REGISTERED NUMBER: 00293103 (England and Wales)

# STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

# FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

# FOR

# W.A. TRUELOVE & SON LIMITED

# CONTENTS OF THE FINANCIAL STATEMENTS
# FOR THE YEAR ENDED 31ST MARCH 2022

**COMPANY INFORMATION**
**FOR THE YEAR ENDED 31ST MARCH 2022**

| | |
|---|---|
| **DIRECTORS:** | D A H Truelove<br>S A Truelove<br>G M Peck |
| **SECRETARY:** | D A H Truelove |
| **REGISTERED OFFICE:** | 116-118 Carshalton Road<br>Sutton<br>Surrey<br>SM1 4RL |
| **REGISTERED NUMBER:** | 00293103 (England and Wales) |
| **AUDITORS:** | Currie Accountancy Limited<br>Chartered Accountants<br>Statutory Auditors<br>First Floor<br>13a High Street<br>Edenbridge<br>Kent<br>TN8 5AB |

## STRATEGIC REPORT
## FOR THE YEAR ENDED 31ST MARCH 2022

The directors present their strategic report for the year ended 31st March 2022.

**REVIEW OF BUSINESS**

The operations of the business have slowly returned to normal after the disruption caused by the pandemic. Covid 19, even though still with us, does not impose the operational burden that was seen at the height of epidemic. The vaccination roll-out coupled with immunity within the population have seen infection rates fall and hospitalisations decrease. The high death rates seen during 2020 have thankfully tapered off and fatalities from the virus have fallen drastically. The two-team working structure adopted within the company to help us continue during 2020 has been dropped with the business reverting back to its pre-pandemic configuration of effectively one team. The crematoria have resumed their normal procedures and cremation time allocations are as pre-pandemic. Families are now permitted all the flexibility and choices they rightfully deserve and funeral activity has returned to the customary levels of pre Covid-19.

Turnover has fallen from £6,883,363 in 2021 to £6,044,276 in 2022 with a resulting fall in gross profit from £2,266,046 to £1,924,620 over 2021. Due to the uplift in the death rate in 2021 as a result of the pandemic, a better comparison of financials is with 2020 accounts where turnover was £6,094,862 and gross profit £1,956,890. The net profit for the year was £501,706 but after adjusting for the pension elements of the FRS102 meant that the operating net profit of the business was £160,706. However, during the year the company made additional contributions into the pension scheme of £240,000 as a one-off expense to aid the pension schemes recovery plan. Adding this back means the business made an underlying profit of £400,706. For comparison purposes, this figure was £825,162 and £259,854 for 2021 and 2020 respectively.

Although turnover, as well as gross profit, has slightly decreased between 2022 and 2020, (excluding 2021 for the reasons stated above), net profit has increased. This is partly down to the legacy of the government's rates reduction policy as well as depreciation on vehicles decreasing as the fleet ages. Tight controls on overheads have also supplemented this increase in net profit along with the removal of non-profit making branches. Whilst the inherent drop in turnover and gross profit is concerning to management, the directors are aware that the increased death rate from Covid-19 has effectively caused a vacuum in the mortality rates for the future as those individuals who would have passed away in the upcoming years were sadly taken from us prematurely. Whilst it is difficult to quantify what effect this has on future trading; management are mindful that the pandemic will have an inevitable consequence on turnover going forward but are confident market share will be retained.

Unfortunately, covid-19 has not only had repercussions in relation to death rates, it also has had a drastic effect on the world's supply chains. The dreadful and unjust war in Ukraine has compounded this issue with vehicle parts, produced there, being in short supply. The implications for replacing our operating fleet are far reaching. New vehicle production has slowed down with the impact that funeral vehicles are extremely difficult to obtain. Whilst our fleet is maintained to a high standard, our policy of replacing old vehicles has had to be reviewed as the vehicles are not available. Used vehicles are equally difficult to obtain as, without the new cars to create their release, businesses are not selling their stock. The business continues to pursue suppliers but is conscious that the current fleet may need to be kept longer than previously desired until supply chains are adequately re-established. The company has, however, is proud to have acquired two new ambulances during the year which have been expertly equipped to enable the collection and conveyance of deceased in a dignified and respectful manner.

The trend for less traditional funerals continues with clients increasingly opting for less elaborate services. Direct cremations have slowly increased over the years now representing approximately 5% of the funerals undertaken by the business. Simple funerals remain steady at 20% still leaving 75% as being traditional services. Current economic and financial constraints placed upon clients will create an increase in these cheaper funerals as budgets become tightened, ultimately leading to pressure on turnover. With tight control of overheads, management are confident that the effect on profit of these "economy" funerals can be controlled.

Competition, as always, remains strong within the industry but market saturation has led to a decrease in rival firms opening within the company's operating areas. The resulting decrease in death rate after the epidemic may have contributed to the uncertainty in prospective business opportunities within our locality and limited rivals' activity. The business realises the need to expand but understands that maintaining the high quality of service offered to existing clients is equally important. Whilst the industry adapts to a post covid-19 environment, the company will concentrate on preserving its market share and continually improving the level of care that our clients deserve.

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 re-measurement gain of £1,233,156 (2021: £31,415) as disclosed in other comprehensive income. This substantial gain can be attributed to the following: Higher than expected asset returns, the level of contributions throughout the financial year, an increase in corporate bond yields and a decrease in life expectancy. Even though the scheme's 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 beginning of the year but by careful management of the scheme's funds and a rebound in investment markets, the asset values have regained any previous losses. Management nevertheless is fully aware that the continued turbulent economic environment has a great impact upon the scheme and are conscious of the implications that this may bring for future funding. The results of the 2021 triennial valuation dictated that the funding levels had to be increased slightly to ensure that all liabilities are met. As a result of this report the company now contributes £200,004 per annum into the scheme and are confident the robust nature of the business will enable it to meet its obligations, ensuring that the pensions are safe for its defined benefit members in the future.

The pre-paid funeral market continues to evolve. With the welcomed publication of the Financial Conduct Authority's investigation into pre-paid funeral plans, the selling of such products came under their control on 29th July 2022 and from that date we were governed by their legislation. Adherence to their regulation will mean that the market is more tightly controlled and our client's welfare is far more secure. Unscrupulous sellers have been forced out of the industry as all sellers now have to be FCA approved. We have a team of specialists, all of whom have been FCA authorised, selling plans and we are confident that we will continue to offer competitive products within the market place.

CO2 emissions continue to be of concern to management and they are fully committed to trying to reach a carbon neutral footprint. The company liaises with suppliers of all its coffins to ensure the materials used in their production come from sustainable sources. There has been a noticeable switch in clients' coffin selection as they realise the importance of greener products and their less damaging effect on the environment. The business carries on its search for more efficient and less harmful ways of providing energy to its establishments and is adamant in changing its fleet of cars to electric when the appropriate vehicles become available. Whilst manufacturers endeavour to produce electric hearses and limousines, their operating capacity prohibits current investment. The same can said of the supply of ambulances, with range and charging times raising issues. The dignified transportation of our clients and their loved ones, is of paramount importance to the business and without the guarantee that this can be achieved with electric vehicles, the business will continue to operate its current fleet. However, due the frustrating position management find themselves in we are investigating the possibility of converting existing vehicles into an electric version inhouse. Whilst the initial outlay may be large, the business feels that the resultant vehicles will be capable of fulfilling their roles in a far more environmentally friendly way with the added benefit of decreasing running costs.

As highlighted above, the current economic uncertainty and the war in Ukraine not only have an effect on client's disposable income they also have an impact on the business. Raw materials have become restricted and supply chains affected with the result prices have risen drastically. Whilst the business aims to absorb as much of these increases as possible, the extent of such price rises has meant that management are continually reviewing the need for fee increases. The inflationary pressures on wages have compounded this issue, and being a labour-intensive industry, the needs of the staff have to be recognised. Management is acutely aware of the double-edged sword of reduced clients spending power and increased costs so are working to ensure that the company's services are not cost restrictive and, at the same time, that its valued employees are correctly remunerated.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Covid-19 brought many challenges to the business during the 2021 financial year and its legacy still persisted into our 2022 operations. The dreadful virus prematurely took many lives away from us in tragic circumstances. The unprecedented increase in the death rate caused pressures within the business that stretched us not only physically, but also mentally. The provision of reduced funeral services meant that families could not say goodbye to their loved ones in a manner that they deserved and in a way that we would have liked. Restrictions in clients' choices led to simpler funerals being selected with the resultant decrease in income per funeral. The roll out of the vaccination, the increase in individuals' immunity and the weaker strains of the virus meant that hospitalisations declined and the deaths from the disease decreased drastically. The business's operation of two teams ceased in May 2021 and, to a certain degree, we returned to normal undertakings albeit in a different world. With the relaxation of restrictions, funerals could proceed as before the pandemic, and a return to a more varied, and predictable, choice of funerals was seen.

Covid-19 is still with us and the business is aware that the possibility of its devastating return is always there. However, the directors are confident that if restrictions are once again enforced and the death rate increases, the experiences gained during the height of the pandemic will provide a good foundation for the business to continue to operate whatever the circumstances dictate.

The slow shift away from traditional to less elaborate funerals seen before the pandemic continues to grow. Restrictions forced clients in to having simpler services during lockdown with the result that certain individuals, realising the adequacy of humbler funerals, now opt for such services for their loved ones. These now account for approximately 24% of the funerals that the company provides. Whilst this change continues to impact the business model, the directors appreciate that the wishes of the client, or those expressing instructions prior to their death, are most important and the company will continue to service their needs to a high standard whatever their requirements are. Profitability may be affected, but reduced expenses from lower-cost funerals and the continued scrutiny of overheads will ensure any reduction in profit is minimised.

The dreadful war in Ukraine has had far reaching implications within Europe as indeed it has with the rest of the world. The disruption to the supply of products has led to inflationary pressures on all businesses with a need to continually review and adapt to the changing business environment. Costs have substantially increased since the start of 2022 and whilst the business tries to absorb as much of these as possible, reduced margins are always a concern. In the past the company has tried to limit its increase in prices to once a year but exceptional escalating expenses have forced management into a position where this may have to be done more frequently. The directors understand that the financial pressures exerted on clients are also extreme so will endeavour to keep price increases to a minimum whenever possible.

**ON BEHALF OF THE BOARD:**

D A H Truelove - Secretary

8th December 2022

**REPORT OF THE DIRECTORS**
**FOR THE YEAR ENDED 31ST MARCH 2022**

The directors present their report with the financial statements of the company for the year ended 31st March 2022.

**DIVIDENDS**
An interim dividend of £88 per share was paid on 1st December 2021. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st March 2022 will be £ 88,000 .

**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 2021 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

8th December 2022

**Opinion**
We have audited the financial statements of W.A. Truelove & Son Limited (the 'company') for the year ended 31st March 2022 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 2022 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**
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**
The directors are responsible for 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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.

**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 five, 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.

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

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, being the only member of the audit team, ensured that she had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and remained alert to instances of non-compliance throughout the audit.

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 company's affairs from the audit and preparation of the statutory accounts in previous years.

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, including the Companies Act 2006 and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting certificates obtained from regulatory bodies.

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; and

considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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 set out in note 2 were indicative of potential bias;

investigated the rationale behind significant or unusual transactions.

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;

enquiring of management as to actual and potential litigation and claims;

reviewing correspondence with HM Revenue and Customs.

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

8th December 2022

## INCOME STATEMENT
## FOR THE YEAR ENDED 31ST MARCH 2022

| | | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | Notes | £ | £ | £ | £ |
| **REVENUE** | 3 | | **6,044,276** | | 6,882,363 |
| Cost of sales | | | **4,119,656** | | 4,616,317 |
| **GROSS PROFIT** | | | **1,924,620** | | 2,266,046 |
| Administrative expenses | | | **1,509,590** | | 1,725,006 |
| | | | **415,030** | | 541,040 |
| Other operating income | | | **176,428** | | 489,674 |
| **OPERATING PROFIT** | 5 | | **591,458** | | 1,030,714 |
| Interest receivable and similar income | | | **-** | | 496 |
| | | | **591,458** | | 1,031,210 |
| Interest payable and similar expenses | 6 | **29,752** | | 34,048 | |
| Other finance costs | 23 | **60,000** | | 73,000 | |
| | | | **89,752** | | 107,048 |
| **PROFIT BEFORE TAXATION** | | | **501,706** | | 924,162 |
| Tax on profit | 7 | | **306,422** | | 109,874 |
| **PROFIT FOR THE FINANCIAL YEAR** | | | **195,284** | | 814,288 |

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31ST MARCH 2022**

| | Notes | 2022 £ | 2021 £ |
|---|---|---|---|
| **PROFIT FOR THE YEAR** | | **195,284** | 814,288 |
| **OTHER COMPREHENSIVE INCOME** | | | |
| Remeasurement gain/(loss) recognised on defined benefit pension scheme | | **1,233,156** | 31,415 |
| Income tax relating to other comprehensive income | | **(308,289)** | (5,969) |
| **OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX** | | **924,867** | 25,446 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **1,120,151** | 839,734 |

The notes form part of these financial statements

## STATEMENT OF FINANCIAL POSITION
## 31ST MARCH 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Property, plant and equipment | 9 | | **8,848,324** | | 8,963,887 |
| Investments | 10 | | **18,003** | | 18,003 |
| Investment property | 11 | | **473,633** | | 473,633 |
| | | | **9,339,960** | | 9,455,523 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 12 | **78,973** | | 76,029 | |
| Debtors | 13 | **853,770** | | 933,451 | |
| Investments | 14 | **851,087** | | 1,001,087 | |
| Cash at bank and in hand | | **195,068** | | 259,624 | |
| | | **1,978,898** | | 2,270,191 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 15 | **1,450,407** | | 1,639,235 | |
| **NET CURRENT ASSETS** | | | **528,491** | | 630,956 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | **9,868,451** | | 10,086,479 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 16 | | **(337,397)** | | (446,833) |
| **PROVISIONS FOR LIABILITIES** | 20 | | **(1,204,369)** | | (770,897) |
| **PENSION LIABILITY** | 23 | | **(1,701,981)** | | (3,276,196) |
| **NET ASSETS** | | | **6,624,704** | | 5,592,553 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 21 | | **1,000** | | 1,000 |
| Non distributable capital redemption reserve | 22 | | **7,675** | | 7,675 |
| Retained earnings | 22 | | **6,616,029** | | 5,583,878 |
| **SHAREHOLDERS' FUNDS** | | | **6,624,704** | | 5,592,553 |

The financial statements were approved by the Board of Directors and authorised for issue on 8th December 2022 and were signed on its behalf by:

D A H Truelove - Director

The notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31ST MARCH 2022

| | Called up share capital £ | Retained earnings £ | Non distributable capital redemption reserve £ | Total equity £ |
|---|---|---|---|---|
| **Balance at 1st April 2020** | 1,000 | 4,744,144 | 7,675 | 4,752,819 |
| **Changes in equity** | | | | |
| Total comprehensive income | - | 839,734 | - | 839,734 |
| **Balance at 31st March 2021** | 1,000 | 5,583,878 | 7,675 | 5,592,553 |
| **Changes in equity** | | | | |
| Dividends | - | (88,000) | - | (88,000) |
| Total comprehensive income | - | 1,120,151 | - | 1,120,151 |
| **Balance at 31st March 2022** | 1,000 | 6,616,029 | 7,675 | 6,624,704 |

The notes form part of these financial statements

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31ST MARCH 2022

| | Notes | 2022 | 2021 |
|---|---|---|---|
| | | £ | £ |
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | **316,987** | 1,002,165 |
| Interest paid | | **(16,816)** | (21,837) |
| Interest element of finance lease payments paid | | **(12,936)** | (12,211) |
| Government grants | | **-** | 327,377 |
| Tax paid | | **(213,538)** | (153,017) |
| Net cash from operating activities | | **73,697** | 1,142,477 |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | **(86,801)** | (53,459) |
| Sale of tangible fixed assets | | **7,500** | 619,693 |
| Interest received | | **-** | 496 |
| Net cash from investing activities | | **(79,301)** | 566,730 |
| | | | |
| **Cash flows from financing activities** | | | |
| New loans in year | | **-** | 100,000 |
| Bank loan repayments in year | | **(108,176)** | (103,170) |
| New finance leases | | **62,751** | 18,561 |
| Capital repayments in year | | **(127,478)** | (121,286) |
| Amount introduced by directors | | **42,878** | - |
| Amount withdrawn by directors | | **9,073** | (213,749) |
| Equity dividends paid | | **(88,000)** | - |
| Movement in current asset investments | | **150,000** | (1,000,000) |
| Net cash from financing activities | | **(58,952)** | (1,319,644) |
| | | | |
| **(Decrease)/increase in cash and cash equivalents** | | **(64,556)** | 389,563 |
| **Cash and cash equivalents at beginning of year** | 2 | **259,624** | (129,939) |
| | | | |
| **Cash and cash equivalents at end of year** | 2 | **195,068** | 259,624 |

The notes form part of these financial statements

## 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Profit before taxation | **501,706** | 924,162 |
| Depreciation charges | **199,169** | 242,220 |
| Profit on disposal of fixed assets | **(4,305)** | (15,035) |
| Pension charge adjustment to cash | **(401,059)** | (171,389) |
| Government grants | **-** | (327,377) |
| Finance costs | **89,752** | 107,048 |
| Finance income | **-** | (496) |
| | **385,263** | 759,133 |
| (Increase)/decrease in inventories | **(2,944)** | 5,763 |
| Decrease/(increase) in trade and other debtors | **45,491** | (75,052) |
| (Decrease)/increase in trade and other creditors | **(110,823)** | 312,321 |
| **Cash generated from operations** | **316,987** | 1,002,165 |

## 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 2022**

| | **31.3.22** | **1.4.21** |
|---|---|---|
| | **£** | **£** |
| Cash and cash equivalents | **195,068** | **259,624** |

**Year ended 31st March 2021**

| | 31.3.21 | 1.4.20 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | 259,624 | 23,580 |
| Bank overdrafts | - | (153,519) |
| | 259,624 | (129,939) |

## 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.21 | Cash flow | At 31.3.22 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 259,624 | (64,556) | 195,068 |
| | 259,624 | (64,556) | 195,068 |
| **Liquid resources** | | | |
| Current asset investments | 1,001,087 | (150,000) | 851,087 |
| | 1,001,087 | (150,000) | 851,087 |
| **Debt** | | | |
| Finance leases | (284,400) | 64,727 | (219,673) |
| Debts falling due within 1 year | (258,285) | 65,678 | (192,607) |
| Debts falling due after 1 year | (284,449) | 42,500 | (241,949) |
| | (827,134) | 172,905 | (654,229) |
| **Total** | 433,577 | (41,651) | 391,926 |

## 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.

**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.


continued...

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.


continued...

## 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. The timing of the funerals at need is sufficiently uncertain to disclose the balance as a provision rather than a liability. In previous years the amount payable within one year was estimated as the average claimed over the preceding five years and was included in current liabilities.
As part of the transition to FCA regulation for such plans, the identifiable balance was transferred to an FCA registered agent in July 2022. This balance is therefore shown as being due in less than one year with the remainder being shown as a provision.

**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.



continued...

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**

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Wages and salaries | **1,965,273** | 2,110,413 |
| Social security costs | **189,246** | 202,184 |
| Other pension costs | **550,078** | 347,973 |
| | **2,704,597** | 2,660,570 |

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

| | **2022** | 2021 |
|---|---|---|
| Administration | **16** | 17 |
| Operations | **57** | 58 |
| | **73** | 75 |

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Directors' remuneration | **229,846** | 228,329 |

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

| | | |
|---|---|---|
| Money purchase schemes | **1** | 1 |
| Defined benefit schemes | **2** | 2 |

Information regarding the highest paid director is as follows:

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Emoluments etc | **133,104** | 133,054 |
| Accrued pension at 31st March 2022 | **45,235** | 43,040 |

None of the directors accrued benefits under the company's defined benefit scheme. The scheme is in deficit and any payments made are to secure benefits at the date the scheme was frozen.

The company paid contributions to defined contribution pension schemes in respect of directors' qualifying services of £23,335 (2021 £20,000), all of which is attributable to the highest paid director.



continued...

## 5. OPERATING PROFIT

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

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Operating leases | **154,748** | 220,626 |
| Depreciation - owned assets | **108,459** | 136,411 |
| Depreciation - assets on finance leases | **90,710** | 105,810 |
| Profit on disposal of fixed assets | **(4,305)** | (15,035) |
| Auditors' remuneration | **7,700** | 7,600 |
| Defined contribution pension cost | **480,106** | 171,484 |
| Local government grants | **-** | (300,000) |
| Government grants - furlough | **-** | (27,377) |
| Defined benefit pension scheme administration costs paid by the company | **20,531** | 44,800 |
| Insurance premiums for pre-retirement death benefits | **40,033** | 40,225 |

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank loan interest | **7,588** | 9,091 |
| Interest on directors' current accounts | **3,070** | 4,718 |
| Interest on tax | **1,296** | 1,951 |
| Other loan interest | **4,862** | 6,077 |
| Finance lease and hire purchase contracts | **12,936** | 12,211 |
| | **29,752** | 34,048 |

## 7. TAXATION

**Analysis of the tax charge**

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

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | **60,805** | 213,538 |
| | | |
| Deferred tax: | | |
| Charge for the year | **245,617** | (103,664) |
| Tax on profit | **306,422** | 109,874 |

## 7. 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:

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Profit before tax | **501,706** | 924,162 |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%) | **95,324** | 175,591 |
| Effects of: | | |
| Expenses not deductible for tax purposes | **7,469** | - |
| Tax allowances on property sale | **-** | (74,999) |
| Change in tax rate for deferred tax to 25% | **203,629** | - |
| Other timing differences | **-** | 9,282 |
| Total tax charge | **306,422** | 109,874 |

**Tax effects relating to effects of other comprehensive income**

| | | **2022** | |
|---|---|---|---|
| | **Gross** | **Tax** | **Net** |
| | **£** | **£** | **£** |
| Remeasurement gain/(loss) recognised on defined benefit pension scheme | **1,233,156** | **(308,289)** | **924,867** |
| | **1,233,156** | **(308,289)** | **924,867** |

| | | 2021 | |
|---|---|---|---|
| | Gross | Tax | Net |
| | £ | £ | £ |
| Remeasurement gain/(loss) recognised on defined benefit pension scheme | 31,415 | (5,969) | 25,446 |
| | 31,415 | (5,969) | 25,446 |

## 8. DIVIDENDS

| | **2022** | 2021 |
|---|---|---|
| | **£** | £ |
| Ordinary shares of £1 each | | |
| Interim | **88,000** | - |



continued...

9. **PROPERTY, PLANT AND EQUIPMENT**

| | Land and buildings £ | Short leasehold £ | Plant and machinery £ |
|---|---|---|---|
| **COST** | | | |
| At 1st April 2021 | 8,037,642 | 550,370 | 416,763 |
| Additions | - | - | 12,500 |
| Disposals | - | - | - |
| At 31st March 2022 | 8,037,642 | 550,370 | 429,263 |
| **DEPRECIATION** | | | |
| At 1st April 2021 | - | 374,270 | 263,363 |
| Charge for year | - | 39,310 | 29,678 |
| Eliminated on disposal | - | - | - |
| At 31st March 2022 | - | 413,580 | 293,041 |
| **NET BOOK VALUE** | | | |
| At 31st March 2022 | 8,037,642 | 136,790 | 136,222 |
| At 31st March 2021 | 8,037,642 | 176,100 | 153,400 |

| | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1st April 2021 | 251,508 | 1,293,991 | 10,550,274 |
| Additions | - | 74,301 | 86,801 |
| Disposals | - | (17,925) | (17,925) |
| At 31st March 2022 | 251,508 | 1,350,367 | 10,619,150 |
| **DEPRECIATION** | | | |
| At 1st April 2021 | 212,254 | 736,500 | 1,586,387 |
| Charge for year | 8,497 | 121,684 | 199,169 |
| Eliminated on disposal | - | (14,730) | (14,730) |
| At 31st March 2022 | 220,751 | 843,454 | 1,770,826 |
| **NET BOOK VALUE** | | | |
| At 31st March 2022 | 30,757 | 506,913 | 8,848,324 |
| At 31st March 2021 | 39,254 | 557,491 | 8,963,887 |

Included in cost of land and buildings is freehold land of £ 1,177,528 (2021 - £ 1,177,528 ) which is not depreciated.


continued...

## 9. 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 £2,310,253 (2021 - £2,432,133) had they been included at historical cost.

Fixed assets, included in the above, which are held under finance leases are as follows:

| | Plant and machinery £ | Motor vehicles £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1st April 2021 | **18,561** | **697,493** | **716,054** |
| Additions | **-** | **74,301** | **74,301** |
| At 31st March 2022 | **18,561** | **771,794** | **790,355** |
| **DEPRECIATION** | | | |
| At 1st April 2021 | **619** | **306,064** | **306,683** |
| Charge for year | **1,857** | **88,853** | **90,710** |
| At 31st March 2022 | **2,476** | **394,917** | **397,393** |
| **NET BOOK VALUE** | | | |
| At 31st March 2022 | **16,085** | **376,877** | **392,962** |
| At 31st March 2021 | 17,942 | 391,429 | 409,371 |

## 10. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| **COST** | |
| At 1st April 2021 and 31st March 2022 | **18,003** |
| **NET BOOK VALUE** | |
| At 31st March 2022 | **18,003** |
| At 31st March 2021 | 18,003 |

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



continued...

## 10. FIXED ASSET INVESTMENTS - continued

**C.T.F. Limited**
Registered office: Within the UK
Nature of business: Property rental

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Aggregate capital and reserves | **18,003** | 18,003 |

## 11. INVESTMENT PROPERTY

| | Total |
|---|---|
| | £ |
| **FAIR VALUE** | |
| At 1st April 2021 | |
| and 31st March 2022 | **473,633** |
| **NET BOOK VALUE** | |
| At 31st March 2022 | **473,633** |
| At 31st March 2021 | 473,633 |

## 12. INVENTORIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Stocks | **78,973** | 76,029 |

## 13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Trade debtors | **452,123** | 494,797 |
| Other debtors | **191,956** | 194,773 |
| Directors' current accounts | **209,691** | 243,881 |
| | **853,770** | 933,451 |

## 14. CURRENT ASSET INVESTMENTS

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank deposit | **851,087** | 1,001,087 |

Instant access is unavailable on this account.



continued...

## 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts (see note 17) | **26,404** | 91,618 |
| Other loans (see note 17) | **166,203** | 166,667 |
| Finance leases (see note 18) | **124,225** | 122,016 |
| Trade creditors | **188,833** | 255,666 |
| Tax | **60,805** | 213,538 |
| Social security and other taxes | **48,615** | 46,601 |
| Other creditors | **729,375** | 654,943 |
| Directors' current accounts | **105,947** | 88,186 |
| | **1,450,407** | 1,639,235 |

## 16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank loans (see note 17) | **174,810** | 201,116 |
| Other loans (see note 17) | **67,139** | 83,333 |
| Finance leases (see note 18) | **95,448** | 162,384 |
| | **337,397** | 446,833 |

## 17. LOANS

An analysis of the maturity of loans is given below:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank loans | **26,404** | 91,618 |
| Other loans | **150,000** | 150,000 |
| CBIL | **16,203** | 16,667 |
| | **192,607** | 258,285 |
| Amounts falling due between one and two years: | | |
| Bank loans | **174,810** | 27,632 |
| CBIL | **17,249** | 18,182 |
| | **192,059** | 45,814 |
| Amounts falling due between two and five years: | | |
| Bank loans | **-** | 173,484 |
| CBIL | **49,890** | 65,151 |
| | **49,890** | 238,635 |



continued...

## 17. LOANS - continued

The company had two bank loans extant at the year end. They are for £285,000 and £100,000 and were taken out in December 2018 and October 2020 respectively.

The December 2018 loan is repayable by instalments of £2,711 with an interest rate charged at 2.5% above base rate and is due to mature on 26th November 2023. This loan was repaid in full in November 2022. The October 2020 loan is a Coronavirus Business Interruption Loan (CBIL) repayable by instalments of £1,515 commencing in May 2020 and is due to mature in September 2026. The company was not obliged to give any further security for this loan.

Details of the loan from a related party are included in note 25.

## 18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Finance leases | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Gross obligations repayable: | | |
| Within one year | **136,453** | 134,382 |
| Between one and five years | **103,778** | 178,419 |
| | **240,231** | 312,801 |
| Finance charges repayable: | | |
| Within one year | **12,228** | 12,366 |
| Between one and five years | **8,330** | 16,035 |
| | **20,558** | 28,401 |
| Net obligations repayable: | | |
| Within one year | **124,225** | 122,016 |
| Between one and five years | **95,448** | 162,384 |
| | **219,673** | 284,400 |

| | Non-cancellable | operating leases |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Within one year | **143,240** | 157,332 |
| Between one and five years | **300,083** | 434,823 |
| | **443,323** | 592,155 |



continued...

## 19. SECURED DEBTS

The following secured debts are included within creditors:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Bank loans | **201,214** | 292,734 |
| Other loans | **150,000** | 150,000 |
| Finance leases | **219,673** | 284,400 |
| | **570,887** | 727,134 |

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.

## 20. PROVISIONS FOR LIABILITIES

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Deferred tax | | |
| On accelerated capital allowances and investment property revaluations | **184,707** | 163,190 |
| On pension scheme deficit | **(425,495)** | (622,477) |
| On revaluations | **1,397,532** | 1,062,124 |
| Prepaid funerals | **47,625** | 168,060 |
| | **1,204,369** | 770,897 |

| | Deferred tax | Prepaid funerals |
|---|---|---|
| | £ | £ |
| Balance at 1st April 2021 | **602,837** | **168,060** |
| Provided during year | **356,924** | **7,592** |
| Utilised during year | **(111,306)** | **(15,859)** |
| Debited to other comprehensive income | **308,289** | **-** |
| To current liabilities | **-** | **(112,168)** |
| Balance at 31st March 2022 | **1,156,744** | **47,625** |

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 2022.

## 21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2022 | 2021 |
|---|---|---|---|---|
| | | | £ | £ |
| 1,000 | Ordinary | £1 | **1,000** | 1,000 |



continued...

## 22. RESERVES

| | Retained earnings £ | Non distributable capital redemption reserve £ | Totals £ |
|---|---|---|---|
| At 1st April 2021 | **5,583,878** | **7,675** | **5,591,553** |
| Profit for the year | **195,284** | | **195,284** |
| Dividends | **(88,000)** | | **(88,000)** |
| Remeasurement gain/(loss) recognised on defined benefit scheme net of tax | **924,867** | **-** | **924,867** |
| At 31st March 2022 | **6,616,029** | **7,675** | **6,623,704** |

Retained earnings include a revaluation reserve arising on the transition to FRS 102 of £4,192,596 (2021 £4,528,004) which is not distributable. Distributable reserves are £2,423,433 (2021 £1,055,874).

## 23. 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 2021. The valuation at 31st January 2021 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. The valuation at 31st January 2021 of £1,806,000 provided to the trustees of the scheme was included in the company's accounts at 31st March 2021 without being updated to that date nor were any consequent movements recognised in the profit and loss account or the statement of comprehensive income. A valuation has been provided to the trustees at 31st January 2022 of £1,576,000 which has also been included in these accounts without updating to 31st March 2022.

The amounts recognised in the balance sheet are as follows:

| | Defined benefit pension plans | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Present value of funded obligations | **(8,442,000)** | (10,173,000) |
| Fair value of plan assets | **6,740,019** | 6,896,804 |
| | **(1,701,981)** | (3,276,196) |
| Present value of unfunded obligations | **-** | - |
| Deficit | **(1,701,981)** | (3,276,196) |
| Net liability | **(1,701,981)** | (3,276,196) |



continued...

## 23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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.

The amounts recognised in profit or loss are as follows:

| | Defined benefit pension plans | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Current service cost | **-** | - |
| Net interest from net defined benefit asset/liability | **60,000** | 73,000 |
| Past service cost | **-** | - |
| Scheme administration expense | **23,691** | 16,111 |
| | **83,691** | 89,111 |
| Actual return on plan assets | **95,000** | 90,000 |

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

| | Defined benefit pension plans | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Opening defined benefit obligation | **10,173,000** | 9,251,000 |
| Interest cost | **155,000** | 163,000 |
| Lump sums paid | **(663,034)** | - |
| Actuarial losses/(gains) | **(1,066,436)** | 851,879 |
| Benefits paid | **(156,530)** | (92,879) |
| | **8,442,000** | 10,173,000 |



continued...

## 23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

| | Defined benefit pension plans | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Opening fair value of scheme assets | **6,896,804** | 5,845,000 |
| Contributions by employer | **424,750** | 187,500 |
| Administration fee paid from scheme assets | **(23,691)** | (16,111) |
| Interest income | **95,000** | 90,000 |
| Benefits paid | **(156,530)** | (92,879) |
| Lump sums paid | **(663,034)** | - |
| Return on plan assets (excluding interest income) | **166,720** | 883,294 |
| | **6,740,019** | 6,896,804 |

The amounts recognised in other comprehensive income are as follows:

| | Defined benefit pension plans | |
|---|---|---|
| | **2022** | 2021 |
| | **£** | £ |
| Return on plan assets (excluding interest income) | **166,720** | 883,294 |
| Actuarial gains/(losses) | **1,066,436** | (851,879) |
| | **1,233,156** | 31,415 |

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

| | Defined benefit pension plans | |
|---|---|---|
| | **2022** | 2021 |
| Equities | **73%** | 63% |
| Corporate bonds | **8%** | 8% |
| Government bonds | **7%** | 16% |
| Cash | **12%** | 13% |
| | **100%** | 100% |

The value of the immediate annuity assets used to secure pensions in payment was £1,576,000 (2021 £1,806,000). These assets are not included in the analysis above.



continued...

## 23. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

| | 2022 | 2021 |
|---|---|---|
| Discount rate | **2.65%** | 1.95% |
| RPI inflation | **3.70%** | 3.30% |
| Pension increases in payment: RPI maximum 5% | **3.55%** | 3.20% |
| :RPI maximum 2.5% | **2.35%** | 2.25% |
| Pension revaluation in deferment: CPI maximum 5% | **3.00%** | 2.50% |

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 2021 projection model (2021 CMI 2020 projection model). The impact of the pandemic is such that this model is likely to represent an overly cautious view of experience in the near future. The model has therefore been adopted applying weighting parameters of 10% to the data for 2021 and 2020 rather than the 0% weighting applied in the core model.

It is assumed that on average 80% of male members and 70% of female members had an eligible spouse at age 65, apart from the Truelove family where exact data is used.

The company expects to contribute £200,004 (2021 £183,516) 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.

## 24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

S A Truelove, a director, owed the company £212,147 (2021 - £243,881) at the year end. No interest was charged.

D A H Truelove, a director, was owed £99,330 by the company (2021 - £88,186) at the year end. Interest of £3,070 was credited during the year (2021 - £4,718).

## 25. RELATED PARTY DISCLOSURES

During the year ended 31st March 2020 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 son of the director, D A H Truelove, owed the company £8,248 (2021 - £10,051) at the year end.



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## 26. ULTIMATE CONTROLLING PARTY

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