

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020
FOR
W.A. TRUELOVE & SON LIMITED**

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FOR THE YEAR ENDED 31ST MARCH 2020**

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W.A. TRUELOVE & SON LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2020**

DIRECTORS:

D A H Truelove
S A Truelove
G M Peck

SECRETARY:

D A H Truelove

REGISTERED OFFICE:

116-118 Carshalton Road
Sutton
Surrey
SM1 4RL

REGISTERED NUMBER:

00293103 (England and Wales)

AUDITORS:

Currie Accountancy Limited
Chartered Accountants
Statutory Auditors
First Floor
13a High Street
Edenbridge
Kent
TN8 5AB

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2020**

The directors present their strategic report for the year ended 31st March 2020.

REVIEW OF BUSINESS

The number of funerals performed during 2020 decreased by 10% over the 2019 financial year, leading to a decrease in turnover of just over 7% from £6,581,545 in 2019 to £6,094,862 in 2020. Gross profit has fallen slightly from 33.17% in 2019 to 32.11% in 2020 mainly as a result of payroll pressures. Management continues with its policy of ensuring staff are remunerated in line with qualifications, experience and inflationary factors ensuring we retain the high quality of employees required to assist our clients at their time of need.

There continues to be a shift away from our "traditional" funerals to simpler packages. Changing attitudes have continued to have a bearing on what our clients identify as necessary for a funeral. Our range of funerals continues to grow to fulfil the diversified expectations of our clients catering for those who wish for a no-frills funeral to those who may desire a more elaborate ceremony. Whilst "packages" are the mainstay of the business, every client is unique and we make sure that there are no restrictions placed upon what they request. We, therefore, take pride in our ability to give our clients exactly what they want without compromising upon any element of our service.

As in previous trading years we continue to notice a move away from traditional coffins to either "greener" styles or designs to reflect the individuality of the deceased. Bamboo, Willow and Banana leaf coffins are becoming increasingly popular with those clients who wish to use a more natural product. Hobbies or scenes reflecting the individuality of the deceased can be wrapped on to a coffin giving the funeral a more personal touch. The business foresees this change continuing into the future as more products become available and clients' perception of funerals shifts to celebrating a life rather than mourning a loss.

Competition continues within our operating boundaries but management feel that new entrants to our local market will diminish going forward. Saturation point has, in our opinion, been reached. However, management understands that maintaining a superior level of service compared with prospective competitors is paramount in ensuring those entities who consider opening in the business's districts will not only be deterred from doing so, but will find it difficult to compete with an established company offering an exceptional service.

Notwithstanding the above the business feels that there are still areas where we may wish to expand. We continue to seek suitable locations where we feel the business model will succeed whilst still being able to maintain the individuality, and offer the benefits of, an independently family-run establishment.

The company's policy of refurbishment continues as an integral part of maintaining suitable operating premises. Expenditure continues to be high regarding this process but the benefits of providing clients with a comfortable environment in which to make funeral arrangements and see their loved ones for a last time far outweigh the costs.

In order to maintain the presentation of the funeral fleet, the company operates a policy of regular vehicle replacement. Whilst only one vehicle was acquired during the year the fleet remains modern and reliable.

In common with many other businesses responsible for defined benefit pension schemes, the company was finding it increasingly difficult to fully fund the scheme from the profits of the business and after due process it was agreed that contributions to the scheme would cease with effect from 1st February 2010. From that date pension contributions by the company have been directed to a new group pension plan based on defined contributions. This new plan more closely matches its asset value with the time scale for which benefits are likely to be provided. The effect of the continued defined benefit obligation has resulted in a remeasurement loss of £522,000 (2019: £953,000) as disclosed in other comprehensive income. Even though the schemes liabilities remain fairly constant the assets are subject to market forces. As a result of the impact of Covid 19 their values were deeply affected at the year end, however, by careful management of the schemes funds, the asset values have regained any previous losses. Management nevertheless are fully aware that the current turbulent economic environment has a great impact upon the scheme and are conscious of the implications that this may bring for future funding.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2020**

The directors understand the significant consequences that the changes in financial assumptions have upon the financial statements and the sensitivity of the scheme to small variations in the indices used. However, they are also aware that the long-term nature of the pension obligation will lead to volatility in the actuarial valuations between individual years resulting in both rises as well as falls in the scheme deficit from year to year.

Based upon the 2018 Actuarial valuation disclosing an increased scheme deficit, the company agreed to increase the ongoing annual contributions to a level where this deficit would be cleared by 31st January 2029. Although the higher premiums will exert financial pressure on the company, the directors believe that the business is strong enough to withstand these additional costs. The next triennial review is due to take place in 2021.

Pre-paid funeral plans guarantee future revenue for the business. Unfortunately, the market appears to be saturated with all manner of plans ranging from those sold by the funeral profession, to insurance-based schemes.

W A Truelove & Son Ltd prides itself on the plans it sells which, like the at-need funerals, evolve according to the requirements of the purchaser. Backed by Ecclesiastical Planning Services Ltd, the company is confident that the products it is selling are attractive to the public, offering a wide array of alternatives, and will continue to be chosen over competitors' alternatives.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

Over the past few years, management were confident that death rates were tending to flatten out. However, trading in the financial year 2020 has proved this not to be the case. Death rates have declined significantly, but with the company maintaining its market share, it is confident that it will continue to be profitable. Overheads are continually reviewed to ensure expenditure is controlled and that any savings to be made do not compromise the quality of the service the business provides. Competition remains strong but management believes that the independent nature of the company and the superior service that is provided marks it far above that which its rival offer.

The company continues not to depreciate freehold property in line with the guidance of FRS 102. The directors' opinion is that, with the correct maintenance programme, current market valuations are the correct property values. The business will ensure that valuations are carried out in a correct and timely manner to ensure the accuracy of the balance sheet figures.

Pension adjustments, although necessary under FRS 102, distort the underlying operating results of the business. For comparative purposes and to gain a clearer understanding of these results the net profit for 2020, excluding the pension adjustment to the profit and loss, would have been £270,854 (2019: £448,094).

The outbreak of covid-19 at the tail end of this financial year and its continued presence throughout 2020 has created unprecedented challenges for the business. Even though our death management policies were already in place for infectious diseases no one could have foreseen the impact this strain would have upon our operations. The use of two employee teams and following the strict government guidance ensured that we were able to continue trading during this dreadful pandemic. Limitations imposed on mourners' numbers and restrictions regarding funeral arrangements led to simpler funerals being requested by our clients. Funeral numbers increased during the height of infections but "unit sales" decreased accordingly. It is with great pride that the company continued to provide our clients with dignified and respectful funerals at a time when conditions may have dictated otherwise. The loyalty and hard work of all our employees made this possible.

The virus still exerts its influence and the company still maintains a vigilant approach to the way it operates. Covid 19 dictates how we manage the business and how we run our activities. It imposes a risk, but with the correct policies in place the business feels that this risk, although not eradicated, is reduced as far as possible.

Even though the death rate increased from the start of the spread of the virus it was coupled with a noticeable increase in non-virus-related deaths. Management are mindful that this may have resulted in "future deaths" being "brought forward" but also have to factor in that these deaths may have been equalisation from past periods when the death rate was particularly low, as highlighted above. Either way, the directors continue to examine trading to identify fluctuations and to manage the business accordingly.

The economic situation the country finds itself in and the consequences of certain sectors of business being unable to continue operations will lead to an increase in unemployment for the foreseeable future. Individuals' lack of disposable income will lead to a reduction in the amount people will be able to spend on funerals opting, for less expensive and possibly more affordable "packages". The business continues to monitor the effect of this and the long-term implication it may have on trading.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2020**

The CMA has concluded its investigations into the funeral market and even though their inquiry has been finalised they are still permitted to revisit it again in the future with any recommendations they feel appropriate. To a certain degree their findings have been influenced positively by the way the industry reacted to Covid 19, however, they still feel that there are certain failings that need to be addressed. The company welcomes any changes that the CMA advocate and will endeavour to follow theirs, and the advice from the National Association of Funeral Directors, in the implementation of their suggestions. Transparency, regulation and professional development can only improve our industry and result in our clients receiving a better service.

The business continues to monitor the United Kingdom's departure from the European Union. The 1st January 2021 deadline for departure rapidly approaches but trade deals are still in negotiation. Even though the business is not directly affected by international trade, the knock-on effect regarding people's employment status, as with the loss of jobs because of Covid 19, will lead to a loss of income and a possible reduction in funeral expenditure. The directors will continue to monitor the long-term effect that the departure from the EU will have.

ON BEHALF OF THE BOARD:

D A H Truelove - Secretary

22nd December 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2020**

The directors present their report with the financial statements of the company for the year ended 31st March 2020.

DIVIDENDS

An interim dividend of £140 per share was paid on 4th September 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st March 2020 will be £ 140,000 .

FUTURE DEVELOPMENTS

The future development of the company is discussed in the strategic report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2019 to the date of this report.

D A H Truelove
S A Truelove
G M Peck

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 judgements and accounting estimates that are reasonable and prudent;
- 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 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. 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 AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

D A H Truelove - Secretary

22nd December 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W.A. TRUELOVE & SON LIMITED

Opinion

We have audited the financial statements of W.A. Truelove & Son Limited (the 'company') for the year ended 31st March 2020 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2020 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF W.A. TRUELOVE & SON LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

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.

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 Auditors' Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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.

Isobel Currie (Senior Statutory Auditor)
for and on behalf of Currie Accountancy Limited
Chartered Accountants
Statutory Auditors
First Floor
13a High Street
Edenbridge
Kent
TN8 5AB

22nd December 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2020**

		2020		2019	
	Notes	£	£	£	£
REVENUE	3		6,094,862		6,581,545
Cost of sales			<u>4,137,972</u>		<u>4,398,532</u>
GROSS PROFIT			1,956,890		2,183,013
Administrative expenses			<u>1,665,826</u>		<u>1,720,031</u>
			291,064		462,982
Other operating income			<u>170,643</u>		<u>152,649</u>
OPERATING PROFIT	5		461,707		615,631
Interest receivable and similar income			<u>11</u>		<u>264</u>
			461,718		615,895
Amounts written off investments	6		<u>-</u>		<u>11,859</u>
			461,718		604,036
Interest payable and similar expenses	7	47,864		40,942	
Other finance costs	24	<u>69,000</u>		<u>51,000</u>	
			116,864		<u>91,942</u>
PROFIT BEFORE TAXATION			344,854		512,094
Tax on profit	8		<u>73,955</u>		<u>93,564</u>
PROFIT FOR THE FINANCIAL YEAR			<u>270,899</u>		<u>418,530</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2020**

	Notes	2020 £	2019 £
PROFIT FOR THE YEAR		270,899	418,530
OTHER COMPREHENSIVE INCOME			
Remeasurement gain/(loss) recognised on defined benefit pension scheme		(522,000)	(953,000)
Income tax relating to other comprehensive income		<u>99,180</u>	<u>168,910</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(422,820)</u>	<u>(784,090)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(151,921)</u>	<u>(365,560)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2020

		2020	2019
	Notes	£	£
FIXED ASSETS			
Property, plant and equipment	10	9,757,306	9,904,602
Investments	11	18,003	18,003
Investment property	12	473,633	473,633
		<u>10,248,942</u>	<u>10,396,238</u>
CURRENT ASSETS			
Inventories	13	81,792	78,628
Debtors	14	734,828	640,283
Investments	15	1,087	1,085
Cash at bank and in hand		<u>23,580</u>	<u>21,689</u>
		841,287	741,685
CREDITORS			
Amounts falling due within one year	16	<u>1,481,158</u>	<u>1,372,963</u>
NET CURRENT LIABILITIES		<u>(639,871)</u>	<u>(631,278)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,609,071	9,764,960
CREDITORS			
Amounts falling due after more than one year	17	(560,519)	(941,198)
PROVISIONS FOR LIABILITIES	21	(889,733)	(810,022)
PENSION LIABILITY	24	<u>(3,406,000)</u>	<u>(2,969,000)</u>
NET ASSETS		<u>4,752,819</u>	<u>5,044,740</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,000	1,000
Non distributable capital redemption reserve	23	7,675	7,675
Retained earnings	23	<u>4,744,144</u>	<u>5,036,065</u>
SHAREHOLDERS' FUNDS		<u>4,752,819</u>	<u>5,044,740</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22nd December 2020 and were signed on its behalf by:

D A H Truelove - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2020

	Called up share capital £	Retained earnings £	Non distributable capital redemption reserve £	Total equity £
Balance at 1st April 2018	1,000	5,621,625	7,675	5,630,300
Changes in equity				
Dividends	-	(220,000)	-	(220,000)
Total comprehensive income	-	(365,560)	-	(365,560)
Balance at 31st March 2019	1,000	5,036,065	7,675	5,044,740
Changes in equity				
Dividends	-	(140,000)	-	(140,000)
Total comprehensive income	-	(151,921)	-	(151,921)
Balance at 31st March 2020	1,000	4,744,144	7,675	4,752,819

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020**

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	465,430	607,359
Interest paid		(24,857)	(23,054)
Interest element of finance lease payments paid		(23,007)	(17,888)
Tax paid		-	(84,360)
Net cash from operating activities		<u>417,566</u>	<u>482,057</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(157,704)	(761,151)
Purchase of investment property		-	(3,633)
Sale of tangible fixed assets		52,000	139,800
Sale of fixed asset investments		-	2
Interest received		11	264
Net cash from investing activities		<u>(105,693)</u>	<u>(624,718)</u>
Cash flows from financing activities			
New loans in year		150,000	285,000
Bank loan repayments in year		(98,478)	(103,743)
New finance leases		83,250	290,508
Capital repayments in year		(236,100)	(198,429)
Amount withdrawn by directors		(115,423)	(94,037)
Equity dividends paid		(140,000)	(220,000)
Movement in current asset investments		-	169,323
Net cash from financing activities		<u>(356,751)</u>	<u>128,622</u>
Decrease in cash and cash equivalents		<u>(44,878)</u>	<u>(14,039)</u>
Cash and cash equivalents at beginning of year	2	(85,061)	(71,022)
Cash and cash equivalents at end of year	2	<u>(129,939)</u>	<u>(85,061)</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	344,854	512,094
Depreciation charges	261,680	225,377
Profit on disposal of fixed assets	(8,680)	(36,562)
Pension charge adjustment to cash	(154,000)	(115,000)
Investments written off	-	11,857
Finance costs	116,864	91,942
Finance income	(11)	(264)
	560,707	689,444
Increase in inventories	(3,164)	(4,312)
(Increase)/decrease in trade and other debtors	(41,952)	34,320
Decrease in trade and other creditors	(50,161)	(112,093)
Cash generated from operations	<u>465,430</u>	<u>607,359</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	23,580	21,689
Bank overdrafts	(153,519)	(106,750)
	<u>(129,939)</u>	<u>(85,061)</u>

Year ended 31st March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	21,689	20,157
Bank overdrafts	(106,750)	(91,179)
	<u>(85,061)</u>	<u>(71,022)</u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank and in hand	21,689	1,891	23,580
Bank overdrafts	<u>(106,750)</u>	<u>(46,769)</u>	<u>(153,519)</u>
	<u>(85,061)</u>	<u>(44,878)</u>	<u>(129,939)</u>
Liquid resources			
Current asset investments	<u>1,085</u>	<u>2</u>	<u>1,087</u>
	<u>1,085</u>	<u>2</u>	<u>1,087</u>
Debt			
Finance leases	(539,975)	152,850	(387,125)
Debts falling due within 1 year	(98,487)	(153,253)	(251,740)
Debts falling due after 1 year	<u>(395,895)</u>	<u>101,731</u>	<u>(294,164)</u>
	<u>(1,034,357)</u>	<u>101,328</u>	<u>(933,029)</u>
Total	<u>(1,118,333)</u>	<u>56,452</u>	<u>(1,061,881)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020**

1. STATUTORY INFORMATION

W.A. Truelove & Son Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 405 of the Companies Act 2006 as its subsidiaries are not material. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Defined benefit pension scheme

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Residual value of fixed assets

Fixed assets are depreciated over their useful lives to an estimated residual value. Residual value is the amount that would currently be obtained from the disposal of the asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Management have reviewed the residual value of all assets and adjusted the depreciation charged accordingly. In particular, the cost of freehold properties is either the deemed cost on transition to FRS 102, which was a fair valuation at 31st March 2015, or the cost of additions since then. Management estimate that the residual value of these properties is the same as cost. All depreciation on these properties was therefore written back in the year ended 31st March 2018.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised when the service is performed. Incomes from pre-paid funeral plans are deferred until the event occurs.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life:-

Land and buildings 2% on cost

Short leasehold in accordance with the lease terms

Plant and machinery 10% on cost

Fixtures and fittings 10% on cost

Motor vehicles 20% on reducing balance

Tangible fixed assets other than freehold land and investment properties are stated at cost less depreciation. Freehold properties are stated at valuation on transition to FRS 102 which is taken as deemed cost.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

2. ACCOUNTING POLICIES - continued

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs and other post-employment benefits

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy including the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Pre-paid funerals

The amount of pre-paid funerals represents monies received in advance of the accounting period in which the funeral will occur. The company has not sold these products in its own name for more than ten years and a small number of claims are made each year. In prior years the balance was shown as a creditor for the deferred income but this year it is recognised that the timing of the funerals at need is sufficiently uncertain to disclose the balance as a provision rather than a liability. The amount payable within one year continues to be estimated as the average claimed over the preceding five years and is included in current liabilities. There is no effect on profit of this change.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at a shareholders meeting.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

Turnover arises solely within the UK.

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,006,531	1,971,159
Social security costs	182,216	184,148
Other pension costs	285,044	254,565
	<u>2,473,791</u>	<u>2,409,872</u>

The average number of employees during the year was as follows:

	2020	2019
Administration	20	18
Operations	59	58
	<u>79</u>	<u>76</u>

	2020	2019
	£	£
Directors' remuneration	<u>213,335</u>	<u>209,200</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>2</u>	<u>2</u>
-------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	117,094	117,093
Accrued pension at 31st March 2020	<u>43,040</u>	<u>43,040</u>

During the year the company paid contributions to pension schemes in respect of directors' qualifying services of £78,185 (2019 £18,335) of which £21,183 (2019 £18,335) is attributable to the highest paid director.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Other operating leases	174,512	173,659
Depreciation - owned assets	132,763	96,076
Depreciation - assets on finance leases	128,917	129,301
Profit on disposal of fixed assets	(8,680)	(36,562)
Auditors' remuneration	<u>7,600</u>	<u>7,600</u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2020	2019
	£	£
Amount written off investments	<u>-</u>	<u>11,859</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loan interest	14,833	10,153
Interest on directors' current accounts	8,897	11,803
Interest on tax	272	1,098
Other loan interest	855	-
Finance lease and hire purchase contracts	<u>23,007</u>	<u>17,888</u>
	<u>47,864</u>	<u>40,942</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	84,266	68,751
Deferred tax:		
Charge for the year	<u>(10,311)</u>	<u>24,813</u>
Tax on profit	<u>73,955</u>	<u>93,564</u>

UK corporation tax was charged at 19% in 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

8. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>344,854</u>	<u>512,094</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	65,522	97,298
Effects of:		
Depreciation in excess of capital allowances	8,433	8,426
Relief not available on defined benefit pension charges/(credits)	-	(12,160)
 Total tax charge	 <u>73,955</u>	 <u>93,564</u>

Tax effects relating to effects of other comprehensive income

	2020 Gross £	Tax £	Net £
Remeasurement gain/(loss) recognised on defined benefit pension scheme	<u>(522,000)</u>	<u>99,180</u>	<u>(422,820)</u>
	<u>(522,000)</u>	<u>99,180</u>	<u>(422,820)</u>
		2019	
	Gross £	Tax £	Net £
Remeasurement gain/(loss) recognised on defined benefit pension scheme	<u>(953,000)</u>	<u>168,910</u>	<u>(784,090)</u>
	<u>(953,000)</u>	<u>168,910</u>	<u>(784,090)</u>

9. DIVIDENDS

	2020 £	2019 £
Ordinary shares of £1 each		
Interim	<u>140,000</u>	<u>220,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £	Short leasehold £	Plant and machinery £
COST			
At 1st April 2019	8,606,224	550,370	507,048
Additions	31,418	-	-
Disposals	-	-	-
At 31st March 2020	8,637,642	550,370	507,048
DEPRECIATION			
At 1st April 2019	-	280,663	339,575
Charge for year	-	43,877	32,720
Eliminated on disposal	-	-	-
At 31st March 2020	-	324,540	372,295
NET BOOK VALUE			
At 31st March 2020	8,637,642	225,830	134,753
At 31st March 2019	8,606,224	269,707	167,473

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st April 2019	567,129	1,258,823	11,489,594
Additions	16,118	110,168	157,704
Disposals	-	(75,000)	(75,000)
At 31st March 2020	583,247	1,293,991	11,572,298
DEPRECIATION			
At 1st April 2019	515,891	448,863	1,584,992
Charge for year	12,231	172,852	261,680
Eliminated on disposal	-	(31,680)	(31,680)
At 31st March 2020	528,122	590,035	1,814,992
NET BOOK VALUE			
At 31st March 2020	55,125	703,956	9,757,306
At 31st March 2019	51,238	809,960	9,904,602

Included in cost of land and buildings is freehold land of £ 1,271,244 (2019 - £ 1,271,244) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

10. PROPERTY, PLANT AND EQUIPMENT - continued

All the company's freehold properties were valued as at 31st March 2015 by Fenton Associates, Chartered Surveyors, acting as external valuer. The valuations have been prepared in accordance with the requirements of the RICS Valuation Standards (the Red Book) 6th Edition published January 2014 (subject to amendment) and UK GAAP (and any other regulatory requirements).

All the properties have been valued on the basis of Existing Use Value assuming that the properties would be sold as part of the continuing business. The directors consider that the market value, and hence the fair value, of the properties is similar to existing use value. It has therefore been used to state the deemed cost of the properties on transition to FRS 102.

Revalued properties included in the above would have a net book value of £2,432,133 (2019 - £2,432,133) had they been included at historical cost.

The net book value of property, plant and equipment includes £ 522,834 (2019 - £ 762,269) in respect of assets held under finance leases.

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st April 2019	
and 31st March 2020	<u>18,003</u>
NET BOOK VALUE	
At 31st March 2020	<u>18,003</u>
At 31st March 2019	<u>18,003</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

C.T.F. Limited

Registered office: Within the UK
Nature of business: Property rental

	%		
	holding		
Class of shares:			
Ordinary	100.00		
		2020	2019
		£	£
Aggregate capital and reserves		<u>18,003</u>	<u>18,003</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

12. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1st April 2019 and 31st March 2020	<u>473,633</u>
NET BOOK VALUE	
At 31st March 2020	<u>473,633</u>
At 31st March 2019	<u>473,633</u>

13. INVENTORIES

	2020 £	2019 £
Stocks	<u>81,792</u>	<u>78,628</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	487,498	417,768
Other debtors	127,020	154,798
Directors' current accounts	<u>120,310</u>	<u>67,717</u>
	<u>734,828</u>	<u>640,283</u>

15. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Bank deposit	<u>1,087</u>	<u>1,085</u>

Instant access is unavailable on this account.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans and overdrafts (see note 18)	255,259	205,237
Other loans (see note 18)	150,000	-
Finance leases (see note 19)	120,770	194,886
Trade creditors	139,771	280,996
Tax	153,017	68,751
Social security and other taxes	43,944	50,316
Other creditors	440,033	331,583
Directors' current accounts	<u>178,364</u>	<u>241,194</u>
	<u>1,481,158</u>	<u>1,372,963</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 18)	294,164	395,895
Finance leases (see note 19)	266,355	345,089
Prepaid funerals	-	200,214
	<u>560,519</u>	<u>941,198</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	153,519	106,750
Bank loans	101,740	98,487
Other loans	150,000	-
	<u>405,259</u>	<u>205,237</u>
Amounts falling due between one and two years:		
Bank loans	<u>91,819</u>	<u>101,755</u>
Amounts falling due between two and five years:		
Bank loans	<u>202,345</u>	<u>294,140</u>

The company had two bank loans extant at the year end. They are for £368,929 and £285,000 and were taken out in January 2017 and December 2018 respectively.

The January 2017 loan is repayable by instalments of £6,644 per month with an interest rate charged at 2.4% per annum above base rate and is due to mature on 18th January 2022. The December 2018 loan is repayable by instalments of £2,786 with an interest rate charged at 2.5% above base rate and is due to mature on 26th November 2023.

Details of the loan from a related party are included in note 26.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2020	2019
	£	£
Gross obligations repayable:		
Within one year	132,871	214,603
Between one and five years	292,579	380,045
	<u>425,450</u>	<u>594,648</u>
Finance charges repayable:		
Within one year	12,101	19,717
Between one and five years	26,224	34,956
	<u>38,325</u>	<u>54,673</u>
Net obligations repayable:		
Within one year	120,770	194,886
Between one and five years	266,355	345,089
	<u>387,125</u>	<u>539,975</u>
	Non-cancellable	operating leases
	2020	2019
	£	£
Within one year	164,750	173,250
Between one and five years	493,821	543,792
In more than five years	41,500	156,279
	<u>700,071</u>	<u>873,321</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdrafts	153,519	106,750
Bank loans	395,904	494,382
Other loans	150,000	-
Finance leases	387,125	539,975
	<u>1,086,548</u>	<u>1,141,107</u>

The bank loans are secured by fixed charges on certain freehold properties and the finance leases on the relevant assets. The loan from a related party is also secured on certain freehold properties.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

21. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax		
On accelerated capital allowances and investment property revaluations	185,199	211,660
On pension scheme deficit	(647,140)	(564,110)
On revaluations	1,162,472	1,162,472
Prepaid funerals	189,202	-
	<u>889,733</u>	<u>810,022</u>
		Deferred tax
		£
Balance at 1st April 2019		810,022
Provided during year		3,177
Utilised during year		(13,488)
Credited to other comprehensive income		(99,180)
Balance at 31st March 2020		<u>700,531</u>

Given the difficulty of estimating the movements on the defined pension scheme obligations it is not possible to estimate the net reversal of deferred tax assets and liabilities expected to occur during the year beginning 1st April 2020.

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

23. RESERVES

	Retained earnings £	Non distributable capital redemption reserve £	Totals £
At 1st April 2019	5,036,065	7,675	5,043,740
Profit for the year	270,899		270,899
Dividends	(140,000)		(140,000)
Remeasurement gain/(loss) recognised on defined benefit scheme net of tax	(422,820)	-	(422,820)
At 31st March 2020	<u>4,744,144</u>	<u>7,675</u>	<u>4,751,819</u>

Retained earnings include a revaluation reserve arising on the transition to FRS 102 of £4,955,800 (2019 £4,955,800) which is not distributable. Distributable reserves are in deficit by £211,656 (2019 in credit £80,265).

24. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit pension scheme ("The W A Truelove & Son Limited 1974 Pension Scheme"), the assets of which are held in a separate fund from those of the company, invested in a range of assets. The scheme is now closed to future contributions, and a defined contribution scheme has been established for employees.

The last full triennial actuarial valuation of the defined benefit scheme was carried out at 1st February 2018. This has been updated to 31st March 2019 and 2020 by a qualified independent actuary who has computed the information about the financial position of the scheme as shown below. The valuation at 31st March 2019 included the value of immediate annuity assets held in the scheme name which were purchased to secure pensions in payment. The value of the assets exactly matches the amount and timing of the benefits payable. This valuation of £1,789,000 has not been updated to 31st March 2020 nor have any consequent movements been recognised in the profit and loss account or the statement of comprehensive income.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2020 £	2019 £
Present value of funded obligations	(9,251,000)	(9,240,000)
Fair value of plan assets	<u>5,845,000</u>	<u>6,271,000</u>
	(3,406,000)	(2,969,000)
Present value of unfunded obligations	-	-
Deficit	<u>(3,406,000)</u>	<u>(2,969,000)</u>
Net liability	<u>(3,406,000)</u>	<u>(2,969,000)</u>

The plan assets do not include any of the company's financial instruments nor is any property held by the plan occupied or used by the company.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	-	32,000
Net interest from net defined benefit asset/liability	69,000	51,000
Past service cost	-	-
Scheme administration expense	8,000	-
	<u>77,000</u>	<u>83,000</u>
Actual return on plan assets	<u>(533,000)</u>	<u>176,000</u>

In 2019 the current service cost of £32,000 comprised the insurance premiums paid for pre-retirement death benefits. These premiums are paid separately by the company and this year are included in the profit and loss account with the other pension administration expenses and levies.

In 2019 revised cash commutation factors were introduced and were taken into account in the actuarial valuation at 31st March 2019. The assumption was that £14 of cash will be paid for each £1 of pension given up. The amount was previously taken as £9. The effect of adopting the new commutation factors was a cost of £387,000 and was included in the remeasurement figure as an actuarial loss arising as a result of changes in financial assumptions.

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	9,240,000	8,216,000
Current service cost	-	32,000
Interest cost	178,000	203,000
Actuarial losses/(gains)	(120,000)	977,000
Benefits paid	<u>(47,000)</u>	<u>(188,000)</u>
	<u>9,251,000</u>	<u>9,240,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

24. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	6,271,000	6,136,000
Contributions by employer	162,000	165,000
Administration fee paid from scheme assets	(8,000)	(18,000)
Interest income	109,000	152,000
Benefits paid	(47,000)	(188,000)
Return on plan assets (excluding interest income)	(642,000)	24,000
	<u>5,845,000</u>	<u>6,271,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Return on plan assets (excluding interest income)	(642,000)	24,000
Actuarial gains/(losses)	<u>120,000</u>	<u>(977,000)</u>
	<u>(522,000)</u>	<u>(953,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
Equities	46.20%	74.50%
Bonds	9.70%	8.90%
Government bonds	4.30%	-
Property	3.60%	13.40%
Cash	36.20%	3.20%
	<u>100.00%</u>	<u>100.00%</u>

The value of the immediate annuity assets used to secure pensions in payment was £1,789,000 (2019 £1,789,000). These assets are not included in the analysis above. This value has not been updated at this year end.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020
24. EMPLOYEE BENEFIT OBLIGATIONS - continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020	2019
Discount rate	2.20%	2.40%
RPI inflation	2.60%	3.40%
Pension increases in payment: RPI maximum 5%	2.60%	3.40%
:RPI maximum 2.5%	2.00%	2.50%
Pension revaluation in deferment: CPI maximum 5%	1.80%	2.60%

It is assumed that all members retire at their normal retirement age and that 25% of pension will be commuted for cash. All members who already have benefits preserved in the scheme are assumed to remain deferred pensioners in the scheme until the date of their normal retirement or earlier death. The scheme is frozen so there are no future salary increases.

The assumed life expectancy on and before retirement is based on mortality tables using PMA08 for males and PFA08 for females, using the CMI 2017 projection model with a long term rate of improvement of 1.25%.

In 2019 the assumed life expectancy after retirement was estimated using this same method except for the director, S Truelove, where the estimate was in accordance with mortality tables PMA08 for males but rated up 5 years, using the same long term improvements. For 2020 the assumed life expectancy after retirement was updated to use the CMI 2019 projection model and the mortality of the director, S Truelove, was equal to the wider scheme assumptions.

80% of male members and 70% of female members are assumed to be eligible for a spouse's pension at retirement. In 2019 the exact data for the Truelove family was used.

The company expects to contribute £162,000 (2019 £133,200) to the W A Truelove & Son Ltd 1974 Pension Scheme, the defined benefit scheme, in the next accounting year. These payments are made under a schedule of contributions which is designed to fund the deficit.

Defined contribution scheme

Following the freezing of the defined benefit scheme, a defined contribution pension scheme is now operated on behalf of the employees. The assets are held separately from the company in an independently administered fund.

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

S A Truelove, a director, owed the company £120,310 (2019 - £67,717) at the year end. No interest was charged.

D A H Truelove, a director, was owed £178,364 by the company (2019 - £241,193) at the year end. Interest of £6,617 was credited during the year (2019 - £9,442).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2020

26. RELATED PARTY DISCLOSURES

During the year the company obtained a loan of £150,000 from R.J.Holland (Holdings) Limited. The director G M Peck is also a director of R.J.Holland (Holdings) Limited. Interest at a commercial rate is being paid on the loan which is repayable within one year.

S Truelove, the daughter of the director, S A Truelove, owed the company £10,000 (2019 - £20,000) at the year end.

S Truelove, the son of the director, D A H Truelove, owed the company £9,950 (2019 - 9,950) at the year end.

27. ULTIMATE CONTROLLING PARTY

The company is controlled jointly by two of the directors, D A H Truelove and S A Truelove.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.