

Registration number: 02644860

Ecclesiastical Planning Services Limited

2021 Annual Report and Financial Statements

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Ecclesiastical Planning Services Limited

Annual Report and Financial Statements 31 December 2021

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Ecclesiastical Planning Services Limited

Directors and company information

Directors

D. R. Moore
C. A. H. Clark
G. S. Searle

Chairman

Company Secretary

Mrs R. J. Hall

Auditor

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol BS2 0FR
United Kingdom

Bankers

National Westminster Bank Plc

Registered Office

Benefact House
2000 Pioneer Avenue
Gloucester Business Park
Brockworth
Gloucester
GL3 4AW
United Kingdom

**Company Registration
Number**

02644860

Ecclesiastical Planning Services Limited

Strategic Report

The directors present their strategic report for Ecclesiastical Planning Services Limited (the Company) for the year ended 31 December 2021.

Objective and strategy

The principal activity of the Company is the distribution and administration of prepaid funeral plans through independent funeral directing outlets.

The Company's business model remains focused on providing first class support to funeral directors that offer prepaid funeral plans to their customers and providing outsourced administration services for other funeral plan providers.

Business activity was adversely impacted by Covid-19 for several months of 2021. This was because there were periods during which funeral directors could not focus on funeral plan sales while their resources were stretched by the implications of Covid-19. In addition, during these periods prospective funeral plan customers were either unable to leave their home or not comfortable to meet face to face with a funeral director to arrange their funeral plan.

The Covid-19 restrictions further highlighted the Company's reliance on the face to face funeral plan distribution model. Following the launch in late 2020, the Company's buy online functionality was taken up by around half its supporting funeral director partners during 2021. The facility enables customers to arrange their funeral plan without the need for a face to face meeting, either via the funeral director's website or via the Company's website. This channel is expected to grow as consumer behaviours shift.

During the year, the Company entered into a new partnership with Ecclesiastical Life Limited (ELL), which provides whole of life policies to the Company to back new funeral plans sold by independent funeral directors. Alongside this, the Company administers these life insurance policies on behalf of ELL on an outsourced basis. The Company has also extended its partnership with Royal London, which will provide life insurance policies to support a number of new distribution partnerships expected to be secured as a result of market consolidation ahead of the funeral plan market becoming regulated by the Financial Conduct Authority (FCA) from July 2022.

Review of the Company's business

The results for the year are shown on page 10 and the financial position at the year end is shown on page 12.

The Company's funeral plan sales during 2021 were higher than the previous year due to the more normal trading conditions experienced during the year compared to the peak of the Covid-19 restrictions for most of 2020 and as a result of the Company's success in attracting new funeral director partners. Alongside pricing changes implemented during the year, this resulted in an increase in net fee income earned by the Company.

Prudent expense management and reduced marketing activity due to the Covid-19 restrictions ensured that the core costs were well controlled. However, significant additional resources were recruited to support the delivery of the FCA Regulation Project and business growth initiatives, which led to higher expenditure overall compared to 2020.

As a result, the Company did not achieve its business plan despite the positive movements in sales and profitability compared to the previous year.

The directors believe that an analysis of key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business.

Ecclesiastical Planning Services Limited

Strategic Report

Future prospects

Further investment is being made in the skills and competencies that will enable the business to thrive in a regulated environment. The Company's culture and business model for holding pre-payment funds in whole of life insurance policies is well suited to FCA regulation and could assist in attracting funeral directing firms and other business partners over the next few years.

The Company continues to operate as part of a larger financial services group and is well placed to take advantage of the opportunities that it has identified to ensure that the business grows in a steady and sustainable way. Going forward the company expects to be moderately profitable as new business partners are attracted and the additional expenses incurred in getting ready for regulation reduce.

Principal risks and uncertainties facing the Company

Further information on the principal risks and uncertainties facing the Company, together with details of the financial risk management objectives and policies of the Company, are disclosed in note 3 to the financial statements. In response to Covid-19 during 2021 the Company continued to use its business continuity plans and, whilst there remains an increased level of operational risk, the Company is continuing to operate effectively and service its customers.

Section 172 Statement

This section describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' voluntary statement required under section 414CZA of the Companies Act 2006 where relevant to the Company. The directors recognise that the long-term success of the Company is dependent on having regard to the interests of its stakeholders. Decisions and policies in relation to shareholders, employees, customers, community and environment are determined at a Group level and set out in the Annual Report and Accounts of Ecclesiastical Insurance Office plc, a fellow subsidiary undertaking. The directors agree with these policies and operate the company in accordance with them.

Approved and authorised for issue by the Board of Directors and signed on its behalf by



Mrs R. J. Hall
Company Secretary
17 June 2022

Ecclesiastical Planning Services Limited

Directors' Report

The directors present their report for the year ended 31 December 2021.

Future prospects

The future prospects for the Company are presented in the Strategic Report on page 2.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2021, (2020: £Nil).

Board of directors

The directors of the Company at the date of this report are stated on page 1.

Mr P. New and Mr C. Hanks resigned from the Board on 7 and 8 June 2021 respectively. Mr S. O'Dwyer resigned from the Board on 1 September 2021. Mr G. S. Searle was appointed to the Board on 1 September 2021.

The Company has qualifying third party indemnity provisions for the benefit of its directors and the directors of associated companies. The provisions were in place from the date of appointment and remain in force at the date of this report.

Ownership

The entire issued share capital of the Company is owned by Benefact Group plc (the Group). The ultimate parent company is Benefact Trust Limited.

Principal risks and uncertainties facing the Company

The principal risks and uncertainties facing the Company are disclosed in Note 3 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the 2021 annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Ecclesiastical Planning Services Limited

Directors' Report

Going concern

The Company has adequate financial resources and no recourse to external borrowing. The Company has sufficient cash resources and has no concerns over the ability to meet its commitments. The well-established business continuity plans invoked during 2020, continuing into 2021, ensured the Company was able to continue to support its customers and perform other functions of the Company. The Company also expects to be able to do so over the foreseeable future. Given the Company's operations, financial position and outlook, the Directors have a reasonable expectation that the Company has adequate resources and is well placed to manage its risks successfully and continue in operational existence for at least twelve months from the date of this report. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's financial statements.

Auditor and the disclosure of information to auditor

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved and authorised for issue by the Board of Directors and signed on its behalf by



Mrs R. J. Hall
Company Secretary
17 June 2022

Independent auditors' report to the members of Ecclesiastical Planning Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ecclesiastical Planning Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2021 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Profit or Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of Ecclesiastical Planning Services Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is 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.

Independent auditors' report to the members of Ecclesiastical Planning Services Limited

Auditors' 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 an auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, expenditure or cash and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of compliance, risk, internal audit, and the parent company Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board, the parent company Group Audit Committee and the parent company Group Risk Committee;
- Risk based journal testing with a focus on journals which had attributes which could be indicative of a fraudulent posting; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Ecclesiastical Planning Services Limited

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Pye (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
17 June 2022

Ecclesiastical Planning Services Limited

Statement of Profit or Loss

For the year ended 31 December 2021

	Notes	2021 £000	2020 £000 Restated
Revenue			
Interest receivable	4	-	1
Fees and other income	5	5,182	3,991
Total revenue		5,182	3,992
Expenses			
Finance costs		-	(40)
Operating expenses		(5,788)	(5,965)
Total operating expenses		(5,788)	(6,005)
Loss for the year before taxation		(606)	(2,013)
Tax expense	9	73	54
Loss for the year attributable to equity holders and total comprehensive expense		(533)	(1,959)

The Company had no recognised income or expense during the current financial year and the preceding financial year other than that included in the statement of profit or loss. Accordingly, no separate statement of other comprehensive income has been presented. All the amounts above are in respect of continuing operations.

Ecclesiastical Planning Services Limited

Statement of Changes in Equity

For the year ended 31 December 2021

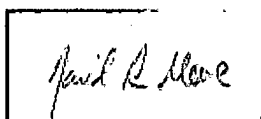
	Note	Called up share capital £000	Retained earnings £000	Total shareholder's equity £000
Balance at 31 December 2019 (as reported)		700	(1,630)	(930)
Restatement	20	-	91	91
Balance 1 January 2020 (as restated)		700	(1,539)	(839)
Total comprehensive income for the year		-	(1,959)	(1,959)
Ordinary share capital issued in the year		4,500	-	4,500
Balance at 31 December 2020 (as restated)		5,200	(3,498)	1,702
Balance at 1 January 2021		5,200	(3,498)	1,702
Total comprehensive income for the year		-	(533)	(533)
Ordinary share capital issued in the year		2,800	-	2,800
Balance at 31 December 2021		8,000	(4,031)	3,969

Ecclesiastical Planning Services Limited

Statement of Financial Position

At 31 December 2021	Notes	31 December 2021 £000	31 December 2020 £000 Restated	1 January 2020 £000 Restated
Assets				
Goodwill and other intangible assets	10	1,116	1,339	3,059
Financial investments	11	253,084	234,840	218,599
Current tax		-	54	-
Trade and other receivables	12	800	479	363
Cash and cash equivalents		5,497	3,572	1,370
Total assets		260,497	240,284	223,391
Liabilities				
Borrowings		-	-	4,000
Deferred fee income	13	1,322	431	476
Trade and other payables	14	2,122	3,311	1,155
Investment contract liabilities	15	253,084	234,840	218,599
Total liabilities		256,528	238,582	224,230
Equity				
Called up share capital	16	8,000	5,200	700
Retained earnings	17	(4,031)	(3,498)	(1,539)
Total shareholder's equity		3,969	1,702	(839)
Total shareholder's equity and liabilities		260,497	240,284	223,391

The financial statements of Ecclesiastical Planning Services Limited, company registration number 02644860, on pages 10 to 24, were approved and authorised for issue by the board of directors on 17 June 2022 and signed on its behalf by:



D. R. Moore Chairman

Ecclesiastical Planning Services Limited

Statement of Cash Flows

For the year ended 31 December 2021

	2021 £000	2020 £000 Restated
Profit for the year before tax	(606)	(2,013)
<i>Adjustments for:</i>		
Interest receivable	-	(1)
Amortisation of intangible assets	223	224
Impairment of goodwill	-	1,496
Change in deferred income	891	(45)
Interest payable	-	40
<i>Changes in operating assets and liabilities:</i>		
Increase in trade and other receivables	(194)	(116)
Increase in trade and other payables	(1,189)	2,156
Tax received/(paid)	-	-
Net cash used in operating activities	(875)	1,741
Investing activities		
Interest received	-	1
Net cash provided by investing activities	-	1
Financing activities		
Issue of ordinary shares	2,800	-
Group loan	-	500
Loan interest payable	-	(40)
Net cash used in financing activities	2,800	460
Net increase in cash and cash equivalents	1,925	2,202
Cash and cash equivalents at beginning of year	3,572	1,370
Cash and cash equivalents at end of year	5,497	3,572

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

1 Accounting policies

The principal accounting policies adopted in preparing the Company's UK-adopted international accounting standards financial statements are set out below.

Basis of preparation

The company's financial statements have been prepared on the historical cost basis, and in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Going concern

The Company has adequate financial resources to meet its obligations as they fall due for the 12 month period from the date of signing these financial statements, and no recourse to borrowing externally to the group in which the Company belongs. Also, as stated in the Directors' Report, after making enquiries, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

New and revised standards

The Standards adopted in the current year are either outside the scope of Company transactions or do not materially impact the Company.

The standards in issue but not yet effective are not expected to materially impact the Company.

Fees and other income

Fee and other income is wholly generated in the United Kingdom, and includes initial management fees, management charge rebates from an insurer, administration fees and bank deposit interest.

Initial management fees are recognised at a point in time on inception of the individual funeral plans. Management charge rebates are variable based on the value of assets under administration, and are recognised over time as services are provided, and once it is reasonably certain that no significant reversal of the amount recognised would occur. Administration fees are recognised over time as services are provided. Bank deposit interest is recognised as it is accrued

Business acquisitions

The Company uses the acquisition method of accounting to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Non-controlling interests are measured either at fair value or at a proportionate share of the identifiable net assets of the acquiree. Goodwill is measured as the excess of the aggregate of the consideration transferred, the fair value of contingent consideration, the amount of non-controlling interests and, for an acquisition achieved in stages, the fair value of previously held equity interest over the fair value of the identifiable net assets acquired. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly through profit or loss.

Other intangible assets

Other intangible assets consists of distribution relationships, and are carried at cost at acquisition less accumulated amortisation and impairment after acquisition. Amortisation is on a straight-line basis over the weighted average estimated useful life of intangible assets acquired. The amortisation and impairment charge for the period is included in the statement of profit or loss within operating expenses.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

1 Accounting policies (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade and other receivables held by the Company meet the definition of loans and receivables and are accounted for at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss when there is objective evidence that the asset is impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability and of allocating interest income or expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investment contract liabilities

For the products that have no significant insurance risk and is classified as a financial instrument, the Company recognises a liability measured at fair value. The fair value of these liabilities is estimated based on an arms-length transaction between willing market participants with consideration given to the cost of the guarantee to the policyholders. The cost of the guarantee to policyholders is determined using risk free rates of return, with the associated volatility assumption and allowing for the costs of administration associated with this low risk investment strategy.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

1 Accounting policies (continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Trade and other payables and other liabilities held by the company meet the definition of other financial liabilities and are accounted for at amortised cost.

Offset of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, embodying economic benefits, will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation but either an outflow of resources is not probable or the amount cannot be reliably estimated.

Taxation

Income tax comprises current and deferred tax.

Current tax is the expected tax payable/receivable on the taxable result for the period and any adjustment to the tax payable in respect of previous periods.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled based on tax rates and laws which have been enacted or substantively enacted at the year-end date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not discounted.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Treatment of the Ecclesiastical Life arrangement

When determining the accounting treatment of the contractual arrangements entered into, the Company assesses whether there has been a transfer of insurance risk and how significant that risk is. Where significant insurance risk has not been accepted by the Company these arrangements are accounted for as financial instruments. Contracts that accept significant insurance risk will be treated and accounted for as insurance arrangements. Contracts can have features of, or appear to have features of, an insurance contract arrangement and therefore judgement is required when determining whether there is insurance risk and then whether that insurance risk is significant.

An assessment has been made of all the contracts held by the company and in the judgement of management there is no significant insurance risk therefore all contracts have been accounted for as investment contracts.

3 Financial risk and capital management

The Company's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital.

The Company's capital is represented by the Company's equity shareholders' funds

The Company is exposed to financial risk through its financial assets and financial liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. The Company does not have any hedging arrangements in place.

There has been no change from the prior period in the financial risks that the Company is exposed to, nor in the manner in which it manages and measures these risks.

Interest rate risk

The Company is exposed to cash flow interest rate risk in respect of its cash and cash equivalents, and borrowings.

Credit risk

The Company's principal financial assets are cash and cash equivalents, reinsurance assets and trade and other receivables. The carrying amount of these financial assets represents the Company's maximum exposure to credit risk. The Company has significant counterparty risk in respect of its reinsurance assets. The Company mitigates this risk by placing the plan funds in whole-of-life assurance policies which are either RPI index linked or linked to the performance of a with-profits life assurance plan, with insurance companies that are authorised by the PRA and regulated by the Financial Conduct Authority. There is a significant amount of regulation around insurance companies which is designed, among other things to ensure that they are able to meet their financial obligations. The Company monitors the performance of the with-profits life assurance fund. The Company has no other significant concentration of credit risk with any individual counterparty.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

3 Financial risk and capital management (continued)

Liquidity risk

The Company has robust processes in place to manage liquidity risk and has adequate available funds to pay obligations when due. The Ecclesiastical group monitors the liquidity of the company to ensure that adequate funds are available to pay obligations when due.

4 Interest receivable

	2021 £000	2020 £000
Bank interest	-	1

Interest receivable is all in respect of financial assets not at fair value through the statement of profit or loss.

5 Fees and other income

Fees and other income arise from the arrangement of pre-paid funeral plans.

	2021 £000	2020 £000
		Restated
Plan registration and management fees	4,602	3,777
Management fee rebate from insurer	580	214
	5,182	3,991

6 Employee information

The Company has no employees (2020: nil).

7 Directors' emoluments

Directors of the Company receive emoluments from and are employed by Ecclesiastical Insurance Office plc, the Company's fellow subsidiary company. It is not practicable to attribute the remuneration of some directors between companies of which they were also directors and remunerated by Ecclesiastical Insurance Office plc. Director emoluments, including benefits in kind attributable to the Company were £126,000 (2020: £124,000). Director pension contributions attributable to the Company were £13,000 (2020: £12,000).

8 Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditor for the audit of the company's financial statements	28	25

The amounts disclosed are net of taxes, where applicable.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

9 Tax expense

The charge for taxation in the Company's statement of profit and loss is in respect of current tax.

Tax on the Company's result before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

	2021 £000	2020 £000 Restated
Loss before tax	(606)	(2,013)
Tax calculated at the UK standard rate of tax of 19% (2020: 19%)	(115)	(382)
<i>Factors affecting the charge for the year</i>		
Expenses not deductible for tax purposes	42	328
Adjustments in respect of prior periods	-	-
Total tax credit	(73)	(54)

10 Goodwill and other intangible assets

	Goodwill £000	Other intangible assets £000	Total £000
Cost			
At 1 January 2021	3,018	2,232	5,250
At 31 December 2021	3,018	2,232	5,250
Amortisation and Impairment			
At 1 January 2021	3,018	893	3,911
Amortisation charge for the year	-	223	223
At 31 December 2021	3,018	1,116	4,134
Net book value at 31 December 2020	-	1,339	1,339
Net book value at 31 December 2021	-	1,116	1,116
Cost			
At 1 January 2020	3,018	2,232	5,250
At 31 December 2020	3,018	2,232	5,250
Amortisation and Impairment			
At 1 January 2020	1,522	669	2,191
Amortisation charge for the year	-	224	224
Impairment loss	1,496	-	1,496
At 31 December 2020	3,018	893	3,911
Net book value at 31 December 2019	1,496	1,563	3,059
Net book value at 31 December 2020	-	1,339	1,339

Other intangible assets consist of acquired brand, customer and distribution relationships, which have an overall remaining useful life of five years on a weighted average basis.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

11 Financial investments

	2021 £000	2020 £000 Restated
RPI linked life policies	86,572	89,134
With profit life policies	154,616	145,706
Investment linked life policies	11,896	-
	<u>253,084</u>	<u>234,840</u>

12 Trade and other receivables

	2021 £000	2020 £000
Commissions due from insurer	151	56
Prepayments	9	27
Sundry debtors	2	8
Due from related parties	139	3
Claims balances due from insurers	499	385
	<u>800</u>	<u>479</u>

Trade and other receivables are all current and, due to their short-term nature, the above carrying amounts are a reasonable approximation of fair value.

There are no debts which are past due at the reporting date and no amounts have been impaired during the current or prior year.

13 Deferred fee income

Certain fee income is deferred in accordance with IFRS 15, until such time as the all contractual obligations have been fulfilled.

14 Trade and other payables

	2021 £000	2020 £000
Other creditors	1,373	2,811
Due to related parties	365	377
Accruals	384	123
	<u>2,122</u>	<u>3,311</u>

The directors consider that the carrying value of trade and other payables is a reasonable approximation of fair value.

15 Investment contract liabilities

Investment contract liabilities represents amounts due to policyholders and, if applicable, the cost of the minimum repayment guarantee. Investment contract liabilities are repayable on demand or at short notice and therefore classified as current. These liabilities are matched with highly liquid investments.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

16 Called up share capital	2021	2020
	£000	£000
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1 January	5,200	700
Issued in the year	2,800	4,500
At 31 December	8,000	5,200

The Company has one class of ordinary shares which carry no right to fixed income.

Shareholders have the right to attend and vote at general meetings. All shares rank pari passu and every shareholder has, on a show of hands, one vote for every share held at the relevant time on a written resolution

17 Retained earnings	2021	2020
	£000	£000
		Restated
Retained earnings brought forward	(3,498)	(1,539)
Total comprehensive income for the year	(533)	(1,959)
Retained earnings carried forward	(4,031)	(3,498)

18 Ultimate parent company and controlling party

The Company is a private limited company, limited by shares, incorporated and domiciled in England and is a wholly-owned subsidiary of Benefact Group plc. Its ultimate parent company and controlling party is Benefact Trust Limited. The parent company of the smallest and largest group for which group financial statements are drawn up is Benefact Group plc and Benefact Trust Limited respectively, which are incorporated in and operate in England. Copies of their financial statements are available from the registered office of the company as shown on page 1.

19 Related party transactions

The parent related party transactions below relate to Benefact Group plc. Other related parties comprise of fellow subsidiary undertakings.

	Parent	Other related parties
	£000	£000
2021		
Trading, investment and other expenditure, including recharges	-	12,736
Trading, investment and other income, including recharges	-	4,268
Amounts owed to related parties	-	365
Amounts owed by related parties	127	53,914
2020 restated		
Trading, investment and other expenditure, including recharges	40	519
Trading, investment and other income, including recharges	-	4,643
Amounts owed to related parties	8	369
Amounts owed by related parties	-	43,833

The prior period figures have been restated to better reflect the movements between the Company and other Group companies.

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

19 Related party transactions (continued)

Transactions and services between related parties are made on commercial terms. Amounts are unsecured, are not subject to guarantees, and will be settled in cash. No provisions have been made in respect of these balances.

20 Prior year restatement

During the year the Company reassessed the level of insurance risk transferred to it in respect of the funeral plan business and concluded there is no significant insurance risk. As a result, the Company ceased to recognise these contracts as insurance contracts under IFRS 4, Insurance Contracts and has reclassified and measured the balances in line with IAS 39, Financial Instruments: Recognition and Measurement.

Also during the year, the Company considered the accounting classification of certain legacy contracts where the Company has an obligation to provide administrative services. Amounts related to these legacy contracts have been reclassified from Provisions for other liabilities to Deferred fee income to better reflect the recognition of the Company's performance obligations. Management has applied judgement when estimating the amount of revenue to defer and then ultimately recognise for the provision of these services. Increasing management's estimate of the amount of deferred revenue at 31 December 2021 were the per policy value increased by 10% would increase deferred revenue of £390,000 by £39,000. Decreasing the per policy value by 10% would result in a decrease of the same.

	As Reported 2020 £000	Restatement £000	As Restated 2020 £000
Revenue			
Gross written premiums	29,596	(29,596)	-
Outward reinsurance premiums	(29,596)	29,596	-
Net earned premiums	-	-	-
Interest receivable	1	-	1
Fees and other income	3,946	45	3,991
Total revenue	3,947	45	3,992
Expenses			
Finance costs	(40)	-	(40)
Claims and change in insurance liabilities	(42,399)	42,399	-
Reinsurance recoveries and reinsurers share of change in insurance contract liabilities	42,399	(42,399)	-
Operating expenses	(5,912)	(53)	(5,965)
Total operating expenses	(5,952)	(53)	(6,005)
(Loss)/profit for the year before taxation	(2,005)	(8)	(2,013)
Tax expense	54	-	54
Loss for the year attributable to equity holders and total comprehensive expense	(1,951)	(8)	(1,959)

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

20 Prior year restatement (continued)

	As Reported 2020 £000	Restatement £000	As Restated 2020 £000
Assets			
Goodwill and other intangible assets	1,339	-	1,339
Financial investments	-	234,840	234,840
Reinsurers share of insurance contract liabilities	263,994	(263,994)	-
Current tax	54	-	54
Trade and other receivables	479	-	479
Cash and cash equivalents	3,572	-	3,572
Total assets	269,438	(29,154)	240,284
Liabilities			
Borrowings	-	-	-
Deferred fee income	-	431	431
Provisions for other liabilities	514	(514)	-
Trade and other payables	3,311	-	3,311
Insurance contract liabilities	263,994	(263,994)	-
Investment contract liabilities	-	234,840	234,840
Total liabilities	267,819	(29,237)	238,582
Equity			
Called up share capital	5,200	-	5,200
Retained earnings	(3,581)	83	(3,498)
Total shareholder's equity	1,619	83	1,702
Total shareholder's equity and liabilities	269,438	(29,154)	240,284

Ecclesiastical Planning Services Limited

Notes to the Financial Statements

20 Prior year restatement (continued)

	As Reported 2019 £000	Restatement £000	As Restated 2019 £000
Assets			
Goodwill and other intangible assets	3,059	-	3,059
Financial investments	-	218,599	218,599
Reinsurers share of insurance contract liabilities	242,288	(242,288)	-
Current tax	-	-	-
Trade and other receivables	363	-	363
Cash and cash equivalents	1,370	-	1,370
Total assets	247,080	(23,689)	223,391
Liabilities			
Borrowings	4,000	-	4,000
Deferred fee income	-	476	476
Provisions for other liabilities	567	(567)	-
Trade and other payables	1,155	-	1,155
Insurance contract liabilities	242,288	(242,288)	-
Investment contract liabilities	-	218,599	218,599
Total liabilities	248,010	(23,780)	224,230
Equity			
Called up share capital	700	-	700
Retained earnings	(1,630)	91	(1,539)
Total shareholder's equity	(930)	91	(839)
Total shareholder's equity and liabilities	247,080	(23,689)	223,391