

Registered Company no. 02024626

G M Luff & Partners Limited

Report and Financial Statements

31 March 2023

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COMPANIES HOUSE

Directors

J M Ford
S J Ford
M S McClelland
A M Mears
P D Wilcox

Secretary

M S McClelland

Auditor

Haines Watts
Northern Assurance Buildings
Albert Square
9/21 Princess Street
Manchester
M2 4DN

Bankers

Lloyds TSB Bank Plc
33 Packhorse Road
Gerrards Cross
Buckinghamshire
SL9 8PF

Solicitors

Clifton Ingram LLP
County House
17 Friar Street
Reading
RG1 1DB

Registered Office

11-13 Turk Street
Alton
Hants
GU34 1AG

Strategic Report

Principal activities, review of the business and future developments

The principal activity is carrying on the business of funeral directors and providing related services.

The results for the year, down on the previous year despite increased turnover, reflect the difficult conditions continuing on from the COVID 19 pandemic. Going forward there is still uncertainty over forecast death rates and thus turnover. The directors are confident that the company is well placed to overcome these challenges.

The directors of the company intend to promote the principal activities and continue to seek growth through acquisition and opening new locations.

Key performance indicators:

The company's key performance indicators during the year were as follows:

	2019/2020	2020/2021	2021/2022	2022/2023
	£000	£000	£000	£000
Turnover	5,160	5,370	4,938	5,655
Profit before tax	504	1,147	891	843
	No.	No.	No.	No.
Employees	68	72	69	67

Principal risks and uncertainties

COVID 19

These results have been impacted by the ongoing effects of the COVID 19 pandemic. The pandemic caused a large number of deaths earlier than would have been expected and of course this has, and will for a period of time, have an impact on the number of current and future deaths. Going forward there remains some uncertainty although the number of funerals we have conducted since March 2023 have been broadly in line with historical expectations.

OTHER RISKS

Lack of Demand: The turbulent trading conditions experienced during the pandemic saw the number of deaths exceed any level witnessed in the past 20 years in which case it is possible that in the next few years we could see a lower number of deaths than originally anticipated by the Office of National Statistics. The company mitigates this risk through improved online marketing and the provision of excellent customer service.

OTHER RISKS

Working Capital : The company manages liquidity and cash flow risk by optimising the cash generation of its operations and applying cash collection targets. The Directors believe the company has sufficient cash reserves and facilities for the foreseeable future.

On behalf of the Board of Directors

M S McClelland

M S McClelland

Director

15 December 2023

Directors' Report

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The profit after taxation for the year amounted to £624,865 (2022 – £573,409). A final dividend of £224,172 for the year ended 31 March 2022 was paid in May 2022. No interim ordinary dividend was paid for 2023 (2022 – £nil). The directors recommend payment of a final dividend of £224,172 (2022 – £224,172).

Going concern

As the company and other fellow group companies within the Wilcox & Co. Limousines Limited Group (the 'Group'), to which the Company belongs, have cross guarantees, with bank loans secured against the assets of all the group companies, then the going concern basis of presentation is considered at the Company and Group level.

From a Company perspective the parent company and other group companies have indicated that they will not seek repayment of any group balances due, for a period of at least 13 months from the approval of these financial statements and will continue to provide further support as required, on a rolling 13 month notice period.

From the Parent company and the Group perspective the directors have considered the following.

The effects of the Covid-19 pandemic and its ongoing consequences have continued to have a negative effect on the Group results for the year.

The pandemic caused periodic variation in demand for funeral services although this has started to normalise and the full range of services are available to clients.

The knock on effect of disruption in the funeral profession was the detrimental impact on the demand for new hearse and limousines. Supply and demand issues were felt throughout the whole automotive industry which has suffered a supply shortage of key components, caused where suppliers have been unable to recruit suitable staff to ramp up production after scaling back during the pandemic. During 2021 our main supplier of vehicles for conversion ceased production of the model we purchased. To alleviate this we stock-piled vehicles to provide us with time to seek alternative suppliers. This then resulted in substantial development costs and restricted production. This development has now finished and deliveries resumed. Demand has picked up and we now have an order bank similar to that which we regularly held, prior to the pandemic. Demand for used vehicles has continued but has been constrained by the lack of availability of quality used vehicles, a result of the lack of new vehicle deliveries. Going forward the supply of vehicles for conversion has once again been upset as manufacturers are updating their model range in a move towards electrification. We have however been able to secure a supply of vehicles to keep us in full production until the updated vehicles are readily available. Whilst these new vehicles are not vastly dissimilar to the existing model it will of course involve some further development. The directors have factored these costs and an element of delay into their forecasts for the purposes of the Group going concern assessment.

The investment properties held within the group have had continuous tenants throughout and rental income has remained constant.

The Group, which continues to have support from its bankers, has along with overdraft facilities, two long term bank loans in place within subsidiary entities, one as a mortgage over properties, held within Stratus Estate Limited, the other a CIBILs loan drawn down in January 2021, within Eagle Specialist Vehicles Limited. The Group and Company's forecasts show that they are able to operate within the level of their current forecasts including financing arrangements.

Based on this the directors have considered the Group and Company's financial position and future forecasts including their financing arrangement and are satisfied that the Group and Company can continue to pay their liabilities as they fall due for a period of 12 months from the date of approval of these financial statements.

Directors' Report

Directors

The directors who served during the year are as follows:

J M Ford
S J Ford
M S McClelland
A M Mears
P D Wilcox

Employees

We are committed to providing the highest standard of service to our clients and this can only be achieved with the help of our experienced and caring staff. We would like to pay tribute to their professionalism and tireless efforts to support their colleagues and our clients.

The company remains committed to employee training, involvement and equal opportunity.

Acquisition

During May 2022 the company acquired the goodwill and assets of Brian Bentley Funeral Services for a consideration of £380,000.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board of Directors

M S McClelland

M S McClelland
Director
15 December 2023

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's report

to the members of G M Luff & Partners Limited

Opinion

We have audited the financial statements of G M Luff & Partners Limited ("the company") for the year ended 31 March 2023 which comprise the Statement of comprehensive income, Balance Sheet, Statement of Changes in Equity and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditor's thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report

to the members of G M Luff & Partners Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor's that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the company engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- using data analytic software to identify unusual journal entries, in particular any journal entries posted with unusual account combinations and unusual words;

Independent auditor's report

to the members of G M Luff & Partners Limited

- revenue recognition, we have tested a sample of sales orders in the year, ensuring they have led to sales in the financial statements as well extended focus on cut-off testing;
- reviewing significant estimates made in the preparation of the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Haines Watts

Date *19.12.23*

David Fort FCA (Senior Statutory Auditor)

For and on behalf of Haines Watts

Northern Assurance Buildings

9-21 Princess Street

Manchester

M2 4 DN

Statement of comprehensive income

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	3	5,654,863	4,938,416
Other operating income	4	108,442	408,932
Operating costs		(4,920,562)	(4,456,748)
Operating profit	5	842,743	890,600
Interest payable and similar charges	7	-	(99)
Interest receivable		-	240
Profit on ordinary activities before taxation		842,743	890,741
Tax on ordinary activities	8(a)	(217,878)	(317,332)
Profit for the financial year		624,865	573,409
Other comprehensive income		-	-
Total comprehensive income for the year		624,865	573,409

There was no other comprehensive income for 2023 and 2022.

All amounts relate to continuing activities.

Statement of changes in equity

For the year ended 31 March 2023

	Notes	Called up share capital	Retained earnings	Merger reserves	Total equity
		£	£	£	£
At 1 April 2021		224,172	6,201,822	(331,615)	6,094,379
Profit for the year		-	573,409	-	573,409
Other comprehensive income		-	-	-	-
Total comprehensive income		-	573,409	-	573,409
Dividend paid	9	-	(224,172)	-	(224,172)
At 31 March 2022		224,172	6,551,059	(331,615)	6,443,616
Profit for the year		-	624,865	-	624,865
Other comprehensive income		-	-	-	-
Total comprehensive income		-	624,865	-	624,865
Dividend paid	9	-	(224,172)	-	(224,172)
Reserves transfer		-	(331,615)	331,615	-
At 31 March 2023		224,172	6,620,137	-	6,844,309

The notes on pages 11 to 23 form part of these financial statements.

Statement of financial position

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	10	1,173,800	1,005,000
Tangible fixed assets	11	4,166,740	3,554,190
Investments	12	1,440	1,440
		<u>5,341,980</u>	<u>4,560,630</u>
Current assets			
Stocks	13	45,500	49,060
Debtors	14	1,582,487	717,731
Cash at bank and in hand		1,145,868	2,247,978
		<u>2,773,855</u>	<u>3,014,769</u>
Creditors: amounts falling due within one year	15	(577,966)	(611,872)
		<u>2,195,889</u>	<u>2,402,897</u>
Net current assets			
		<u>7,537,869</u>	<u>6,963,527</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	16	(15,140)	(1,340)
Provisions for liabilities	8(c)	(678,420)	(518,571)
		<u>6,844,309</u>	<u>6,443,616</u>
Net assets			
Capital and reserves			
Called up share capital	17	224,172	224,172
Profit and loss account		6,620,137	6,551,059
Merger Reserve		-	(331,615)
		<u>6,844,309</u>	<u>6,443,616</u>
Shareholders' funds			
		<u>6,844,309</u>	<u>6,443,616</u>

The financial statements were approved by the Board of Directors and signed on their behalf by:-

M S McClelland

M S McClelland
Director

15 December 2023

Registered Company no. 02024626

Notes to the financial statements

For the year ended 31 March 2023

1. Statement of compliance

The company is a private company limited by share capital and is incorporated and domiciled in England and Wales, registration number 02024626.

These financial statements were prepared in compliance with Financial Reporting Standard 102 (FRS 102), 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006. The financial statements are prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below, and are presented in Sterling.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Wilcox & Co (Limousines) Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, includes the Company's cash flows;
- ii) from disclosing the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- iii) from disclosing the Company's key management personnel compensation, as required by FRS 102 paragraph 33.7.

Group financial statements

The company is exempt from preparing and delivering group financial statements under section 400 of the Companies Act 2006 as it and its subsidiary undertaking are included by full consolidation in the publicly available consolidated financial statements of Wilcox & Co (Limousines) Limited, a company incorporated in the England and Wales. The financial statements contain information about the Company only and not the group as a whole.

Going concern

As the company and other fellow group companies within the Wilcox & Co. Limousines Limited Group (the 'Group'), to which the Company belongs, have cross guarantees, with bank loans secured against the assets of all the group companies, then the going concern basis of presentation is considered at the Company and Group level.

From a Company perspective the parent company and other group companies have indicated that they will not seek repayment of any group balances due, for a period of at least 13 months from the approval of these financial statements and will continue to provide further support as required, on a rolling 13 month notice period.

From the Parent company and the Group perspective the directors have considered the following.

The effects of the Covid-19 pandemic and its ongoing consequences have continued to have a negative effect on the Group results for the year.

The pandemic caused periodic variation in demand for funeral services although this has started to normalise and the full range of services are available to clients.

The knock on effect of disruption in the funeral profession was the detrimental impact on the demand for new hearse and limousines. Supply and demand issues were felt throughout the whole automotive industry which has suffered a supply shortage of key components, caused where suppliers have been unable to recruit suitable staff to ramp up production after scaling back during the pandemic. During 2021 our main supplier of vehicles for conversion ceased production of the model we purchased. To

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

Going Concern (continued)

alleviate this we stock-piled vehicles to provide us with time to seek alternative suppliers. This then resulted in substantial development costs and restricted production. This development has now finished and deliveries resumed. Demand has picked up and we now have an order book similar to that which we regularly held, prior to the pandemic. Demand for used vehicles has continued but has been constrained by the lack of availability of quality used vehicles, a result of the lack of new vehicle deliveries. Going forward the supply of vehicles for conversion has once again been upset as manufacturers are updating their model range in a move towards electrification. We have however been able to secure a supply of vehicles to keep us in full production until the updated vehicles are readily available. Whilst these new vehicles are not vastly dissimilar to the existing model it will of course involve some further development. The directors have factored these costs and an element of delay into their forecasts for the purposes of the Group going concern assessment.

The investment properties held within the group have had continuous tenants throughout and rental income has remained constant.

The Group, which continues to have support from its bankers, has along with overdraft facilities, two long term bank loans in place within subsidiary entities, one as a mortgage over properties, held within Stratus Estate Limited, the other a CIBILs loan drawn down in January 2021, within Eagle Specialist Vehicles Limited. The Group and Company's forecasts show that they are able to operate within the level of their current forecasts including financing arrangements.

Based on this the directors have considered the Group and Company's financial position and future forecasts including their financing arrangement and are satisfied that the Group and Company can continue to pay their liabilities as they fall due for a period of 12 months from the date of approval of these financial statements.

As such the directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for a period of 12 months from approval of the financial statements for the year ended 31 March 2023. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors are of the opinion that there are no significant judgements required in the preparation of the financial statements.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity shareholders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity

Revenue recognition

Revenue, which is stated net of value added tax, represents amounts invoiced to clients but excludes disbursements paid on their behalf. Revenue from the provision of services is recognised when the service has been provided.

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

Intangible fixed assets

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It has been capitalised and is being written off in equal annual instalments over its estimated economic life of between 10-20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and when events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

All tangible fixed assets, except land, are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, at the following annual rates:

Plant and machinery	– 12.5% straight line
Office furniture and equipment	– 20% straight line
Computer equipment	– 25% straight line
Motor vehicles	– 12.5% or 20% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Short leasehold property is amortised equally over the remaining period of the lease. The carrying value of land that is not depreciated is £1,710,610 (2022 - £1,710,610).

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

There are no assets which are initially measured at fair value.

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Taxation

Current tax, is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Leasing and hire purchase

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Pension commitments

The company operates a defined contribution pension scheme. Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

Notes to the financial statements

For the year ended 31 March 2023

2. Accounting policies (continued)

Interest bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised at net proceeds. After initial recognition the debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Other operating income

Other income relates to disbursements and rent receivable. They are recognised on the accrual basis.

3. Turnover

Turnover represents the invoiced value of sales of services, net of VAT, from the principal activity of the company in the United Kingdom but excludes disbursements paid on behalf of clients. Income from sales is recognised at the point of sale, to the extent that the services have been provided.

4. Other operating income

This represents income from rental property not used in the main course of business together with income from ancillary services.

5. Operating profit

This is stated after charging/(crediting):

		2023	2022
		£	£
Auditor's remuneration	– audit of the financial statements	11,000	16,000
	– non-audit services relating to taxation	2,400	5,000
		<u>13,400</u>	<u>21,000</u>
		181,200	149,000
		428,580	404,137
		(28,925)	(81,800)
		<u>580,855</u>	<u>471,337</u>
Operating lease charges	– land and buildings	279,996	258,625
		<u>279,996</u>	<u>258,625</u>

6. Directors' remuneration and staff costs

Directors' remuneration

	2023	2022
	£	£
Remuneration	325,545	316,466
Pension contributions	47,185	46,067
	<u>372,730</u>	<u>362,533</u>

Three directors (2022-three) were members of money purchase pension schemes during the year.

Certain directors are remunerated for their qualifying services provided to the group as a whole, rather than a specific company. These have been disclosed in the financial statements of the parent company.

Notes to the financial statements

For the year ended 31 March 2023

6. Directors' remuneration and staff costs (continued)

Directors' remuneration (continued)

The remuneration of the highest paid director was as follows:

	2023	2022
	£	£
Remuneration	88,020	86,820
Pension contributions	24,697	24,397
	<u>112,717</u>	<u>111,217</u>

Staff Costs

	2023	2022
	£	£
Wages and salaries	1,987,574	1,879,552
Social security costs	211,589	187,088
Pension costs	162,348	160,562
Apprenticeship levy	6,583	6,039
	<u>2,368,094</u>	<u>2,233,241</u>

6. Directors' remuneration and staff costs (continued)

The monthly average number of persons employed in the year was as follows

	2023	2022
	No.	No.
Funeral directing	62	64
Administration	5	5
	<u>67</u>	<u>69</u>

7. Interest payable and similar charges

	2023	2022
	£	£
Other interest	-	99
	<u>-</u>	<u>99</u>

Notes to the financial statements

For the year ended 31 March 2023

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2023 £	2022 £
<i>Current tax:</i>		
UK corporation tax	58,029	194,331
Adjustment in respect of previous periods	-	-
Total current tax	58,029	194,331
<i>Deferred tax:</i>		
Origination and reversal of timing differences	159,849	(1,456)
Adjustment in respect of previous periods	-	-
Effect of changes in tax rates	-	124,457
Total deferred tax (note 7(c))	159,849	123,001
Total tax per income statement (note 7(b))	217,878	317,332

(b) Factors affecting current tax charge for the period

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2022 – 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	842,743	890,741
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 – 19%)	160,121	169,241
<i>Effects of:</i>		
Disallowed expenses	36,038	56,649
Capital allowances in excess of depreciation	(138,130)	-
Deferred tax	159,849	-
Income not taxable	-	(31,015)
Tax rate changes	-	124,457
Total tax for the year (note 7(a))	217,878	317,332

Notes to the financial statements

For the year ended 31 March 2023

8. Tax (continued)

(c) Deferred tax

The movements in deferred taxation during the current and previous years are as follows:

	2023 £	2022 £
At 1 April 2022	518,571	395,570
Charge for the year	159,849	123,001
At 31 March 2023	678,420	518,571

Deferred taxation provided in the financial statements comprises:

	2023 £	2022 £
Accelerated capital allowances	678,420	518,571
At 31 March 2023	678,420	518,571

There is no unprovided deferred taxation.

(d) Factors that may affect future tax charges

The UK Budget 2022 announcements on 3 March 2022 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. These changes were enacted at the balance sheet date and hence are reflected in the measurement of deferred tax balances at the period end.

9. Dividends

	2023 £	2022 £
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 March 2023	224,172	224,172
	224,172	224,172

Notes to the financial statements

For the year ended 31 March 2023

10. Intangible assets

	<i>Goodwill</i> <i>£</i>
Cost:	
At 1 April 2022	2,650,517
Additions	350,000
Fully amortised	(1,163,710)
At 31 March 2023	<u>1,836,807</u>
Amortisation :	
At 1 April 2022	1,645,517
Fully amortised	(1,163,710)
Charge for the year	181,200
At 31 March 2023	<u>663,007</u>
Net book value:	
At 31 March 2023	<u>1,173,800</u>
At 31 March 2022	<u>1,005,000</u>

The goodwill arose on the acquisition of several funeral businesses and represents the difference between the consideration paid and the fair value of the separable net assets acquired.

Notes to the financial statements

For the year ended 31 March 2023

11. Tangible fixed assets

	<i>At 1 April</i>			<i>At 31 March</i>
	<i>2022</i>	<i>Additions</i>	<i>Disposals</i>	<i>2023</i>
	£	£	£	£
Cost:				
Freehold land and buildings	2,006,512	49,500	–	2,056,012
Short leasehold land and buildings	188,674	38,441	124,859	102,256
Plant and machinery	113,964	60,825	18,441	156,348
Office furniture and equipment	210,574	51,296	15,740	246,130
Computer equipment	144,854	16,547	30,251	131,150
Motor vehicles	2,461,496	910,361	190,230	3,181,627
	<u>5,126,074</u>	<u>1,126,970</u>	<u>379,521</u>	<u>5,873,523</u>
	<i>At 1 April</i>			<i>At 31 March</i>
	<i>2022</i>	<i>Charges</i>	<i>Disposals</i>	<i>2023</i>
	£	£	£	£
Depreciation:				
Freehold land and buildings	135,462	6,550	–	142,012
Short leasehold land and buildings	174,094	15,321	124,859	64,556
Plant and machinery	54,564	16,025	18,441	52,148
Office furniture and equipment	93,574	40,796	15,740	118,630
Computer equipment	100,754	21,447	30,251	91,950
Motor vehicles	1,013,436	328,441	104,390	1,237,487
	<u>1,571,884</u>	<u>428,580</u>	<u>293,681</u>	<u>1,706,783</u>
			<i>2023</i>	<i>2022</i>
			£	£
Net book value:				
Freehold land and buildings			1,914,000	1,871,050
Short leasehold land and buildings			37,700	14,580
Plant and machinery			104,200	59,400
Office furniture and equipment			127,500	117,000
Computer equipment			39,200	44,100
Motor vehicles			1,944,140	1,448,060
			<u>4,166,740</u>	<u>3,554,190</u>

Included in freehold land and buildings is £1,710,610 (2022 – £1,710,610) relating to land which is not depreciated.

Notes to the financial statements

For the year ended 31 March 2022

12. Investments

	2023	2022
	£	£
Cost of subsidiary undertakings	1,440	1,440
	<u>1,440</u>	<u>1,440</u>

The subsidiary companies listed below are all wholly owned and incorporated in the UK:

Trading :

Hampshire Memorials Limited (Memorial Setters) – at 31 March 2022 and 31 March 2023

Non trading : - at 31 March 2022 and 31 March 2023

P Boast & Son Limited

Select Funerals Limited

A & W Goddard Limited

Mullard Funerals Limited

Holmes & Daughters Limited

Ford, Mears & Partners Limited

Michael Miller & Partners Limited

Charles Read & Daughters Limited

A J Tracy (Funeral Directors) Limited

Egham & Hythe Funeral Directors Limited

Walton & Hersham Funeral Directors Limited

Harris and Barnes (Funeral Directors) Limited

Gould & Chapman (Funeral Directors) Limited

The registered office address for all the above mentioned subsidiaries is 11-13 Turk Street, Alton, Hants., GU34 1AG.

13. Stocks

	2023	2022
	£	£
Coffins and materials at cost	45,500	49,060
	<u>45,500</u>	<u>49,060</u>

The directors do not consider the replacement cost of stocks to materially differ from the book value.

14. Debtors

	2023	2022
	£	£
Trade debtors	326,872	220,819
Prepayments and accrued income	55,615	43,912
Amount due from fellow subsidiary undertakings	1,200,000	453,000
	<u>1,582,487</u>	<u>717,731</u>

Notes to the financial statements

For the year ended 31 March 2022

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	403,396	280,743
Other taxation and social security	75,566	70,668
Amount due to fellow subsidiary undertakings	58,029	194,331
Other creditors	19,375	23,730
Accruals and deferred income	21,600	42,400
	<u>577,966</u>	<u>611,872</u>

16. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Amount due to subsidiary undertakings	15,140	1,340
	<u>15,140</u>	<u>1,340</u>

17. Issued share capital

	No.	2023 £	No.	2022 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	224,172	224,172	224,172	224,172
		<u>224,172</u>		<u>224,172</u>

18. Other financial commitments

The total commitment under non-cancellable operating leases was as follows:

	2023 £	2022 £
Land and buildings leases expiring:		
Within one year	245,800	253,475
Within two to five years	701,850	663,125
Over five years	708,175	532,500
	<u>1,655,825</u>	<u>1,449,100</u>

19. Related party transactions

Wilcox & Co (Limousines) Ltd owns 82.86% (2022-82.86%) of the issued share capital of the company. During the year the company purchased fixed assets from Eagle Specialist Vehicles Limited, a fellow subsidiary of Wilcox & Co (Limousines) Limited, for consideration of £733,000 (2022 - £441,000) and sold fixed assets to Eagle Specialist Vehicles Limited for consideration of £41,775 (2022 - £390,000).

As at 31 March 2023 the company owed £58,029 (2022 - £194,331) to group companies, and was owed £1,200,000 (2022 - £453,000) by other group companies.

Notes to the financial statements

For the year ended 31 March 2022

20. Contingent liability

The bank loans and overdraft of Wilcox & Co (Limousines) Limited and its subsidiaries (the Group) are guaranteed by and secured on the assets of the Group. At 31 March 2023 the Group's bank borrowings were £2,372,758 (2022 - £2,863,262) and the Group's cash at bank and in hand, was £1,445,131 (2022 - £3,946,147).

21. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Wilcox & Co (Limousines) Limited. The smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Wilcox & Co (Limousines) Limited. Wilcox & Co (Limousines) Limited has included the company in its group financial statements, copies of which are available from its registered office: 11-13 Turk Street, Alton, Hants. GU34 1AG.

The ultimate parent undertaking and controlling party is Wilcox & Co (Holdings) Limited, a company incorporated in Jersey.