignityfuneralsplc.co.uk)



Download  
2016 Annual  
Report.

## Key financial highlights

for the 53 week period ended 30 December 2016

### Generating consistent returns

We have delivered a strong performance in 2016 along with consistent returns and sustained growth since flotation. Our continued success can also be measured by our high levels of client satisfaction and a continued commitment to excellent client service.

#### Strong cash generation

**Our disciplined approach** to cash, cost and capital has strengthened our balance sheet and allowed us to invest in the business both organically and through acquisitions.



#### Progressive dividend

**Final dividend** of 15.74 pence proposed, continuing the 10 per cent annual growth in the dividend per share.



#### Return of cash

**£356.2 million** returned to shareholders since flotation.



#### Current period financial highlights

	2016	2015	Increase/ (decrease) per cent
Revenue (£million)	<b>313.6</b>	305.3	3
Underlying operating profit <sup>(a)</sup> (£million)	<b>101.7</b>	98.7	3
Underlying profit before tax <sup>(a)</sup> (£million)	<b>75.2</b>	72.2	4
Underlying earnings per share <sup>(b)</sup> (pence)	<b>119.8</b>	114.8	4
Cash generated from operations <sup>(c)</sup> (£million)	<b>121.1</b>	125.2	(3)
Operating profit (£million)	<b>97.7</b>	95.5	2
Profit before tax (£million)	<b>71.2</b>	69.0	3
Basic earnings per share (pence)	<b>115.3</b>	115.2	—
Interim dividend paid in the period <sup>(d)</sup> (pence)	<b>7.85</b>	7.14	10
Final dividend paid in the period <sup>(e)</sup> (pence)	<b>14.31</b>	13.01	10
Deaths	<b>590,000</b>	588,000	—

#### Non-GAAP measures

The Board believes that whilst statutory reporting measures provide a useful indication of the financial performance of the Group, additional insight is gained by excluding certain non-recurring or non-trading transactions. These measures are defined as follows:

<sup>(a)</sup> Underlying profit is calculated as profit excluding profit (or loss) on sale of fixed assets and external transaction costs.

<sup>(b)</sup> Underlying earnings per share is calculated as profit on ordinary activities after taxation, before profit (or loss) on sale of fixed assets and external transaction costs and exceptional items (all net of tax), divided by the weighted average number of Ordinary Shares in issue in the period.

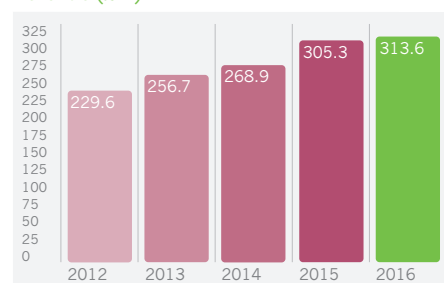
<sup>(c)</sup> Cash generated from operations excludes external transaction costs.

#### Other notes

<sup>(d)</sup> Interim dividend represents the interim dividend that was declared and paid in the period out of earnings generated in the same period.

<sup>(e)</sup> The final dividend represents the final dividend that was declared and paid in the period relating to the earnings generated in the previous period.

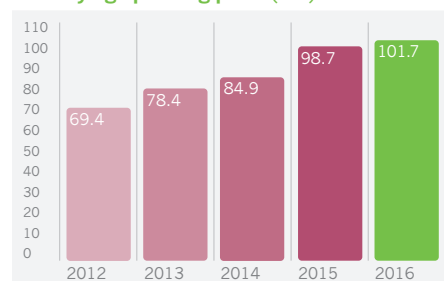
#### Revenue (£m)



Revenue up 3%  
to £313.6 million

↑  
+3%

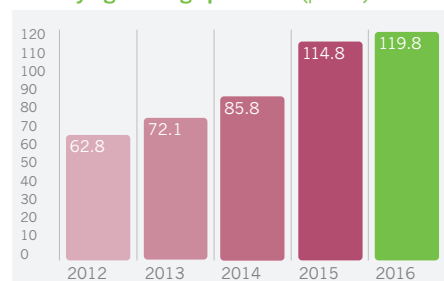
#### Underlying operating profit (£m)



Underlying operating profit  
up 3% to £101.7 million

↑  
+3%

#### Underlying earnings per share (pence)



Underlying earnings per share  
up 4% to 119.8 pence per share

↑  
+4%

## Our history and purpose

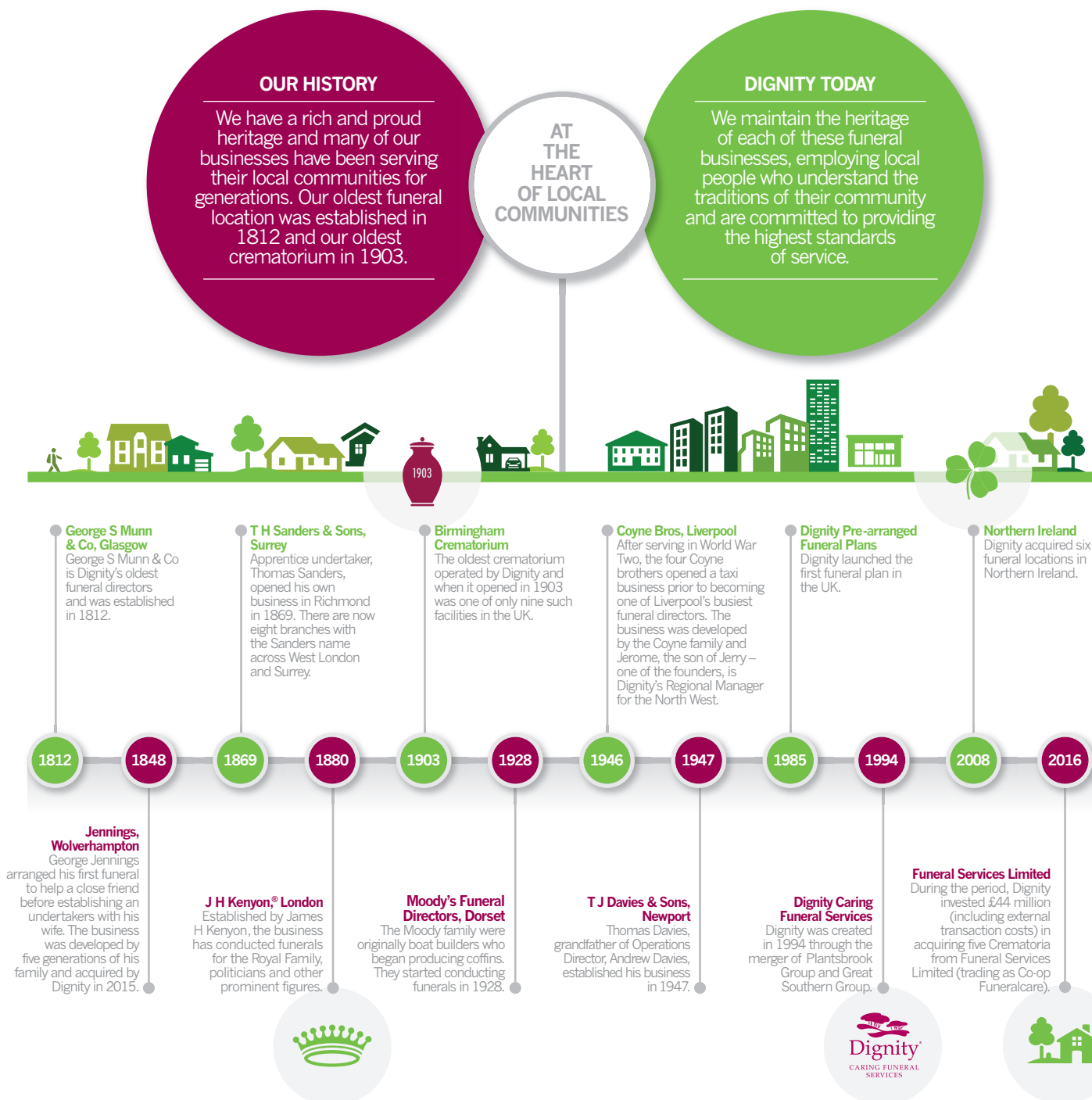
Dignity is one of the leading providers of funeral related services in the UK with strong business foundations.

**We are here to help people at one of the most difficult times in their lives. We do this with compassion, respect, openness and care.**

Our aim is to be the company everyone knows they can trust in their time of need.

**Although the local communities we serve have evolved throughout our history, our core purpose has remained the same.**

**As an industry leader working at the heart of local communities, we are well positioned to meet the needs of our clients for generations to come.**



## A strong core business

### 3,000+



Our people come from the towns and cities they serve or families that have been in the funeral profession for generations.

### 792 Locations



We operate a network of 792 funeral locations throughout the UK, generally trading under established local names.

### 44 Crematoria



We operate 44 crematoria in England and Scotland.

### 743,000



We have already helped more than 743,000 people plan for their funeral in advance.

**Our operations are focused and managed across three main areas, namely Funeral services, Crematoria and Pre-arranged funeral plans.**

### Funeral services



**We are a major provider of funeral services in the UK and we strive to set the highest standards of service and care.**

#### Performance in 2016

At 30 December 2016, we operated a network of 792 funeral locations throughout the UK generally trading under established local trading names.

Funeral services revenues relate to the provision of funerals and ancillary items such as memorials and floral tributes. In 2016, Dignity conducted 70,700 funerals which represented approximately 11.8 per cent of total estimated deaths in Britain.

### £217.8m    £79.0m

Revenue

Underlying  
operating profit

### 70,700

Number of funerals conducted during 2016.

### Crematoria



**We are the largest single operator of crematoria in Britain with a growing portfolio of well-established and state of the art crematoria that meet the needs of the local communities we serve.**

#### Performance in 2016

At 30 December 2016, we operated 44 crematoria in England and Scotland.

Crematoria revenues arise from cremation services and the sales of memorials and burial plots at Dignity operated crematoria and cemeteries. In 2016, we carried out 59,500 cremations representing 10.1 per cent of total estimated deaths in Britain.

### £67.5m    £37.6m

Revenue

Underlying  
operating profit

### 59,500

Number of cremations conducted during 2016.

### Pre-arranged funeral plans



**We are one of the UK's leading providers of pre-arranged funeral plans and we continue to strengthen our business in this growing market.**

#### Performance in 2016

At 30 December 2016, the number of active funeral plans increased to 404,000.

Pre-arranged funeral plans income represents allowances received for the sale and administration of plans. Pre-arranged funeral plans allow people to plan and pay for their funeral in advance. Dignity works with a number of reputable affinity partners.

### £28.3m    £8.5m

Revenue

Underlying  
operating profit

### 404,000

Number of active funeral plans as at 30 December 2016.

**Dignity continues to make excellent progress in growing and strengthening our business in line with our strategic objectives.**

## Creating long-term sustainable value

STRENGTH · STABILITY · GROWTH

### EXCELLENT CLIENT SERVICE

At Dignity we focus on people – those that work for us, partner with us, invest in our strategy and the local communities we serve, but above all, those who depend on the services we provide every day.

Our clients are the foundation of our business and their trust is earned through our actions both individually and as a group. Our priorities and our success are determined by our impact on them.

We have built a strong reputation for consistently delivering excellent client service, enabling us to build long-term relationships and a well respected brand. We know that our clients value this which is why they continue to return and recommend us.

## 98.8%

98.8 per cent of families in the 2016 funeral services client survey said that Dignity met or exceeded their expectations.

## Creating long-term sustainable value continued

STRENGTH · STABILITY · GROWTH

### DEDICATED PEOPLE

Our employees are a key asset and our ability to attract, develop and retain staff is important in maintaining the long-term sustainability of the Group. We value and invest in them as they are integral to the delivery of our strategic objectives.

We have over 3,000 dedicated employees working across our operations from a diverse range of backgrounds and many with long service. At Dignity diversity means understanding and reflecting the communities in which we operate and building loyalty with clients.

By having the right people, with the right skills and experience we continue to deliver the consistent service upon which our business depends.

## 22%

The percentage of Dignity employees who have over 10 years service.

## Creating long-term sustainable value continued

STRENGTH · STABILITY · GROWTH

### A STRONG CORE BUSINESS

Our objective is to lead the funeral sector in professional standards of service. We achieve this through the quality of our operations and our people together with our established strong market positions. This ensures we keep at the forefront of the funeral industry.

We strive to maintain this position through continuous improvement and investment in our portfolio and by working closely with our affinity partners and our funeral locations to widen recognition of our products and services and increase the sale of pre-arranged funeral plans.

### £56.3m

In 2016, £19.6 million was invested in capital expenditure on the core business and net investment of £56.3 million in acquiring new locations and opening satellites.

## Creating long-term sustainable value continued

STRENGTH · STABILITY · GROWTH

### A CONSISTENT TRACK RECORD

Our consistent track record in strong cash generation and financial discipline enables us to reinvest and grow the business both organically and by strategic acquisition.

We generate revenues from new and returning clients and by carefully acquiring businesses that complement our network of locations, extend our geographic reach and represent a reasonable return on our capital.

We control and measure growth by making well informed decisions, supported by careful risk management and good governance.

Our business is driven by relatively predictable factors over long periods of time. This allows us to operate and fund our business in a way that generates value over the long-term.

## £356.2m

Since flotation, £356.2 million in cash including dividends has been returned to shareholders.

## From the Chairman

Dignity's continued success is testament to our consistent focus and the dedication of our people.

Peter Hindley, Chairman



### Summary

- Consistent performance; a stable, predictable, cash generative business.
- Underlying operating profit up three per cent.
- Dividend per share increased by 10 per cent again.

**+4%**



**Underlying earnings per share** up 4% to 119.8 pence (2015: 114.8 pence).

**15.74p**



**Final dividend** of 15.74 pence, continuing the 10% annual growth in the dividend per share.

### Overview

2016 has been another successful year for the Group, with good financial performance and continued development of our network of locations.

In the last couple of years, Dignity has witnessed some notable changes. Firstly, the number of deaths increased significantly in 2015 and then continued to remain much higher than anticipated in 2016, helping us deliver stronger than expected financial performance in the last two years. Secondly, competition has continued to increase, particularly in funerals and pre-arranged funeral plans. These industries are unregulated which has encouraged new entrants. We are also seeing a number of businesses offering digital services in the funeral market.

We are tackling these changes head on. We continue to seek regulation of our markets, arguing that minimum standards of care should apply in funeral locations and for better regulation of pre-arranged plans. We are also seeking to develop our web presence in ways to help market our services, but also to help the level of service we provide our clients. Finally, we are introducing new, more affordable services that will appeal to customers we would not normally expect to be able to help. These efforts are the start of a multi year journey for us and we will update our stakeholders on how these efforts have

helped the business, as all of these areas represent opportunities for us given our scale and existing standard of facilities.

### Dividends

The Board is proposing a final dividend of 15.74 pence per Ordinary Share, bringing the total dividend for the year to 23.59 pence; another increase of 10 per cent on the previous year.

If shareholders approve this payment at the Annual General Meeting ('AGM') on 8 June 2017, then it will be paid on 30 June 2017 to members on the register at close of business on 19 May 2017.

### Governance and the Board

As a board, we are committed to maintaining our high standards of corporate governance. The Board continues to focus not only on what we deliver as a business, but also how we deliver. Ensuring that there is a high level of cultural integrity embedded within the way we operate is a key part of what we deliver as a business and how we deliver, as is our ability to drive sustainable performance and meaningful stakeholder value.

The composition of the Board has been stable, with one planned change to address succession planning. As already announced, Martin Pexton has left the Board and been replaced by Mary McNamara. I would like to thank Martin for his contribution to the Group and I am delighted to welcome Mary to the Board.

### Our people

As in previous years we have made a discretionary bonus payment to our employees, this year equating to £1,200 per full time employee. We have also decided to embed this amount in all employees' future pay rather than continue to treat it as a discretionary bonus. Therefore all employees have received a flat £1,200 pay increase (pro rated for part time employees) in January 2017. All other things being equal, the Group does not as a consequence anticipate making a discretionary bonus payment to staff in respect of 2017's performance. This salary increase applied across the business, including managers and Executive Directors alike.

### Outlook for 2017 and beyond

The number of deaths has been higher in 2016 than the Group originally anticipated following a significant increase in the number of deaths in 2015. Historical data would suggest that deaths in 2017 could be significantly lower than 2015 and 2016. Trading in the first few weeks of 2017 has however continued to be strong. As a result, the Board's financial expectations are unchanged for the year ahead.

The Board remains positive about the future prospects for the Group. However, given the increased size of the Group and increasing competition in each of our markets the Board has revised its medium-term target underlying EPS growth rate to eight per cent per annum from the current 10 per cent. As with the previous target, this objective includes the benefit of the reinvestment of cash generated by the business and the Group's ability to re-leverage its balance sheet either to fund acquisitions or return capital to shareholders.

### Creating value responsibly



Ensuring that there is a high level of cultural integrity embedded within the way we operate is a key part of what we deliver as a business and how we deliver, as is our ability to drive sustainable performance and meaningful stakeholder value.

### Acting with integrity to make a difference

- Helping families at a very difficult time remains our core purpose. We also aim to support the communities in which we operate and we are proud of the positive role that our operations and people play in society every day, whether this is through job creation and promoting good business practice, or supporting local charities and community organisations.

## Chief Executive's overview

A strong platform to drive growth and deliver long-term value.



Mike McCollum, Chief Executive

### Performance in 2016

- Strong cost control.
- Core portfolio continues to deliver growth.
- Invested in the business where appropriate.
- Acquisitions add further value.

## 98.8%

**98.8 per cent** of families said that Dignity met or exceeded their expectations.

### Overview

A year ago, we described an extraordinary period in 2015, with the number of deaths increasing by seven per cent to 588,000. We noted that it was likely this sharp increase would normalise in 2016, but this has not been the case. Reported deaths were slightly higher than 2015 at 590,000. Allowing for the fact that 2016 represents a 53 week period for the Group, means that even on a 52 week comparable basis, deaths were only approximately two per cent lower in the period. This has enabled us to grow profits year on year and outperform expectations despite some headwinds experienced by the business.

The performance reflects a larger market share loss in our core business than seen before, combined with additional costs incurred to support the business. The market share decline follows stronger market share than expected in 2015. 2017 has started well but we continue to keep this under review.

We expect 2017 to be a year where we develop the business further in response to the changing environment in which we operate. For example, we have engaged with the reviews into funeral services by the Scottish and Westminster parliaments, arguing for regulation of funeral services and pre-arranged funeral plans. We are also working hard on introducing new digital services. The first such example is

the launch of Simplicity Cremations, a nationally available, online, affordable direct cremation service (where there is no traditional funeral service, simply the collection and unwitnessed cremation of the deceased and then return of the ashes). This does not replace the full service, traditional funeral that we provide, but rather provides families with a lower cost simple option. The market for this service is currently small but given our significant national networks of funeral locations and crematoria we are able to offer this service in a more comprehensive and cost effective way than other operators.

### Corporate activity

The business invested £56.3 million on acquisitions in the period, including £41.1 million (excluding external transaction costs) to acquire five crematoria locations from Funeral Services Limited (trading as Co-op Funeralcare) (the 'Crematoria Acquisition'). This was an unexpected opportunity for the Group and one we were able to quickly respond to thanks to our strong balance sheet and detailed understanding of the market. The Crematoria Acquisition generated £1.0 million of operating profit in the period, in line with expectations.

We have also seen further developments in our plan to build new crematoria. An update on this is described in the Operating Review.

### Maintaining investment and development momentum in our core business

We continue to set aside resources to invest in our existing funeral and crematoria locations. We have increased the staffing of our property team in the year to manage our estate and associated capital expenditure more efficiently and to create additional recourse for finding funeral satellite locations and crematorium sites. This should help to free local management time so that they can further focus on delivering excellent client service.

### Long-term focus drives strong performance

The business has yet again demonstrated its robustness and is well placed for the future. We hope to achieve our revised medium-term target of eight per cent per annum increases in earnings per share by staying focused on excellent service, operating efficiently, selling pre-arranged funeral plans, acquiring and developing quality businesses where possible and keeping our capital structure appropriately leveraged.

We will also need to ensure the high standards Dignity operates at are properly understood by all stakeholders; particularly given continued political and media interest in the sector and our ongoing support for better regulation of the industries in which we operate.

### Driving sustainable performance



Our objective is to lead the funeral sector in professional standards and service. I believe we do this and that we continue to improve. Our clients value this which is why they return to us and recommend us, allowing us to report strong financial results.

### Differentiating through service quality and consistency

- The results of our funeral service surveys continue to demonstrate the strength and quality of our people and operations.
- High levels of client satisfaction help us to build trust and maintain loyalty to our brand and services and develop strong relationships with both returning and new clients.
- Strategic and effective management of our resources and relationships is vital in ensuring the sustainability of our business.

### Sustainability and continuity

- Our clear and consistent strategy remains focused on the principle that by operating with the best people and practices, we will continue to deliver outstanding service to our clients and generate sustained value for all our stakeholders.
- Our strong capital management underpins our ability to enhance our operations and services through: continuous improvement; investment in steady organic and acquired growth; and further strategic development.

## Market overview

### The UK funeral market and our strong position within it.

#### The funeral sector

- The funeral director market is very fragmented.
- Approximately 70 per cent of crematoria are owned by local authorities.
- Annual variations in the number of deaths are normally relatively small.

#### Overview

The funeral market as a whole does not normally change rapidly year on year but the effect over a number of years is noticeable, whether it is the number of deaths per year, or the number of funeral or crematoria locations within the industry. The Group monitors and responds to the environment it operates in, seeking to understand the implications for the short, medium and long-term.

#### Scale and structure of the market and key trends shaping the sector

The funeral director market is very fragmented, with approximately two thirds of funeral directors being small owner managed businesses.

There are approximately 280 crematoria in the UK, with circa 70 per cent owned by local authorities. It is estimated that three quarters of all funerals result in a cremation with the remainder being burials.

#### Regulation and licencing

The provision of funeral services is not regulated. Trade organisations such as the National Association of Funeral Directors ('NAFD') provide training and qualifications, although they are not mandatory.

Legislative changes by the Scottish Government were enacted in 2016. This provides them with the powers to regulate the funeral industry and they are currently recruiting an Inspector of Funerals. Dignity welcomes this progress and has been party to initial discussions about the pending regulations. Dignity anticipates making further contributions to the discussion on the service standards required within the regulations to be introduced.

Crematoria are subject to environmental regulations in accordance with "The Secretary of States Guidance Notes for Crematoria-PG5/2(12)", with emission levels being monitored by Environmental

Health Officers in England and Wales and Scottish Environment Protection Agency in Scotland. The abatement of mercury emissions has improved the environmental position with Dignity exceeding the current legislation of 50 per cent abatement.

Pre-arranged funeral plans are exempt from the provisions of the Finance Services and Markets Act, provided certain conditions prescribed in that Act are met.

Dignity would welcome further regulation of the funeral industry setting out minimum standards for core activities, such as the care of the deceased, minimum standards of facilities and also operating procedures in crematoria.

Dignity also welcomes proposed changes to the Funeral Planning Authority ('FPA'), who act as a self regulatory body for the sale of pre-arranged funeral plans. As we understand them the changes will remove provider representation from the Board of the FPA and make them independent of those selling plans. Assuming the changes are implemented, registration with the FPA and compliance with its requirements will help to provide further comfort to customers as to the quality of the plan they are buying.

#### Office for National Statistics data

Some of the Group's key performance indicators rely on the total number of estimated deaths for each period. This information is obtained from the Office for National Statistics ('ONS'). The initial publication of recorded total estimated deaths in Britain for the 53 weeks in 2016 was 590,000 compared to 588,000 for the 52 week period in 2015. Historically, the ONS has updated these estimates from time to time. As in previous years, the Group does not restate any of its key performance indicators when these figures are restated in the following year.

Although annual deaths have declined significantly since the early 1990s from 640,000 to a low of 539,000 in 2011, the last five years have seen deaths above that level.

#### Competitive environment

Whilst a precise list of all funeral directors is not available, data from various sources suggest that the number of funeral directors in the UK has increased from approximately 4,300 in 1998 to around 5,500 today.

Whilst we believe competition is increasing, the nature of a service business is that the quality of service being provided is not known in advance. Consequently, reputation and recommendation remain a key driver in someone's choice of funeral director. Over the last five years, approximately 70 per cent of our clients say they have chosen us for these reasons.

With crematoria, amongst other things, planning laws require there to be a need for a new crematorium in a particular area. This can be difficult to prove and can be an emotive subject for local residents. This, combined with availability of appropriate land and the high capital cost of construction, has limited the growth in the number of crematoria in the UK.

Pre-arranged funeral plans allow the Group the opportunity to gain incremental funerals. Our national network allows us to work with national partners offering a funeral plan anywhere in the UK.

#### Outlook

The ONS expects long-term increases in the number of deaths, reaching approximately 700,000 by 2040. Deaths have been elevated in the last few years. Whether this marks the start of this longer-term trend or a temporary anomaly is too early to conclude.

### Our strategic response to factors influencing the funeral sector

#### Funeral affordability

We understand the needs and challenges our clients face such as price, affordability and choice balanced with quality of standards of service and care. We address this by being professional, open and transparent in how we act and by providing options and services that meet them effectively.

#### Government and regulatory policy change

Dignity would welcome further regulation of the funeral industry setting out minimum standards for core activities, such as the care of the deceased, facilities and also operating procedures in crematoria.

The Group already operates at a very high standard using facilities appropriate for the dignified care of the deceased.

#### Our position and why our clients choose us

Our professional advice to the communities we serve remains to choose a funeral director on standards, service and facilities as well as cost. Every day we provide our clients with industry leading services they rely on. We constantly focus on building and enhancing our reputation through continuous improvement to deliver services that our clients value.

## Market overview continued

### Delivering on our promises

### Developing full potential

### Doing the right thing

### As an industry leader:

- We set the highest standards;
  - We listen, understand and respond; and
  - We strive for continuous improvement to meet and exceed expectations.
- 
- We invest in our people;
  - We embrace diversity and inclusion; and
  - We manage the business for the long-term.
- 
- We put safety first;
  - We act ethically and with integrity; and
  - We care about our communities.

## Focused on services that make a difference to our clients and maintain our strong market position

### OUR STRENGTHS

#### Dignity's funeral market share

**11.8%** (2015: 12.3%)

#### Funeral services:

Dignity has approximately 11.8 per cent of the funeral market. This gives the Group sufficient size to operate its locations efficiently in a way that shares expensive resources, such as mortuaries and specialist vehicles, whilst providing very high levels of service to each family it looks after.

This size still gives the Group good scope to acquire owner managed businesses in areas where it is not well represented.

### MEETING OUR CLIENTS' NEEDS

#### How are we doing this:

- In today's digitally enabled and data rich world it is essential that we equip our people with the latest technology and tools to support their activities and the services we provide to our clients.
- Enabled by technology, we are evolving our presence online, providing clients with on demand information when and how they need it.



#### Dignity's crematoria market share

**10.1%** (2015: 9.8%)

#### Crematoria:

With 44 crematoria, Dignity is the largest single operator in Britain. The cremations performed represent approximately 10.1 per cent of deaths in Britain. There is still significant scope to expand through acquisition or new builds where possible.

#### How are we doing this:

- Our facilities continue to offer respectful ways to memorialise loved ones in peaceful settings.
- We use technology to enhance music choices available at services, given increasingly varied choices by families.

#### Number of active pre-arranged funeral plans

**404,000** (2015: 374,000)

#### Pre-arranged funeral plans:

Dignity's national network of funeral locations and strong relationships with many different affinity partners has allowed it to sell significant volumes of pre-arranged funerals that should represent incremental activity for the funeral division in the future.

#### How are we doing this:

- We continue to review the plans offered to customers to ensure they are appropriate to their needs.

### The ways we connect with our clients

We are in an era that is increasingly defined by digital technology, but one in which personal face-to-face service will continue to be of critical importance.

The impact of digital technology has now become a mainstream factor in every day life and clients interact with us in multiple ways, using various channels and it is a key part of our development to recognise and respond to these trends.



### Market trends and client insights

One of our key strengths is that we focus solely on the funeral sector. This enables us to continually monitor evolving market trends to ensure we continue to improve and meet our clients' needs and preferences and helps us to anticipate and respond to developments and opportunities.

**84%**

Reputation, recommendation and previous experience, together with pre-arranged funerals represent 84 per cent of the Group's business.

This has been broadly constant for the last 10 years.

The vast majority of our funeral business relies on reputation, recommendation and previous experience. This reliance will decline as the percentage of our business resulting from our pre-arranged funeral plan business increases.

### Source of business



## Strategy and business model

Delivering excellent service lies at the heart of what we do. It shapes our strategy and is how we focus our efforts on continuing to create value.

### A consistent strategy and focus

We plan to grow the profitability of our business by:

- Operating in a traditional market where people use our services based on our reputation and through recommendations, where we believe our continued commitment to excellent service for our clients will generate a high level of referral and organic growth;
- Continuing to control our operating costs;
- Developing or acquiring additional funeral locations;
- Developing, managing or acquiring additional crematoria;
- National marketing of pre-arranged funeral plans, principally through affinity partners; and
- Efficient use of our balance sheet to enhance shareholder returns.

Our objective is to lead the funeral sector in professional standards and service; acting responsibly in all our relationships and playing a positive role in the local communities we serve.

Corporate responsibility is integral to our business as it supports the delivery of our strategy and aligns with our values.

#### EXCELLENT CLIENT SERVICE

Ensuring the highest levels of client service:

- High levels of client service demonstrably affect clients' willingness to recommend our services. Recommendations and our reputation have generated approximately 70 per cent of our funeral business on average over the last five years.

##### Continued focus:

- Quality and consistency of service delivery remains our focus. Building strong relationships with our clients and aligning strategically with their needs is critical to broadening and deepening the level of value we provide and supporting our growth ambitions.

#### PEOPLE AND EXPERTISE

Recruiting, developing and retaining the best people:

- Our employees are central to the success of the business. We seek to recruit and retain the best people through appropriate remuneration and ongoing training.

##### Continued focus:

- The high number of long service employees is testament to the strength of our unique Dignity culture.

#### A STRONG CORE PORTFOLIO

##### Funeral services

- We are a major provider of funeral services in the UK and we strive to set the highest standards of care.

##### Crematoria

- We are the largest single operator of crematoria in Britain with a growing portfolio of well-established and state of the art crematoria that meet the needs of the local communities we serve.

##### Pre-arranged funeral plans

- We are one of the UK's leading providers of pre-arranged funeral plans and we continue to strengthen our business in this growing market.

##### Continued focus:

- We invest significantly in our existing business, striving to ensure it is one of the highest standard, both in client facing areas and behind the scenes. We also seek to invest in new business that will help Dignity grow and create value.
- We remain a significant provider of pre-arranged funeral plans and continue to work with our established partners and develop new partnerships to sell plans efficiently.

#### STRONG CAPITAL MANAGEMENT

Delivering long-term shareholder returns:

- Our business is driven by relatively predictable factors over long periods of time. This allows us to operate and fund our business in a way that generates value over the long-term.

##### Continued focus:

- We remain cash generative which, together with our continued focus on costs, places us in a strong position to invest for further growth and enhance shareholder value.

### A STRONG PLATFORM DRIVING GROWTH AND DELIVERING LONG-TERM VALUE

#### STRENGTH

Staying focused on leveraging our competitive strengths and consistently delivering excellent client service.

**Drives enduring demand for our products and services.**



#### STABILITY

Maintaining our strong position in a stable industry with opportunities to acquire market share.

**Supports our long-term growth objectives.**



#### GROWTH

Managing the business to deliver strong EPS growth, cash flow and return on capital.

**Delivers long-term sustainable value.**



## Strategy and business model continued

The consistent returns we generate for our shareholders creates value and benefits all our stakeholders.

### A robust and sustainable business model



#### GENERATING PROFITABLE GROWTH:

- Our consistent track record in strong cash generation and financial discipline enables us to reinvest and grow the business both organically and through strategic acquisition. We generate revenues from new and returning clients and by carefully acquiring businesses that complement our network of locations, extend our geographic reach and represent a reasonable return on our capital.



#### CONTROLLING AND MEASURING GROWTH:

- We do this by making well informed decisions, supported by careful risk management and good governance.



#### OPERATING RESPONSIBLY:

- We do this through embedded policies and robust initiatives, appropriate to the distinct needs of our stakeholders, alongside reducing our impact on the environment and making a positive social impact.



#### MAINTAINING PERFORMANCE ACROSS OUR OPERATIONS:

- We strive to provide our clients with the highest standards of facilities, service and care. We achieve this by our commitment to continuous improvement and investment in our portfolio and consistently delivering excellent client service.



#### BUILDING STRONG RELATIONSHIPS:

- Our clients are the foundation of our business and their trust is earned through our actions both individually and as a group.
- Our people are our most important asset and we value and invest in them as they are integral to the delivery of our strategic objectives.
- For shareholders, our priority is to manage, maintain and deliver strong EPS growth and return on capital.
- We play an important part in and are valued by the local communities we serve and we are committed to making a difference.

### Creating and delivering value



#### OUR CLIENTS

- Our objective is to be the company that everyone knows they can trust in their time of need. We achieve this through continuous improvement and delivering products and services to our clients.



#### OUR PEOPLE

- We believe that the quality of our people is a strong enabler of business growth. We value our people and they are a great asset. We support them by recognising and rewarding performance and long service plays a key part in this.



#### OUR SHAREHOLDERS

- We aim to deliver the best possible operational performance from the business to deliver maximum returns to our shareholders over the long-term. The financial performance that results is based on growth that is consistent and profitable.



#### COMMUNITIES

- Contributing to the communities in which we operate benefits both local people and our business. It enhances our profile and reputation, promotes employee engagement and helps to attract new employees.

#### Governance

Our approach to good governance continues to be robust and effective. Clear Board roles and governance processes offer balance and experience to our strong executive team, helping drive strategic and performance progress.

#### Risk

Dignity has a well established risk management process which is embedded within its business to support the identification and effective management of risks across the business.

#### KPIs

The Group uses both non-financial and financial KPIs to both manage the business and ensure the Group's strategy and objectives are being delivered.

#### Remuneration

Our strategy is focused on delivering short and long-term financial performance. EPS and TSR are quantifiable measures of performance and are used to incentivise Executive Directors to deliver the Group's strategy.

## Our key performance indicators

We track our performance against a number of consistent KPIs which are aligned to our strategic vision.

### OUR ONGOING STRATEGIC OBJECTIVES

Our ongoing strategic objectives underpin and integrate our activities. We use non-financial and financial KPIs to both manage the business and ensure that the Group's strategy and objectives are being delivered.

1

Continue to prioritise excellent client service which we believe will lead to organic growth.

2

Control our costs without compromising the quality of our service.

3

Expand our funeral and crematoria portfolios.

4

Gain new clients through the sale of pre-arranged funeral plans.

5

Increase our returns through efficient capital management.

### HOW WE MEASURE PERFORMANCE

- We monitor our performance by measuring and tracking KPIs that we believe are important to our longer-term success.
- Each KPI reflects a quantifiable measure of different aspects of the Group's strategy. They act as headlines for the Board, allowing them to use more detailed management information to consider the Group's strategy and financial performance in greater depth where appropriate.
- Our KPIs and goals are set to measure our progress in improving our financial performance and in embedding sustainable long-term growth.

### Non-financial KPIs

#### KPI

[Link to strategic objective](#)

#### Total estimated number of deaths in Britain (number)

1

590,000

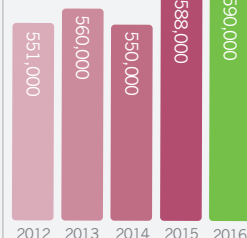


#### Definition

This is as reported by the Office of National Statistics.

#### Developments in 2016

Deaths were higher than anticipated in the period. Historical data would suggest that deaths in 2017 could be significantly lower than 2015 and 2016.



#### Funeral market share excluding Northern Ireland (per cent)

1 3 4

11.8%

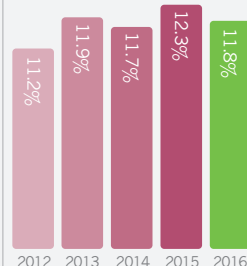


#### Definition

This is the number of funerals performed by the Group in Britain divided by the total estimated number of deaths in Britain.

#### Developments in 2016

The reduction in market share is more than anticipated. The Board is keeping this under review.



#### Number of funerals performed (number)

1 3 4

70,700

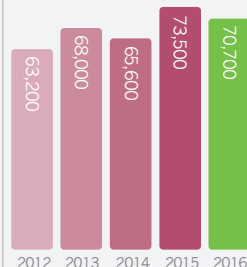


#### Definition

This is the number of funerals performed according to our operational data.

#### Developments in 2016

Changes are a consequence of the total number of deaths and the Group's market share.



# Our key performance indicators continued

## Financial KPIs

### KPI Link to strategic objective

#### Crematoria market share (per cent)

1 3

10.1%

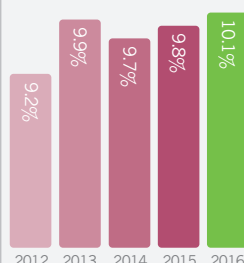


#### Definition

This is the number of cremations performed by the Group divided by the total estimated number of deaths in Britain.

#### Developments in 2016

Market share has increased, principally reflecting the effect of recent acquisitions.



### KPI Link to strategic objective

#### Underlying earnings per share (pence)

1 2 3 4 5

119.8p

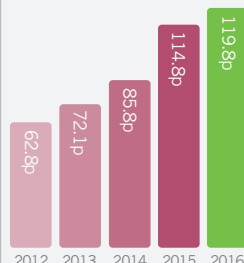


#### Definition

This is underlying profit after tax divided by the weighted average number of Ordinary Shares in issue in the period.

#### Developments in 2016

This growth follows the increase in operating profit.



#### Number of cremations performed (number)

1 3

59,500

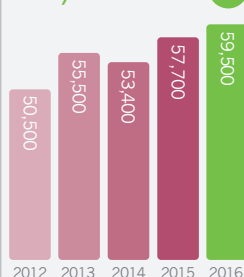


#### Definition

This is the number of cremations performed according to our operational data.

#### Developments in 2016

Changes are a consequence of the total number of deaths and the Group's market share.



#### Underlying operating profit (£m)

1 2 3 4

£101.7m

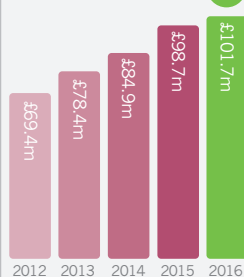


#### Definition

This is the statutory operating profit of the Group excluding profit (or loss) on sale of fixed assets and external transaction costs.

#### Developments in 2016

Good growth driven by higher than expected deaths as well as acquisition activity.



#### Active pre-arranged funeral plans (number)

4

404,000

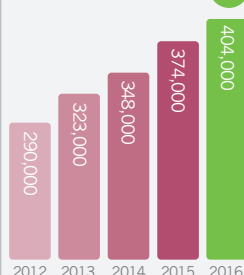


#### Definition

This is the number of pre-arranged funeral plans where the Group has an obligation to provide a funeral in the future.

#### Developments in 2016

This increase reflects continued sales activity offset by the crystallisation of plans sold in previous periods.



#### Cash generated from operations (£m)

5

£121.1m

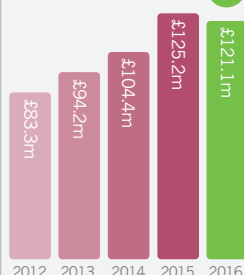


#### Definition

This is the statutory cash generated from operations excluding external transaction costs and (in 2013 and 2014) exceptional pension contributions.

#### Developments in 2016

The Group continues to convert operating profit into cash efficiently.



## OUR FIVE YEAR PERFORMANCE

- Our KPIs have remained consistent over the last five years, enabling clarity and transparency in both reporting and management.
- Each of the Group's KPIs over this period demonstrate the robustness of its operating and financial performance. They also highlight the Group's relatively stable and predictable nature compared to many businesses in other sectors.
- The Board continues to monitor the Group's progress and to assess the performance and continued delivery of our strategy.

## Our key performance indicators continued

The vast majority of our funeral business relies on reputation, recommendation and previous experience and we strive to maintain and improve client satisfaction across our business.

### ENSURING EXCELLENT CLIENT SERVICE

#### What does this mean?

We are committed to delivering the highest standards of service and care, whether helping people arrange a funeral, choosing a memorial or arranging a funeral plan.

#### Why is this important?

Our objective is to lead the funeral sector in professional standards and service. Our priorities and our success are determined by our impact on our clients.

#### How are we different?

Our success rests on having the right people, with the right skills and experience to deliver high quality services consistently and we strive for continuous improvement in the service and facilities we provide. Our clients value this which is why they return to us and recommend us.

#### Our approach

We are committed to both quality of service and business success and how we operate is integral to what we deliver.

Our business is built upon trust, respect, reputation and relationships and we demonstrate our values through our day-to-day behaviour and conduct ourselves in a responsible and ethical manner.

#### Our vision and values

#### WHAT WE BELIEVE IN

##### • What we are here to do:

To help people at one of the most difficult times in their lives.

##### • How we do this:

With compassion, respect, openness and care.

##### • What we want to be:

The company that everyone knows they can trust in their time of need.

#### Our culture

Our people come from the towns and cities they serve or are from families that have been in the funeral profession for generations.

Our business principles, Code of Conduct and core Group values have helped us to create a distinctive and diverse Dignity culture. This is essential to ensure we remain consistent in the standards of behaviour all our employees adhere to when supporting our clients and that we deliver the excellent service upon which our business depends.

#### The way we work

Our Code of Conduct ensures that all staff are aware of the principles that govern how we operate in the business environment and explains the standards of behaviour that all our employees are expected to adhere to.

Our Code of Conduct is reinforced by a staff handbook, 'Helping our clients every step of the way' which states that all clients should be supported during the funeral arrangements, at the service or when choosing a memorial or funeral plan in a caring and sensitive manner. We should be compassionate and caring; pay attention to detail; spend as much time as the client needs; be open and straightforward and keep in regular contact with the client.

We make our clients feel confident in us so that they are reassured they are being served by responsible individuals working for a responsible company.

### KPI

Link to strategic objective

### CLIENT SATISFACTION IN OUR FUNERAL SERVICES

1

#### Objective

Ensuring the highest levels of client service is one of our key strategic objectives and is fundamental to our continued success.

#### Definition

We closely monitor the results of our client surveys which are conducted by our Funeral Services division. In the last five years, we have received approximately 160,000 responses. This is our measure of how these services meet or exceed client expectations.



#### Maintaining client satisfaction

Our consistently high satisfaction scores reflect the strength of our relationships with our clients and the stability and quality of our core business. We listen to our clients and also use our survey responses to focus on areas in which we can improve and add value.

Our ongoing commitment to high levels of client satisfaction continues to generate high levels of referrals as demonstrated in the graph below.

#### Recommending our services (% of clients)



## The Dignity Client Survey 2016

Our funeral service survey results continue to demonstrate the outstanding work being consistently done by our staff. They remain focused on performing their roles to the best of their ability, allowing the Group to help many families at a difficult time.

### WHAT WE FOCUS ON

#### Ensuring the highest levels of client service

Recommendations and our reputation have generated approximately 70 per cent of our funeral business on average in the last five years.

#### Recruiting, developing and retaining the best people

We seek to recruit and retain the best people through appropriate remuneration and ongoing training. Over 22 per cent of Dignity employees have over 10 years service.

#### Continued investment

In 2016, we invested £19.6 million in capital expenditure on the core business to ensure that both our client-facing areas and behind the scenes facilities are maintained to the highest standards. See Financial Review for further details.

#### Listening to our clients; providing clear advice and guidance

We act with compassion and care, pay attention to detail, spend as much time as the client needs, we are open and straightforward and keep in regular contact with the client.

### WHAT OUR CLIENTS SAY

#### Reputation and recommendation

**98.8%** (2015: 99.2%)

98.8 per cent of respondents said that we met or exceeded their expectations.

**97.7%** (2015: 98.0%)

97.7 per cent of respondents would recommend us.

#### Quality of service and care

**99.9%** (2015: 99.9%)

99.9 per cent thought our staff were respectful.

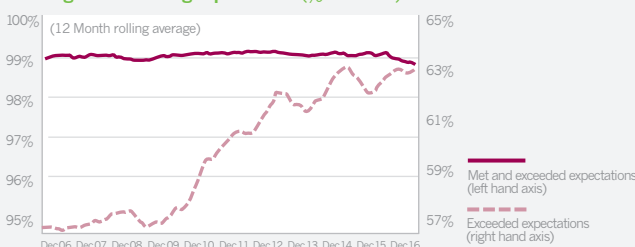
**99.7%** (2015: 99.7%)

99.7 per cent thought our staff listened to their needs and wishes.

**99.1%** (2015: 99.3%)

99.1 per cent agreed that our staff were compassionate and caring.

#### Meeting and exceeding expectations (% of clients)



#### High standards of facilities and fleet

**99.8%** (2015: 99.8%)

99.8 per cent thought our premises were clean and tidy.

**99.8%** (2015: 99.8%)

99.8 per cent thought our vehicles were clean and comfortable.

#### In the detail

**99.2%** (2015: 99.3%)

99.2 per cent of clients agreed that our staff had fully explained what would happen before and during the funeral.

**99.1%** (2015: 99.1%)

99.1 per cent said that the funeral service took place on time.

**98.5%** (2015: 98.6%)

98.5 per cent said that the final invoice matched the estimate provided.

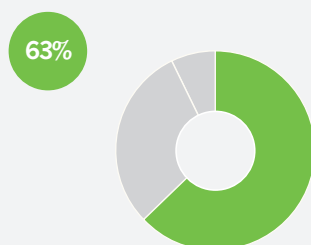
## Our summary performance in 2016

The Group has continued to perform strongly in 2016.

### Operational and Financial Summary

#### Funeral services

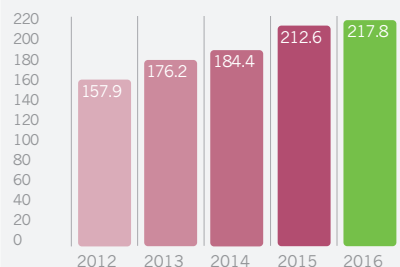
Group underlying operating profit share (%)



Revenue (£m)



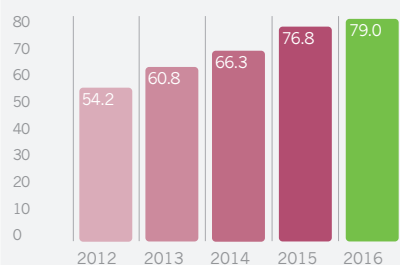
Revenue up 2% to £217.8 million



Underlying operating profit (£m)

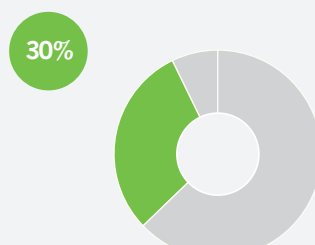


Underlying operating profit up 3% to £79.0 million



#### Crematoria

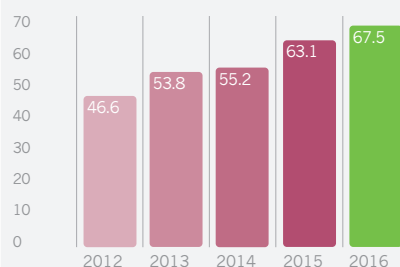
Group underlying operating profit share (%)



Revenue (£m)



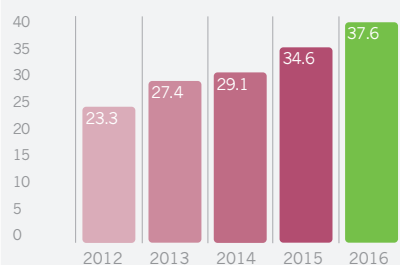
Revenue up 7% to £67.5 million



Underlying operating profit (£m)

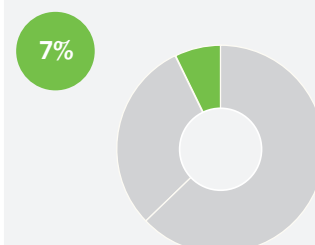


Underlying operating profit up 9% to £37.6 million



#### Pre-arranged funeral plans

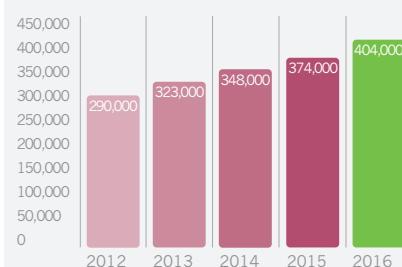
Group underlying operating profit share (%)



Total number of active plans

404,000

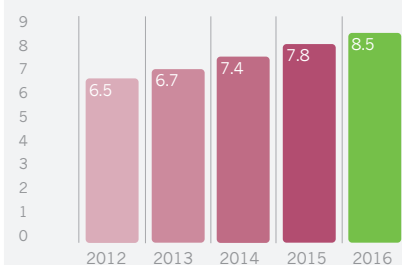
Total active pre-arranged funeral plans increased to 404,000



Underlying operating profit (£m)



Underlying operating profit up 9% to £8.5 million



## Our summary performance in 2016 continued

We made good progress across all our operations, with each division performing in line with the Board's expectations.

### Funeral services



#### Performance in 2016

- Strong operational efficiencies and performance.
- Substantial investment in core portfolio.
- Acquired locations integrated into the business.

### Crematoria



#### Performance in 2016

- Nine per cent increase in underlying operating profit.
- Five crematoria acquired.
- Three crematoria approved for construction.
- One further planning application being processed.

Delivering excellent service continues to provide our strategic focus and drives our operational performance.

### Pre-arranged funeral plans



#### Performance in 2016

- Strong operational performance.
- Age UK remains a key affinity partner.

### Corporate and social responsibility



#### A responsible business

- At the heart of our business is a commitment to doing the right thing; behaving ethically, working safely, reducing our environmental impact, recruiting, developing and retaining the best people and making a real difference to the communities we serve.

## Board of Directors

A strong and experienced Board.



The composition of the Board is balanced to align with our strategic objectives and corporate responsibilities. Our Board members combine to provide a strong and complementary mix of skills and experience and together are committed to building the long-term success of the Group.

**Peter Hindley**  
Non-Executive Chairman

**Peter Hindley**  
Non-Executive Chairman

Appointed to the Board: 2004

### Background and experience:

Peter has extensive experience of the industry having been appointed Chief Executive of Plantsbrook Group plc in 1991. He subsequently led a management buy out of Dignity in 2002. The Company was then floated on the Stock Exchange in 2004. Peter became Non-Executive Chairman in January 2009. Before entering the funeral service industry, Peter held a number of senior positions in retailing. Peter was appointed Chairman of the Steering Committee of the French funerals group OGF, SA in January 2014.

**Mike McCollum**  
Chief Executive

Appointed to the Board: 2004

### Background and experience:

Mike joined Dignity's former parent, SCI, in 1995 from KPMG Corporate Finance in London. As Finance Director he was part of the management team that guided the Group through the leveraged buy out in 2002 and IPO in 2004. He was appointed Chief Executive in 2009. He has a law degree from Birmingham University, is a solicitor and also holds an MBA from Warwick University.

### External appointments:

Non-Executive Director of CVS Group plc.



**Steve Whittern**  
Finance Director

Appointed to the Board: 2009

### Background and experience:

Steve joined the Group in 1999 from KPMG. He was appointed Finance Director at the beginning of 2009, having spent the previous two years as Financial Controller, being responsible for the Group's finance function. Steve has led the three refinancings and Returns of Cash since 2010, and the debt and equity funding for the Yew Acquisition in 2013. Steve is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a mathematics degree from Warwick University.

### External appointments:

None.

**Andrew Davies**  
Operations Director

Appointed to the Board: 2004

### Background and experience:

Andrew joined his family owned business in 1979 and worked as a funeral director and embalmer until the business was sold to Great Southern Group in 1993. He then held various management positions within Great Southern Group and following the acquisition by SCI in 1994, held senior operational positions within SCI (UK). He became Operations Director in 2001 and was a member of the management buy out team in 2002.

### External appointments:

None.

**Richard Portman**  
Corporate Services Director

Appointed to the Board: 2006

### Background and experience:

Richard joined SCI from HSBC as Chief Accountant in 1999. Following the IPO, Richard was appointed as Company Secretary and became Corporate Services Director in 2006. Richard is a Fellow of the Institute of Chartered Accountants in England and Wales, holds a geography degree from Birmingham University, is a Companion of the Chartered Management Institute and is a Member of the Investor Relations Society. He is also one of the Trustees of the Dignity Welfare Trust.

### External appointments:

None.

## Board of Directors continued



**Alan McWalter**  
Senior Independent Director

Appointed to the Board: 2009

### Background and experience:

Alan is Non-Executive Chairman of Churchill China plc, Belfield Furnishings Ltd and Senior Independent Director of SDL PLC. Prior to these roles Alan was Group Marketing Director of Marks and Spencer plc and before that held senior positions with Kingfisher plc and Thomson Consumer Electronics.



**David Blackwood**  
Non-Executive Director

Appointed to the Board: 2015

### Background and experience:

David is a Non-Executive Director, and Audit Chair of Scapa Group plc, and has previously served as a member of the Cabinet Office Audit and Risk Committee and the Board for Actuarial Standards. He was Chief Financial Officer of Synthomer plc for seven years, stepping down in 2015, prior to which he held a number of senior roles with ICI plc. He is a Chartered Accountant (ICAEW) and a Fellow of the Association of Corporate Treasurers (FCT).

### Board Committee Membership

as at 30 December 2016

	Audit Committee	Remuneration Committee	Nomination Committee
Peter Hindley			▲
Alan McWalter	●	▲	●
David Blackwood	▲	●	●
Jane Ashcroft	●	●	●
Martin Pexton (resigned 3 February 2017)	●	●	●

▲ Chairman  
● Member



**Jane Ashcroft CBE**  
Non-Executive Director

Appointed to the Board: 2012

### Background and experience:

Jane is Chief Executive of Anchor, a leading provider of services to older people and has held a number of senior positions since joining them in 1999. She is also Non-Executive Director of Care England and of the National Housing Federation, Vice Chair of the associated Retirement Community Operators and was previously a Non-Executive Chair of Stroud & Swindon Building Society. A graduate of Stirling University, she is a Fellow of the Institute of Chartered Secretaries & Administrators, a Member of the Chartered Institute of Personnel and Development, a Trustee of Silver Line and was created a CBE in the 2014 New Years honours list.



**Mary McNamara**  
Non-Executive Director

Appointed to the Board: 2017

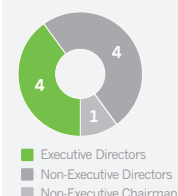
### Background and experience:

Mary McNamara is a Non-Executive Director and Chairman of the Remuneration Committee of One Savings Bank plc. She is also Senior Independent Director and Chairman of the Remuneration Committee for Motorpoint Group plc. Previously she was the Chief Executive of the Commercial Division for Close Brothers Bank. Prior to this Mary worked for GE for 17 years with leadership roles across the Consumer and Commercial Finance business.

### Board composition, balance and tenure

The Board comprises eight Directors and the Non-Executive Chairman. There are the same number of independent Non-Executive Directors and Executive Directors which the Board considers to be an appropriate and effective combination and also complies with the Code in respect of FTSE 250 listed companies.

#### Executive and Non-Executive Directors



#### Non-Executive Tenure



## Financial record\*

### Summarised consolidated income statement

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Revenue					
Funeral services	217.8	212.6	184.4	176.2	157.9
Crematoria	67.5	63.1	55.2	53.8	46.6
Pre-arranged funeral plans	28.3	29.6	29.3	26.7	25.1
	313.6	305.3	268.9	256.7	229.6
Underlying operating profit					
Funeral services	79.0	76.8	66.3	60.8	54.2
Crematoria	37.6	34.6	29.1	27.4	23.3
Pre-arranged funeral plans	8.5	7.8	7.4	6.7	6.5
Central overheads	(23.4)	(20.5)	(17.9)	(16.5)	(14.6)
	101.7	98.7	84.9	78.4	69.4
Underlying finance costs	(26.9)	(27.0)	(30.6)	(28.9)	(25.8)
Finance income	0.4	0.5	4.2	3.4	2.5
Underlying profit before tax	75.2	72.2	58.5	52.9	46.1
Taxation	(15.8)	(15.5)	(13.1)	(12.9)	(11.7)
Underlying profit after tax	59.4	56.7	45.4	40.0	34.4
Underlying earnings per share (pence)	119.8p	114.8p	85.8p	72.1p	62.8p
Operating profit	97.7	95.5	82.9	75.1	68.7
Profit/(loss) after tax	57.2	56.9	(55.0)	40.4	35.7
Basic earnings per share (pence)	115.3p	115.2p	(104.0p)	72.8p	65.1p

### Key performance indicators

	2016	2015	2014	2013	2012
Total estimated number of deaths in Britain (number)	590,000	588,000	550,000	560,000	551,000
Number of funerals performed (number)	70,700	73,500	65,600	68,000	63,200
Funeral market share** (per cent)	11.8%	12.3%	11.7%	11.9%	11.2%
Number of cremations performed (number)	59,500	57,700	53,400	55,500	50,500
Crematoria market share (per cent)	10.1%	9.8%	9.7%	9.9%	9.2%
Active pre-arranged funeral plans (number)	404,000	374,000	348,000	323,000	290,000
Cash generated from operations (£million)	121.1	125.2	104.4	94.2	83.3

### Net debt

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
Net amounts owing on Secured Notes per financial statements	(573.9)	(586.5)	(594.6)	(403.0)	(318.9)
Add: unamortised issue costs on Secured Notes	(0.7)	(0.7)	(0.7)	(16.3)	(14.6)
Gross amounts owing on Secured Notes per financial statements	(574.6)	(587.2)	(595.3)	(419.3)	(333.5)
Net amounts owing on Crematoria Acquisition Facility per financial statements	(15.7)	(15.7)	(15.6)	(15.6)	(10.0)
Add: unamortised issue costs on Crematoria Acquisition Facility	(0.1)	(0.1)	(0.2)	(0.2)	–
Gross amounts owing	(590.4)	(603.0)	(611.1)	(435.1)	(343.5)
Accrued interest on Secured Notes	(0.3)	(12.8)	(5.7)	(14.3)	(11.6)
Accrued interest on Crematoria Acquisition Facility	(0.1)	(0.1)	–	–	(0.1)
Cash and cash equivalents	67.1	98.8	86.5	79.3	55.6
Net debt	(523.7)	(517.1)	(530.3)	(370.1)	(299.6)

## Financial record\* continued

## Summarised consolidated balance sheet

	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
<b>Non-current assets</b>					
Goodwill and intangible assets	358.1	328.2	276.5	250.4	204.5
Property, plant and equipment	235.4	200.6	192.3	183.6	157.1
Financial and other assets	11.3	10.3	10.4	12.7	12.6
Retirement benefit asset	–	–	–	–	0.1
	604.8	539.1	479.2	446.7	374.3
<b>Current assets</b>					
Cash and cash equivalents – excluding collateralisation of Liquidity Facility	67.1	98.8	86.5	79.3	55.6
Cash and cash equivalents – collateralisation of Liquidity Facility	–	–	–	63.0	–
Cash and cash equivalents	67.1	98.8	86.5	142.3	55.6
Other current assets	43.1	38.3	36.5	34.4	32.1
	110.2	137.1	123.0	176.7	87.7
<b>Total assets</b>	715.0	676.2	602.2	623.4	462.0
Current liabilities	75.1	82.7	60.6	143.6	76.9
Non-current liabilities	643.4	637.4	634.1	437.6	340.5
<b>Total liabilities</b>	718.5	720.1	694.7	581.2	417.4
Equity attributable to shareholders	(3.5)	(43.9)	(92.5)	42.2	44.6
<b>Total equity and liabilities</b>	715.0	676.2	602.2	623.4	462.0

## NOTES

\* This information has been extracted from the current and previous Annual Reports and accordingly does not constitute audited information.

\*\* Market share excluding funerals performed in Northern Ireland.

\*\*\* In 2014, the Group refinanced its capital structure. Prior to 17 October 2014, the Group had on various occasions issued Class A Secured Notes due for final repayment in 2023 ('Old Class A Notes') and Class B Secured Notes due for final repayment in 2031 ('Old Class B Notes') and together with the Old Class A Notes, the 'Old Notes'). On 17 October 2014, the Group issued £238,904,000 Class A Secured 3.5456% Notes due 2034 ('New Class A Notes') and £356,402,000 Class B Secured 4.6956% Notes due 2049 ('New Class B Notes') and together with the New Class A Notes, the 'New Notes'). For the purpose of the financial record, the various classes of these notes are referred to as the Secured Notes. Elsewhere in this Annual Report, Secured Notes and associated references refers to the New Notes, as these were the only notes in issue in 2015 and 2016.

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## Key dates

<b>8 March 2017</b>	Preliminary announcement of 2016 results
<b>8 June 2017</b>	Annual General Meeting
<b>30 June 2017</b>	2017 financial half year end
<b>30 June 2017 (subject to shareholder approval)</b>	Payment of 2016 final dividend
<b>2 August 2017 (provisional)</b>	Announcement of interim results
<b>27 October 2017 (provisional)</b>	Payment of 2017 interim dividend
<b>29 December 2017</b>	Financial period end

**Note:**  
Please note all future dates are subject to change

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