

WELPLAN LIMITED

Registered No. 02782737

Annual report and financial statements
For the year ended 28 February 2021



WELPLAN LIMITED
Strategic Report
For the year ended 28 February 2021

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COMPANY INFORMATION

Directors	A J Miller P G Lewis B G Lea T Hopkinson S A Hardy K Cogan T E Brunt
Secretary	S A Hardy
Registered Office	Old Mansion House Eamont Bridge Penrith Cumbria CA10 2BX
Company Number	02782737
Independent Auditor	Armstrong Watson Audit Limited Fairview House Victoria Place Carlisle CA1 1HP

WELPLAN LIMITED
Strategic Report
For the year ended 28 February 2021

The directors present their Strategic Report for Welplan Limited for the year ended 28 February 2021.

Principal Activities

The principal activity of the Company is the administration of welfare benefit and pension schemes.

Review of the Business

In March 2019, Welplan Ltd which is a Group subsidiary, made the difficult decision to exit the pensions master trust market. The closure of Welplan Pensions was completed in February 2021 and Welplan is now focussed on expanding its core, long-established welfare benefits business. The Board remains confident about the prospects for further growth in this area of the business. A significant investment is currently in progress to develop a new system, which will allow for further penetration both through our existing customer base and from new business.

The Statement of Comprehensive Income is set out on page 10 and shows a profit on trading activities before taxation for the year of £2,537,493 (2020 – £1,041,333).

A dividend of £2,885,913 (2020 - £1,278,545) was declared and paid in the year (refer to note 8 to the financial statements).

The Company continues to maintain a strong balance sheet, with net assets standing at £2,175,736 (2020 - £2,781,461).

The Covid-19 pandemic has brought unprecedented challenges to Welplan, its customers, and the wider economy.

Proactive steps were taken to ensure that Welplan's strategic plans were not unduly affected and consequently, Welplan was able to withstand the immediate impact of the crisis while continuing to provide valuable and sustainable services to members and customers.

Financial Key Performance Indicators

Key performance indicators monitored by the directors include employee and employer participation levels, fund deposit levels and income, overheads and net profit comparators.

	2021	2020
	£	£
Turnover	2,341,004	2,411,123
Overheads	1,287,304	1,275,222
Operating Profit before pension closure costs	761,259	527,801

The board of directors are satisfied that the key performance indicators are in line with their expectations.

Principal Risks and Uncertainties

General

The Company's risks arise from competition from other service providers, either within the building services industry or externally, or from the fact that the relevance, competitiveness or quality of its products, as seen by its customers, could reduce. The Company is vulnerable to risks from changes in Government policy. All of these factors are kept under regular review by the Board of Directors to ensure that, where possible, any negative effects are neutralised and, in addition, that all positive and realistic commercial opportunities are exploited. From a wider group perspective, the defined benefit pension scheme liability is considered to be a risk that is monitored by the BESA Board.

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Strategic Report
For the year ended 28 February 2021

Principal Risks and Uncertainties (Continued)

Brexit


Brexit remains one of the most significant economic events for the UK, and there is a high degree of uncertainty both in terms of the outcomes from the transition process and their impact on UK business and the economy.

Covid-19

The Covid-19 pandemic has brought unprecedented challenges to businesses globally. The Board continues to monitor the situation to ensure that we remain focussed on our key priorities of the protection and wellbeing of employees, cash preservation and the continued provision of support and guidance to our members.

Approval

This report was approved by the board on 5 August 2021 and signed on its behalf by:



SA Hardy
Director

WELPLAN LIMITED
Report of the Directors
For the year ended 28 February 2021

The directors submit their annual report together with the audited financial statements of the Company for the year to 28 February 2021.

Dividends

The Company paid dividends during the year of £2,885,913 (2020 - £1,278,545). No additional dividend has been proposed.

Directors

The directors who held office during the year were as follows:-

A J Millèr
P G Lewis
B G Lea
T Hopkinson
S A Hardy
K Cogan
T W Brunt
G McKillop (resigned 15 May 2020)

Professional Indemnity insurance has been in place, covering all directors, throughout the current and prior year.

Future Developments

Following the decision to close Welplan Pensions the Company will concentrate on expanding its core, long-established welfare benefits business, which is otherwise unaffected by the pensions closure decision.

The Board remains confident about the prospects to see further growth in the employee benefits business. A significant investment is currently in progress to develop a new system which will allow for further penetration both through our existing customer base and from new business.

Research and Development

Research in connection with the development of new services and products and the improvement of those currently provided by the Company is carried out continuously. Development costs capitalised in the year consists of internally generated software development of £57,746 (2020 - £167,539) and externally acquired intellectual property of £18,170 (2020 - £4,181) (see note 9).

Financial Instruments

The Company has various financial assets and liabilities such as trade receivables and trade payables arising directly from its operations.

Liquidity Risk

The Company manages its cash to maximise interest income whilst ensuring that the Company has sufficient liquid resources to meet the operating needs to its business.

Credit Risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

WELPLAN LIMITED

Report of the Directors

For the year ended 28 February 2021

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report, and the financial statements in accordance with applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Statement as to Disclosure of Information to Auditor

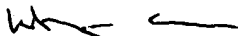
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- That director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Armstrong Watson Audit Limited have expressed their willingness to continue in office. A resolution to reappoint them in accordance with Section 485 of the Companies Act 2006 will be put to the annual general meeting.

This report was approved by the board on 5 August 2021 and signed on its behalf by:



K Cogan
Director

WELPLAN LIMITED

Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELPLAN LIMITED

Opinion

We have audited the financial statements of Welplan Limited (the 'Company') for the year ended 28 February 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 FRS 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 state of the Company's affairs as at 28 February 2021 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 [entity]'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 the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

WELPLAN LIMITED

Report of the Independent Auditor

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

Matters on which we are required to report by exception

In 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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;
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement 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 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.

WELPLAN LIMITED

Report of the Independent Auditor

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 an auditor's 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:

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation, as well as compliance with government bodies for the provision of apprenticeships.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing the key areas of the financial statements most susceptible to fraud whilst tailoring our audit plans.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates, such as the defined benefit pension and investment property valuations were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewed CJRS claims made during the year, as well as any correspondence from HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and

WELPLAN LIMITED
Report of the Independent Auditor

regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of the audit 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 an auditor's report 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.



Joanna Gray (Senior statutory auditor)
For and on behalf of Armstrong Watson Audit Limited, Chartered Accountant and Statutory Auditor

Fairview House
Victoria Place
Carlisle
CA1 1HP

Date: 13-8-21

WELPLAN LIMITED
Statement of Comprehensive Income
For the year ended 28 February 2021

	Note	2021 £	2020 £
Turnover	2	2,341,004	2,411,123
Cost of sales		(292,441)	(608,100)
Gross profit		2,048,563	1,803,023
Administrative expenses		(1,287,304)	(1,275,222)
Pension closure	6	543,040	(800,908)
Operating profit / (loss)	5	1,304,299	(273,107)
Dividends from subsidiary undertakings	12	1,091,300	1,278,545
(Loss) / gain on financial assets at fair value through profit and loss account	13	(1,052)	11,406
Grant income		132,968	-
Interest receivable and similar income		10,012	24,634
Interest payable and similar charges		(34)	(145)
Profit on ordinary activities before taxation		2,537,493	1,041,333
Tax (charge) / credit on profit on ordinary activities	7	(257,305)	93,917
Total comprehensive income for the year		2,280,188	1,135,250

The notes on pages 13 to 26 form part of these financial statements.


WELPLAN LIMITED

Balance Sheet as at 28 February 2021

Registered No 02782737

	Note	2021 £	2020 £
Fixed Assets			
Intangible assets	9	409,728	339,062
Tangible assets	10	1,353,585	1,409,071
Investment property	11	320,943	320,943
Investments in subsidiary undertakings	12	170,329	170,329
Equity investments	13	65,959	67,011
		<u>2,320,544</u>	<u>2,306,416</u>
Current Assets			
Debtors: amounts falling due within one year	14	3,146,067	4,592,579
Debtors: amounts falling due after more than one year	15	-	178,548
Cash at bank and in hand	16	4,503,536	3,256,494
		<u>7,649,603</u>	<u>8,027,621</u>
Creditors			
Amounts falling due within one year	17	(7,794,411)	(7,552,576)
Net current (liabilities) / assets		<u>(144,808)</u>	<u>475,045</u>
Total assets less current liabilities		<u>2,175,736</u>	<u>2,781,461</u>
Net assets		<u>2,175,736</u>	<u>2,781,461</u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account	20	2,125,736	2,731,461
Shareholders' equity		<u>2,175,736</u>	<u>2,781,461</u>

The financial statements were approved and authorised for issue by the board and signed on its behalf on 5 August 2021.



K Cogan
Director

The notes on pages 13 to 26 form part of these financial statements.

WELPLAN LIMITED
Statement of Changes In Equity
For the year ended 28 February 2021

	Share Capital £	Profit and Loss Account £	Total £
At 1 March 2019	50,000	2,874,756	2,924,756
Profit for the year	-	1,135,250	1,135,250
Total comprehensive income	-	1,135,250	1,135,250
Dividends paid	-	(1,278,545)	(1,278,545)
At 29 February 2020	50,000	2,731,461	2,781,461
Profit for the year	-	2,280,188	2,280,188
Total comprehensive income	-	2,280,188	2,280,188
Dividends paid	-	(2,885,913)	(2,885,913)
At 28 February 2021	50,000	2,125,736	2,175,736

The notes on pages 13 to 26 form part of these financial statements.

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

1 Accounting Policies

1.1 General Information

Welplan Limited ('the Company') is a limited company incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and principal place of business is:

Old Mansion House, Eamont Bridge, Penrith, Cumbria, CA10 2BX

The principal activity of the Company is the administration of welfare benefit schemes.

These financial statements have been presented in pound sterling which is the functional currency of the Company.

1.2 Basis of Preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ('FRS 102') and applicable legislation as set out in the Companies Act 2006 and Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention modified for investment properties and equity investments held at fair value.

1.3 Financial Reporting Standard 102 – Reduced Disclosure Exemption

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of B&ESA Limited as at 28 February 2021.

The Company is a wholly owned subsidiary of B&ESA Limited, which is registered in the United Kingdom, which itself is a wholly owned subsidiary of the Building Engineering Services Association. The Building Engineering Services Association is the parent undertaking of the largest group which consolidates the financial information of the Company. B&ESA Limited is the parent undertaking of the smallest group which consolidates the financial information of the Company. Therefore the Company has taken advantage of the exemption available under section 400 of Companies Act 2006 not to prepare consolidated financial statements itself.

Copies of the B&ESA Limited consolidated financial statements may be obtained from Companies House and the registered office and principal place of business which is Old Mansion House, Eamont Bridge, Penrith, Cumbria, CA10 2BX.

The Annual Return for the Building Engineering Services Association and group can be obtained from the Certification Office, 22nd Floor, Euston Tower, 286 Euston Road, London, NW1 3JJ.

1.4 Going Concern

The financial statements have been prepared using the going concern basis. The report of the Board sets out our position in relation to Covid-19.

All reasonable scenarios have been carefully considered for a period of at least 12 months from the approval of these financial statements and in doing so the Board are confident that, even in the worst case scenario with the measures already implemented, the Company has sufficient cash to meet its liabilities and manage the impact of the pandemic.

1.5 Revenue Recognition

Turnover in relation to welfare benefit and pension scheme administration and other services is recognised in the period to which those services relate based on the value of services invoiced, less value added tax where applicable. Amounts are recognised only at the point that it is probable that the economic benefit will flow to the Company and when the amount of revenue can be measured reliably.

1.6 Taxation

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future gives rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Intangible Fixed Assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The Company recognises an intangible asset in respect of development expenditure when it can demonstrate:

- its technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation of capitalised development expenditure does not commence until the asset is available for use. All expenditure not meeting the criteria set out above is considered to form part of the 'research' phase, and is expensed in the period in which it is incurred. Other intangibles constitute software, intellectual property and website development costs.

The Directors have considered the useful economic life of software licenses to be equivalent to the term of the licence of that software, with an initial licence period of 10 years from December 2015. Any increases in the licence fees due to expansion will be amortised over the remainder of the initial licence period.

1.8 Tangible Fixed Assets

Property (other than investment property), vehicles and equipment are initially recognised at cost, which is the purchase price plus any directly attributable costs, and are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost, less estimated residual values of fixed assets over their expected useful lives. It is calculated on a straight line basis at the following rates:

Freehold buildings	1.41% per annum
Motor vehicles	25% per annum
Fixtures, fittings and equipment	15% - 25% per annum

1.9 Investment Property

Property held for investment is not subject to depreciation but is held at an annually assessed fair value, with any adjustments being charged to the Statement of Comprehensive Income, together with a provision for deferred taxation.

1.10 Investments

The Company accounts for shares in subsidiary companies at cost less any provision for impairment. Equity investments are recognised by the Company at fair value, with any adjustments being charged to the Statement of Comprehensive Income.

1.11 Impairment of Assets

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to the Statement of Comprehensive Income in administration expenses.

1.12 Pension Costs

Contributions to the Group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the year in which they become payable.

The Company pays into a group multi-employer defined benefit pension scheme. The scheme was closed to future accrual with effect from 28 February 2013. The deficit contributions into the scheme are payable by the ultimate parent undertaking, the Building Engineering Services Association. Contributions are made by the Company into the scheme, however, no formal arrangement or stated policy exists between the Association and the participating subsidiaries with regards to deficit repayment. The Company therefore accounts for payments into the scheme as if it was a defined contribution plan. Full detail of the defined benefit scheme, including the recognition of the scheme net liability, is included in the financial statements of the Building Engineering Services Association.

1.13 Leases

Rental costs under operating leases are charged in the Statement of Comprehensive Income in equal annual amounts over the period of the lease.

1.14 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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.

1.14 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

Accounting judgements

The critical accounting judgements made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below:

- ***Development expenditure***

Development expenditure is capitalised in accordance with the accounting policy given in note 1.7 to these financial statements. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets and the expected period of benefits.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- ***Valuation of investment property***

The Company carries its investment property at fair value, with changes in fair value being recognised in the Income Statement. The Company engaged an independent valuation specialist to determine fair value. The valuer used a valuation technique based on a discounted cash flow model adjusted for comparable market. The determined fair value of the investment property is based on the open market value of the property.

- ***Intangible assets***

Intangible assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- ***Tangible fixed assets***

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- ***Deferred tax asset***

The directors exercise judgement in determining whether, and to what extent, a deferred tax asset should be recognised for tax losses and timing differences based upon the assessment of likely recoverability of the asset. The deferred tax asset is recognised on the basis of recoverability of tax losses over a four year period using the company's latest financial projections. Due to the length of time there can be a significant amount of economic uncertainty on the figures used.

1.15 Deferral of VAT

Where the payment of VAT liabilities has been deferred, the liability is included within other taxation and social security within creditors due within one year.

1.16 Government grants

Government grants received of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

2 Turnover

An analysis of the Company's revenue by class and category of business is as follows:

	2021	2020
	£	£
Welfare benefit and pension scheme administration	2,311,546	2,382,620
Other income	29,458	28,503
	<u>2,341,004</u>	<u>2,411,123</u>

All turnover originates in the United Kingdom.

3 Staff Costs

Staff costs were as follows:

	2021	2020
	£	£
Salaries	2,762,965	1,866,425
Social security costs	282,390	191,707
Other pension costs	282,596	242,848
Other welfare costs	69,334	104,021
Directors' fees	17,600	34,857
	<u>3,414,885</u>	<u>2,439,858</u>
Capitalised staff costs – software development	(57,746)	(106,644)
Grant income – Furlough	(132,968)	-
Other reallocations	(73,436)	-
Staff costs recharged between fellow group undertakings	(2,201,968)	(1,134,989)
	<u>948,767</u>	<u>1,198,225</u>
Net staff costs included in income statement	<u>948,767</u>	<u>1,198,225</u>

The average number of employees during the year was 79 (2020: 55).

4 Directors' Remuneration

	2021	2020
	£	£
Remuneration	269,901	426,507
Pension scheme contributions	21,473	42,737
	<u>291,374</u>	<u>469,244</u>

The highest paid director included in the note about received remuneration of £118,217 (2020: £178,645) and pension scheme contributions of £10,273 (2020: £18,000).

No directors of the Company are members of the HVCA Retirement Benefits Scheme, a defined benefit scheme (2020 – none).

Three directors of the Company are accruing benefits under the defined contribution pension scheme (2020 – 4).

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

5 Operating Profit

The operating profit is stated after charging:

	2021	2020
	£	£
Rentals under operating leases		
• Plant and equipment	30,146	23,367
Amortisation of intangible fixed assets	5,249	5,249
Depreciation of tangible fixed assets	110,183	89,568
Loss on disposal of tangible fixed assets	3,015	191
Auditors remuneration		
• Audit services	19,152	34,334
• Taxation compliance	2,207	1,488
	<u>19,152</u>	<u>34,334</u>
	<u>2,207</u>	<u>1,488</u>

6 Pension Closure

The following provisions relating to the closure of Welplan Pensions have been included in the Statement of Comprehensive Income in the year:

	2021	2020
	£	£
Commercial consideration	1,149,561	-
Legal fees	(79,489)	(389,090)
Financial fees	(3,600)	(36,840)
Investment advice	-	(32,099)
Trustee costs	(71,025)	(63,691)
Communications	(63,381)	-
Salary related costs	(206,217)	(308,449)
Software termination	-	29,261
Fixed asset impairment	(45,074)	-
Investment corrections	(95,631)	-
Insurance	(42,104)	-
	<u>543,040</u>	<u>800,908</u>

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

7 Tax on Profit on Ordinary Activities before Taxation

	2021 £	2020 £
a) Analysis of charge in period		
Current Tax		
Group relief payable	78,757	-
Deferred Tax		
Adjustment for un-utilised tax losses	178,548	(93,917)
Tax on profit on ordinary activities	<u>257,305</u>	<u>(93,917)</u>
b) Reconciliation of factors affecting tax charge for year		
profit on ordinary activities before taxation	<u>2,537,493</u>	<u>1,041,333</u>
Profit on ordinary activities by standard rate of Corporation tax in the UK 19.00% (2020: 19.00%)	482,124	197,853
Fixed asset differences	(1,500)	(54,807)
Non-taxable income	(207,347)	(245,091)
Non-allowable expenditure and gain	5,358	(3,049)
Group relief	(78,757)	-
Payment for group relief	78,757	-
Tax losses not recognised	-	93,464
Deferred tax losses recognised	-	(93,917)
Deferred Tax change of rate	(21,005)	11,630
Adjustments in relation to prior periods	(325)	-
Tax on profit on ordinary activities	<u>257,305</u>	<u>(93,917)</u>

A deferred tax asset of £16,501 (2020 - £35,762) has not been recognised in relation to timing differences on fixed assets. This is due to the group historically not claiming capital allowances due to having sufficient losses to provide group relief against taxable profits.

An increase in the UK corporate tax from 19% to 25% was announced in the 2021 budget, this is scheduled to take effect from April 2023. The rate for small profits under £50,000 will remain at 19%, and there will be taper relief for businesses with profits between £50,000 and £250,000. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

8 Dividends

	2021 £	2020 £
Ordinary Shares		
Final dividend paid of £57.7183 (2020 - £25.5709) per share	2,885,913	1,278,545
	<u>2,885,913</u>	<u>1,278,545</u>

No dividends have been declared or paid since the year end.

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

9 Intangible Fixed Assets

	Software Licensing £	Develop- ment Costs	Total £
Cost			
At 1 March 2020	160,699	1,252,540	1,413,239
Additions	-	75,915	75,915
Disposals	(160,699)	(840,348)	(1,001,047)
At 28 February 2021	-	488,107	488,107
Amortisation			
At 1 March 2020	160,699	913,478	1,074,177
Charge for the year	-	5,249	5,249
On disposals	(160,699)	(840,348)	(1,001,047)
At 28 February 2021	-	78,379	78,379
Carrying amounts			
At 28 February 2021	-	409,728	409,728
At 29 February 2020	-	339,062	339,062

Development costs capitalised in the year consists of internally generated software development of £57,746 (2020 - £167,539) and externally acquired intellectual property of £18,170 (2020 - £4,181).

The amortisation charge for the year is included in the Statement of Comprehensive Income under the heading of Administrative Expenses.

10 Tangible Fixed Assets

	Freehold Property	Motor Vehicles	Fixtures, Fittings and Equipment	Total £
Cost				
At 1 March 2020	1,396,115	11,864	344,474	1,752,453
Additions	7,594	-	50,418	58,012
Disposals	-	(11,864)	(35,095)	(46,959)
At 28 February 2021	1,403,709	-	359,797	1,763,506
Depreciation				
At 1 March 2020	222,989	11,864	108,529	343,382
Charge for the year	19,786	-	90,397	110,183
On disposals	-	(11,864)	(31,780)	(43,644)
At 28 February 2021	242,775	-	167,146	409,921
Carrying amounts				
At 28 February 2021	1,160,934	-	192,651	1,353,585
At 29 February 2020	1,173,126	-	235,945	1,409,071

The freehold property is secured by way of a charge in favour of the HVCA Retirement Benefit Scheme.

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

11 Investment Property

	2021 £	2020 £
Fair value at 1 March 2020 and 28 February 2021	320,943	320,943

The investment property is secured by way of a charge in favour of the HVCA Retirement Benefit Scheme.

The fair value at 28 February 2021 was assessed by the directors as being equal to historical cost. A formal valuation as at 28 February 2021, commissioned by the directors from an independent valuer holding a professional qualification with the Royal Institution of Chartered Surveyors and having experience in the location and class of the investment property valued, confirmed the value at that date to be £320,000. As a result, no adjustment has been made to the balance sheet value.

12 Fixed Asset Investments

	2021 £	2020 £
Investment in subsidiary undertakings:		
Shares at cost less provision	350,604	350,606
Disposal of shares	-	(2)
Provision for impairment at 1 March and 28/29 February	(180,275)	(180,275)
	<u>170,329</u>	<u>170,329</u>

Subsidiary Undertakings

The subsidiary undertakings are set out below. All investments are unlisted.

Subsidiary Undertaking	Principal activity	Class of shares held	% of ordinary shares held
Refcom Ltd ^{1,2}	Competence registration	Ordinary	100%
Welplan Holiday Pay Ltd ^{1,2,6}	Dormant	n/a	100% ³
Welplan Investments Ltd ^{1,2,6}	Dormant	Non-voting 'B' shares	100% ⁴
ECI Holiday Pay Ltd ^{1,2,6}	Operation of holiday pay schemes	n/a	100% ³
ECI Holiday Pay Investments Ltd ^{1,2,6}	Investment of holiday pay funds	Non-voting 'B' shares	100% ⁴
H&V Welfare Ltd ^{1,2}	Dormant	Ordinary	100%
BESA Publications Ltd ^{1,2}	Sale of technical publications	Ordinary ⁵	100%

¹ Country of incorporation, registration and operation – England

² Registered Office – Old Mansion House, Eamont Bridge, Penrith, CA10 2BX

³ Welplan Holiday Pay Ltd and ECI Holiday Pay Ltd are companies limited by guarantee and are classed as subsidiary undertakings of Welplan Limited on the basis that Welplan has the right to appoint the board of these entities and thereby effectively control these companies.

⁴ Welplan Investments Ltd and ECI Holiday Pay Investments Ltd are respectively 100% subsidiaries of Welplan Holiday Pay Ltd and ECI Holiday Pay Ltd, however Welplan also owns 100% of the non-voting 'B' shares in these companies.

⁵ During the year, BESA Publications Ltd paid a dividend to Welplan Ltd of £1,091,300 (2020–£1,278,545).

⁶ UK subsidiaries taking advantage of the available audit exemption set out within section 479A of the Companies Act.

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

13 Equity Investments

The Company holds investments in unlisted equity instruments. The fair value has been determined based on an estimate at the balance sheet date based upon a recent transaction for the instrument undertaken in an arm's length transaction. The investment held is the entire ordinary B share capital of Welfare Holdings (H & V) Limited.

	2021 £	2020 £
At 1 March	67,011	55,605
Fair value (loss) / gain through profit and loss	(1,052)	11,406
At 28/29 February	<u>65,959</u>	<u>67,011</u>

14 Debtors

	2021 £	2020 £
Trade Debtors	57,125	38,078
Amounts owed by group undertakings	1,656,833	4,011,655
Amounts owed by related parties (note 23)	82,408	367,079
Amounts owed by associated undertakings (note 23)	21,151	34,011
Prepayments and accrued income	1,324,450	133,881
Other debtors	4,100	7,875
	<u>3,146,067</u>	<u>4,592,579</u>

All amounts shown under debtors fall due for payment within one year.

Amounts owed by group and parent undertakings are unsecured, interest free and repayable on demand.

15 Debtors: amounts falling due after more than one year

	2021 £	2020 £
Deferred tax asset	-	178,548
	<u>-</u>	<u>178,548</u>

16 Cash at bank and in hand

	2021 £	2020 £
Cash at bank and in hand	4,503,536	3,256,494
	<u>4,503,536</u>	<u>3,256,494</u>

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

17 Creditors

	2021	2020
	£	£
Bank overdraft	-	966
Trade creditors	54,254	153,073
Amounts owed to parent undertakings	3,549,760	3,479,784
Amounts owed to fellow group undertakings	3,470,711	2,783,343
Amounts owed to related parties (note 23)	309,988	393,988
Accruals and deferred income	116,393	525,011
Other taxation and social security	233,423	155,499
Other creditors	59,882	60,912
	<u>7,794,411</u>	<u>7,552,576</u>

All amounts shown under creditors fall due for payment within one year.

Amounts owed to group and parent undertakings are unsecured, interest free and repayable on demand.

18 Deferred Tax

The deferred taxation assets and liabilities provided in the financial statements are as follows:

	2021	2020
	£	£
Tax on un-utilised tax losses:		
At 1 March	178,548	84,631
Movement on items charged to Statement of Comprehensive Income	(178,548)	93,917
At 28/29 February (see note 7)	<u>-</u>	<u>178,548</u>

The Deferred tax asset recognised is in relation to unutilised tax losses occurring in the current year. All brought forward tax losses were utilised in the current year.

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

19 Deferred Tax (Continued)

The deferred taxation assets not provided in the financial statements are as follows:

	2021 £	2020 £
Timing differences on capital allowances	16,501	35,764
	<u>16,501</u>	<u>35,764</u>

It is the company policy not to recognise deferred tax assets on capital allowance timing differences as the amount of losses held in the group are expected to cover future profits of the company.

20 Share Capital

	2021 £	2020 £
Authorised, issued and fully paid: 50,000 (2020: 50,000) Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

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

21 Reserves

Profit and loss account

This reserve represents the cumulative profits and losses.

22 Operating Lease Commitments

The Company has total future minimum lease payments due under operating lease as set out below:

	2021 £	2020 £
Within one year	27,349	17,199
Between two to five years	36,286	37,891
More than five years	-	-
	<u>63,635</u>	<u>55,090</u>

23 Pension Schemes

The Building Engineering Services Association and three of its operating subsidiary undertakings, including this Company, participate in both a funded defined benefit scheme and a defined contribution scheme.

Defined contribution scheme

A defined contribution scheme is available for all Group staff, including those former active members of the defined benefit scheme whose entitlements became deferred on the closure of the Scheme to future accrual. The Company made payments during the year of £192,473 (2020: £155,351) to the group's defined contribution scheme. There was £26,327 of contributions outstanding at the year-end (2020: £Nil).

Defined benefit scheme

The Company made payments during the year of £90,123 (2020: £87,498) to the groups defined benefit scheme. No amounts were outstanding at the year-end (2020: £nil).

WELPLAN LIMITED
Notes to the Financial Statements
For the year ended 28 February 2021

24 Related Party Transactions

The Company has taken advantage of the exemption conferred by FRS 102 section 33 not to disclose transactions with members of the group headed by the Building Engineering Services Association on the grounds that at least 100% of the voting rights in the Company are controlled within that group and the Company's results are included in consolidated financial statements.

Excluding group companies, the directors consider there to be two classes of related parties as follows:

- a) Credit Card Holidays Limited and Welfare Holdings (H&V) Limited, being a joint venture group of the Building Engineering Services Association, are related parties of Welplan Limited for the purposes of FRS 102 section 33. A summary of the aggregate transactions which have been undertaken by Welplan Limited with those related parties is as follows:

	2021	2020
	£	£
Amount included in turnover – administration fees	909,126	1,046,646
Amounts included within debtors	21,151	68,523

- b) The undertakings listed below are considered to be related parties of Welplan Limited for the purposes of FRS 102 section 33 by virtue of these entities being administered by Welplan Limited.

- The Welfare Schemes administered, and which Welplan acts as Trustee for, are as follows:
 - Welplan Sickness and Accident Scheme
 - Welplan Death Benefit Scheme
 - Welplan Pensions
 - TICI Sickness and Accident Scheme
 - TICI Death Benefit Scheme
 - ECI Sickness and Accident Scheme
 - ECI Death Benefit Scheme

A summary of the aggregate transactions which have been undertaken by Welplan Limited with the Welfare Schemes is as follows:

	2021	2020
	£	£
Amount included in turnover – administration fees	1,483,082	1,146,995
Amounts included within debtors	82,408	344,294
Amounts included within creditors	309,988	332,095

Key management personnel are considered to be the directors only. Refer to note 4 for remuneration paid in the year. There were no other transactions with key management personnel in the year ended 28 February 2021.

24 Ultimate Parent Undertaking

The immediate parent undertaking is B&ESA Limited, a company registered in England.

The ultimate parent undertaking is the Building Engineering Services Association, a registered trade and employers association operating in the United Kingdom.

The ultimate controlling party is considered to be the Building Engineering Services Association.