REGISTERED NUMBER: 00293103 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

FOR

W.A. TRUELOVE & SON LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2021

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 2021

The directors present their strategic report for the year ended 31st March 2021.

REVIEW OF BUSINESS

The past 12 months has seen unprecedented challenges forced upon the company. The Covid 19 pandemic affected every aspect of the business from the way funerals were arranged to the way in which they were allowed to be carried out. Management decided the best way to ensure continuity of the business during the lockdowns was to split the funeral staff into two teams working one week on and one week off whilst the branch managers maintained isolation within their own branches. This was to prevent the possibility of one staff member succumbing to the virus and forcing their colleagues into isolation resulting in all operations ceasing. Even though this came at a cost, in order to provide our clients with a continued level of service during these dire times, it was decided that this was the best option. All funerals were arranged by telephone and only through the hard work of all our employees and their strict adherence to new protocols did the company manage to work through the worst of the pandemic and still provide a high level of funeral service, albeit restricted by governmental guidance. For a sustained period of time fundamental elements of funerals were denied to clients, viewing of loved ones was not allowed, journeys were confined to being direct to the crematorium or cemetery and the number of mourners were controlled at being close family members only. Not only were families deprived of saying good bye to their loved ones in hospital, they were also prevented from having a complete funeral at which to say farewell to those ones that they had recently lost. Essential to our ethos and underlying all our practices is to fulfil the wishes of our clients and not being able to cater to this requirement due to enforced legislative measures upset our staff and left them with frustration at not being able to facilitate the needs of our clients.

From a purely financial aspect, the regrettable increased death rate from the virus translated into increased volume but not necessarily increased turnover. Clients were opting for the simpler funerals as they had little choice than to abide by the guidance. More elaborate traditional funerals were not permitted resulting in no chapel use, plainer coffins being selected and no limousine hire. Most of the funerals chosen were direct to the crematorium or cemetery with a marked increase in "direct cremations" taking place where there is no service or mourners at the crematorium. These factors all led to reduced sales value per funeral. However, to a certain degree, the increased number of funerals we had to carry out offset the reduction in value per funeral. The crematoriums reduced the length of their allocated service times meaning we could service more funerals during the week than pre-pandemic, a necessity resulting from the devastating effects of the virus.

The company's turnover increased from £6,094,862 in 2020 to £6,882,363 in 2021 however, the costs of those sales increased from £4,137,972 to £4,616,317 respectively meaning gross profit rose from £1,956,890 in 2020 to £2,266,046. The slight increase in margins was a result of labour costs being fixed with overtime reduced due to the one week on, one week off rota. (No overtime was claimed due to staff having every alternate week off). The need to only have one doctor signing the cremation paperwork, (previously two), reduced these charges included in turnover, as well as included in the cost of sales, also contributed to a disproportionate uplift in gross profit.

Covid grants from the government of £327,377 combined with the rates holiday and the increased gross profit meant that the net profit improved from £344,854 in 2020 to £924,162 in 2021 giving rise to a tax liability of £213,538.

During the financial year, management's attention was fully focused on maintaining the operations of the business. The constant threat of infection disrupting operations was foremost in the directors' thoughts and along with the additional pressures from increased activity meant that certain aspects of normal company management were put on hold. Vehicle replacement was delayed as normal supply chains were interrupted and refurbishment of the premises was halted due to restricted access. However, with the easing of restrictions, the control of the virus and a return to a normal level of business activity, management can once again concentrate on normal operations. The directors are actively seeking fit and proper vehicles to replace the older members of the fleet and the branch refurbishment programme has been reinstated and is back on track.
Whilst management continually analyse trends within the business regarding funeral preferences, the 2021 financial year has been far from normal. As stated above, restrictions only permitted a certain style of funeral and with this came a change in client choices. Simpler funerals were opted for and less elaborate styles of coffins selected, whilst certain clients preferred to choose from our wide range of eco-friendly and "scenic" coffins, there was an obvious and notable shift to the majority of funerals including the more traditional style of lower end coffins. This switch has gone against the past trend but management expects a return to clients choosing greener and more individual specific coffins.
Competition remains strong within the industry but the past twelve months has seen little activity in rival firms entering the local market. As business slowly returns to normal the directors expect this to change and, are themselves, looking for new areas to expand into believing the superior service the company can offer has a place within areas previously serviced by established competitors.
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 small re-measurement gain of £31,415 (2020: £522,000 loss) as disclosed in other comprehensive income. 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 current turbulent economic environment has a great impact upon the scheme and are conscious of the implications that this may bring for future funding. The company is currently awaiting the results of the triannual valuation, which dictates funding levels to ensure that all liabilities are met. As a result of 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.

The current decrease in discount rates will have an impact on recovery payments but this may be offset, to a certain degree, by lower inflation forecasts, a decrease in mortality rates and higher-than-expected returns on assets. However, management expect recovery payments to have to increase but are confident that whatever the valuation recommends, the robust nature of the business will enable it to meet its obligations, ensuring that the pensions are safe for its defined benefit members.

Pre-paid funeral plans guarantee future revenue for the business. As stated in last year's report, the market appears to be saturated with all manner of plans ranging from those sold by the funeral profession, to insurance-based schemes. Unfortunately, due to the unscrupulous nature of certain providers and the negative impact these sellers had on consumers, the FCA investigated the public's concerns and concluded that regulation of the prepaid funeral market was a necessity. Their aims are to make sure that plans sold meet consumer needs and offer fair value. The business fully concurs with their findings and, whilst regulation will not be enforced until July 29th 2022, the company is actively engaged in ensuring that all the legislative procedures are in place well in advance of this date to abide with the FCA's regulation.

The company are fully aware of the damaging effect upon the environment of CO_2 emissions and are determined to work towards achieving a carbon neutral footprint. It is examining all aspects of the business operations to determine where appropriate action can be taken and are making the necessary changes A large proportion of the coffins it provides come from sustainable sources and it is giving careful consideration to the options available in relation to the vehicles it operates. Alternative ways to heat and cool its premises are being investigated along with a constant review of energy suppliers ensures the business is on track to meet its goals. The company appreciates there will be a cost implementing such changes but are prepared to invest in such changes to help towards reducing climate change.

Management would like, once again, to draw attention to the hard work of all their colleagues during the financial year. Without their devotion during these exceptionally difficult times the business would not have been able to continue to operate as successfully as it did. Funerals were arranged professionally and were carried out as respectfully and in as dignified a way as restrictions permitted. The immense pressure that the teams worked under without question, and the relentless physical and mental strain that the staff endured during the year, has to be recognised. The directors feel it only appropriate to unreservedly thank all their staff for their loyalty to their clients and the business during these dreadful times.

Management are currently working out the basis for a process whereby a profit pool can be established and then used to reward staff that worked hardest to achieve the financial result for the company year. In this way the directors believe that the team ethos of the family business can be strengthened.

PRINCIPAL RISKS AND UNCERTAINTIES

The CMA has concluded its in-depth market investigations into the funeral services and published its recommendations in December 2020. 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. Their final report sets out further detail on the remedies, which are intended to support customers when choosing a funeral director or crematorium and to place the sector under greater public scrutiny. Amongst other things, they include

" an obligation for all funeral directors and crematorium operators to disclose prices in a manner that will help customers make more informed decisions;

" that information must be provided in advance of a customer committing to purchase a service so that people know the price they will be charged and the key terms of business - for example if a deposit is required;

" that customers should be made aware of any relevant business, financial and commercial interests of the funeral director, and that certain practices - such as payments which may incentivise hospitals, care homes or hospices to refer customers to a particular funeral director - will be prohibited;

" a recommendation to government to establish an independent inspection and registration regime to monitor the quality of funeral director services as a first step in the establishment of a broader regulatory regime for funeral services.

The company welcomes these changes and will follow theirs, and the advice from the National Association of Funeral Directors, in the full implementation of their recommendations. Transparency, regulation and professional development can only improve our industry and give our clients additional confidence that their welfare is always looked after at a time when they are most vulnerable, a philosophy that W A Truelove & Son Ltd has always adhered to.

As mentioned above the Covid 19 pandemic has had an overwhelming effect on the business over the past 20 months. The start of the pandemic was felt at the end of 2020 financial year and continued throughout 2021. Increased death rates not only from the virus-related illness but also from natural causes, imposed restrictions on funeral services and the way the business had to manage the workforce impacted on the fundamental operations of the company which still remain in force during the current financial year. The rollout of the vaccination and subsequent booster jabs have appeared to restrict the spread of the virus and death rates seem to have flattened off. However, fluctuating Covid 19 infections with resultant hospital admissions and the possible rise in different variants the company is fully prepared to tackle any new pressures it is presented with. Whilst the risk imposed upon the business is still there, management feel that with the correct policies in place this risk, although not eradicated, is reduced as far as possible.

The company recognises that the shift away from traditional to less elaborate funerals during the pandemic may continue into the future. Simpler funerals have been on the rise for many years with clients opting to have more modest ceremonies. Whilst this change will 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 scrutiny of overheads will ensure any reduction in profit is minimised.

Management continues to be mindful of a "vacuum" that may have been created with the premature deaths of those elderly and vulnerable who succumbed to the virus. Whilst mortality trends are relatively consistent over the years, the increased deaths from the pandemic will have a knock-on effect in future years. Those individuals who had their lives cut short and would have been expected to pass away in the coming years will no longer form part of turnover of those years and expected income may be reduced as a result. The management continue to closely observe death rates and will act accordingly should the need arise.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

The departure from the European Union continues to occupy the headlines with problems of supply and inflated product prices as a result. Even though the business has little direct exposure to these problems certain of our coffin ranges come from abroad. Container prices having trebled in recent months has meant that the cost of these items has increased. Whist the business has absorbed the majority of these increases, our prices have not been immune and slight adjustments have had to be made. We have good relationships with our suppliers and work towards arrangements that are not too detrimental to either party. Any future increases will be monitored and, as far as possible, prevented from burdening our clients.

ON BEHALF OF THE BOARD:

D A H Truelove - Secretary

1st December 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31st March 2021.

DIVIDENDS
No dividends will be distributed for the year ended 31st March 2021.

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 2020 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

1st December 2021

Opinion
We have audited the financial statements of W.A. Truelove & Son Limited (the 'company') for the year ended 31st March 2021 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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.

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

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

1st December 2021

INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
REVENUE	3		**6,882,363**		6,094,862
Cost of sales			**4,616,317**		4,137,972
GROSS PROFIT			**2,266,046**		1,956,890
Administrative expenses			**1,725,006**		1,665,826
			541,040		291,064
Other operating income			**489,674**		170,643
OPERATING PROFIT	5		**1,030,714**		461,707
Interest receivable and similar income			**496**		11
			1,031,210		461,718
Interest payable and similar expenses	6	**34,048**		47,864	
Other finance costs	23	**73,000**		69,000	
			107,048		116,864
PROFIT BEFORE TAXATION			**924,162**		344,854
Tax on profit	7		**109,874**		73,955
PROFIT FOR THE FINANCIAL YEAR			**814,288**		270,899

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		**814,288**	270,899
OTHER COMPREHENSIVE INCOME			
Remeasurement gain/(loss) recognised on defined benefit pension scheme		**31,415**	(522,000)
Income tax relating to other comprehensive income		**(5,969)**	99,180
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**25,446**	(422,820)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**839,734**	(151,921)

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Property, plant and equipment	9		**8,963,887**		9,757,306
Investments	10		**18,003**		18,003
Investment property	11		**473,633**		473,633
			9,455,523		10,248,942
CURRENT ASSETS					
Inventories	12	**76,029**		81,792	
Debtors	13	**933,451**		734,828	
Investments	14	**1,001,087**		1,087	
Cash at bank and in hand		**259,624**		23,580	
		2,270,191		841,287	
CREDITORS					
Amounts falling due within one year	15	**1,639,235**		1,481,158	
NET CURRENT ASSETS/(LIABILITIES)			**630,956**		(639,871)
TOTAL ASSETS LESS CURRENT LIABILITIES			**10,086,479**		9,609,071
CREDITORS					
Amounts falling due after more than one year	16		**(446,833)**		(560,519)
PROVISIONS FOR LIABILITIES	20		**(770,897)**		(889,733)
PENSION LIABILITY	23		**(3,276,196)**		(3,406,000)
NET ASSETS			**5,592,553**		4,752,819
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		**5,583,878**		4,744,144
SHAREHOLDERS' FUNDS			**5,592,553**		4,752,819

The financial statements were approved by the Board of Directors and authorised for issue on 1st December 2021 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 2021

	Called up share capital £	Retained earnings £	Non distributable capital redemption reserve £	Total equity £
Balance at 1st April 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
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

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	**1,002,165**	465,430
Interest paid		**(21,837)**	(24,857)
Interest element of finance lease payments paid		**(12,211)**	(23,007)
Government grants		**327,377**	-
Tax paid		**(153,017)**	-
Net cash from operating activities		**1,142,477**	417,566
Cash flows from investing activities			
Purchase of tangible fixed assets		**(53,459)**	(157,704)
Sale of tangible fixed assets		**619,693**	52,000
Interest received		**496**	11
Net cash from investing activities		**566,730**	(105,693)
Cash flows from financing activities			
New loans in year		**100,000**	150,000
Bank loan repayments in year		**(103,170)**	(98,478)
New finance leases		**18,561**	83,250
Capital repayments in year		**(121,286)**	(236,100)
Amount withdrawn by directors		**(213,749)**	(115,423)
Equity dividends paid		**-**	(140,000)
Movement in current asset investments		**(1,000,000)**	-
Net cash from financing activities		**(1,319,644)**	(356,751)
Increase/(decrease) in cash and cash equivalents		**389,563**	(44,878)
Cash and cash equivalents at beginning of year	2	**(129,939)**	(85,061)
Cash and cash equivalents at end of year	2	**259,624**	(129,939)

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021

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

	2021	2020
	£	£
Profit before taxation	**924,162**	344,854
Depreciation charges	**242,220**	261,680
Profit on disposal of fixed assets	**(15,035)**	(8,680)
Pension charge adjustment to cash	**(171,389)**	(154,000)
Government grants	**(327,377)**	-
Finance costs	**107,048**	116,864
Finance income	**(496)**	(11)
	759,133	560,707
Decrease/(increase) in inventories	**5,763**	(3,164)
Increase in trade and other debtors	**(75,052)**	(41,952)
Increase/(decrease) in trade and other creditors	**312,321**	(50,161)
Cash generated from operations	**1,002,165**	465,430

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 2021

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

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)
	(129,939)	(85,061)

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank and in hand	23,580	236,044	259,624
Bank overdrafts	(153,519)	153,519	-
	(129,939)	389,563	259,624
Liquid resources			
Current asset investments	1,087	1,000,000	1,001,087
	1,087	1,000,000	1,001,087
Debt			
Finance leases	(387,125)	102,725	(284,400)
Debts falling due within 1 year	(251,740)	(6,545)	(258,285)
Debts falling due after 1 year	(294,164)	9,715	(284,449)
	(933,029)	105,895	(827,134)
Total	(1,061,881)	1,495,458	433,577

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.

Government grants
Grants are accounted for on an accruals basis. Grants of a revenue nature are recognised as other operating income within the the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('furlough') and the grants received from local government made to business ratepayers. The company has not directly benefited from any other form of government assistance.

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. The amount payable within one year is estimated as the average claimed over the preceding five years and is included in current liabilities.

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

	2021	2020
	£	£
Wages and salaries	2,110,413	2,006,531
Social security costs	202,184	182,216
Other pension costs	347,973	285,044
	2,660,570	2,473,791

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

	2021	2020
Administration	17	17
Operations	58	58
	75	75

	2021	2020
	£	£
Directors' remuneration	228,329	213,335

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:

	2021	2020
	£	£
Emoluments etc	133,054	117,094
Accrued pension at 31st March 2021	43,040	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 £20,000 (2020 £10,000), all of which is attributable to the highest paid director.

continued...

5. OPERATING PROFIT

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

	2021	2020
	£	£
Operating leases	**220,626**	174,512
Depreciation - owned assets	**136,411**	132,763
Depreciation - assets on finance leases	**105,810**	128,917
Profit on disposal of fixed assets	**(15,035)**	(8,680)
Auditors' remuneration	**7,600**	7,600
Defined contribution pension cost	**171,484**	130,753
Local government grants	**(300,000)**	-
Government grants - furlough	**(27,377)**	-
Defined benefit pension scheme administration costs paid by the company	**44,800**	22,246
Insurance premiums for pre-retirement death benefits	**40,225**	17,393

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	**9,091**	14,833
Interest on directors' current accounts	**4,718**	8,897
Interest on tax	**1,951**	272
Other loan interest	**6,077**	855
Finance lease and hire purchase contracts	**12,211**	23,007
	34,048	47,864

7. TAXATION

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	**213,538**	84,266
Deferred tax:		
Charge for the year	**(103,664)**	(10,311)
Tax on profit	**109,874**	73,955

continued...

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021	2020
	£	£
Profit before tax	**924,162**	344,854
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	**175,591**	65,522
Effects of:		
Depreciation in excess of capital allowances	**-**	8,433
Tax allowances on property sale	**(74,999)**	-
Other timing differences	**9,282**	-
Total tax charge	**109,874**	73,955

Tax effects relating to effects of other comprehensive income

	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**

	2020		
	Gross	Tax	Net
	£	£	£
Remeasurement gain/(loss) recognised on defined benefit pension scheme	(522,000)	99,180	(422,820)
	(522,000)	99,180	(422,820)

8. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Interim	**-**	140,000

continued...

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £	Short leasehold £	Plant and machinery £
COST			
At 1st April 2020	8,637,642	550,370	507,048
Additions	-	-	53,459
Disposals	(600,000)	-	(14,127)
Impairments	-	-	(129,617)
At 31st March 2021	8,037,642	550,370	416,763
DEPRECIATION			
At 1st April 2020	-	324,540	372,295
Charge for year	-	49,730	34,604
Eliminated on disposal	-	-	(38,396)
Impairments	-	-	(129,505)
At 31st March 2021	-	374,270	238,998
NET BOOK VALUE			
At 31st March 2021	8,037,642	176,100	177,765
At 31st March 2020	8,637,642	225,830	134,753

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st April 2020	583,247	1,293,991	11,572,298
Additions	-	-	53,459
Disposals	(28,380)	-	(642,507)
Impairments	(303,359)	-	(432,976)
At 31st March 2021	251,508	1,293,991	10,550,274
DEPRECIATION			
At 1st April 2020	528,122	590,035	1,814,992
Charge for year	11,422	146,465	242,221
Eliminated on disposal	-	-	(38,396)
Impairments	(302,925)	-	(432,430)
At 31st March 2021	236,619	736,500	1,586,387
NET BOOK VALUE			
At 31st March 2021	14,889	557,491	8,963,887
At 31st March 2020	55,125	703,956	9,757,306

Included in cost of land and buildings is freehold land of £ 1,177,528 (2020 - £ 1,277,528) 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 (2020 - £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 2020	-	777,493	777,493
Additions	18,561	-	18,561
Transfer to ownership	-	(80,000)	(80,000)
At 31st March 2021	18,561	697,493	716,054
DEPRECIATION			
At 1st April 2020	-	254,659	254,659
Charge for year	619	105,191	105,810
Transfer to ownership	-	(53,786)	(53,786)
At 31st March 2021	619	306,064	306,683
NET BOOK VALUE			
At 31st March 2021	17,942	391,429	409,371
At 31st March 2020	-	522,834	522,834

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st April 2020 and 31st March 2021	18,003
NET BOOK VALUE	
At 31st March 2021	18,003
At 31st March 2020	18,003

continued...

10. FIXED ASSET INVESTMENTS - continued

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

	%
Class of shares:	holding
Ordinary	100.00

	2021	2020
	£	£
Aggregate capital and reserves	**18,003**	18,003

11. INVESTMENT PROPERTY

	Total
	£
FAIR VALUE	
At 1st April 2020	
and 31st March 2021	**473,633**
NET BOOK VALUE	
At 31st March 2021	**473,633**
At 31st March 2020	473,633

12. INVENTORIES

	2021	2020
	£	£
Stocks	**76,029**	81,792

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	**494,797**	487,498
Other debtors	**194,773**	127,020
Directors' current accounts	**243,881**	120,310
	933,451	734,828

14. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Bank deposit	**1,001,087**	1,087

Instant access is unavailable on this account.

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	**91,618**	255,259
Other loans (see note 17)	**166,667**	150,000
Finance leases (see note 18)	**122,016**	120,770
Trade creditors	**255,666**	139,771
Tax	**213,538**	153,017
Social security and other taxes	**46,601**	43,944
Other creditors	**654,943**	440,033
Directors' current accounts	**88,186**	178,364
	1,639,235	1,481,158

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

	2021	2020
	£	£
Bank loans (see note 17)	**201,116**	294,164
Other loans (see note 17)	**83,333**	-
Finance leases (see note 18)	**162,384**	266,355
	446,833	560,519

17. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	**-**	153,519
Bank loans	**91,618**	101,740
Other loans	**150,000**	150,000
CBIL	**16,667**	-
	258,285	405,259
Amounts falling due between one and two years:		
Bank loans	**27,632**	91,819
CBIL	**18,182**	-
	45,814	91,819
Amounts falling due between two and five years:		
Bank loans	**173,484**	202,345
CBIL	**65,151**	-
	238,635	202,345

continued...

17. **LOANS - continued**

The company had three bank loans extant at the year end. They are for £368,929, £285,000 and £100,000 and were taken out in January 2017, December 2018 and October 2020 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 £2,711 with an interest rate charged at 2.5% above base rate and is due to mature on 26th November 2023. 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	
	2021	2020
	£	£
Gross obligations repayable:		
Within one year	**134,382**	132,871
Between one and five years	**178,419**	292,579
	312,801	425,450
Finance charges repayable:		
Within one year	**12,366**	12,101
Between one and five years	**16,035**	26,224
	28,401	38,325
Net obligations repayable:		
Within one year	**122,016**	120,770
Between one and five years	**162,384**	266,355
	284,400	387,125

	Non-cancellable	**operating leases**
	2021	2020
	£	£
Within one year	**157,332**	164,750
Between one and five years	**434,823**	493,821
In more than five years	**-**	41,500
	592,155	700,071

continued...

19. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank overdraft	**-**	153,519
Bank loans	**292,734**	395,904
Other loans	**150,000**	150,000
Finance leases	**284,400**	387,125
	727,134	1,086,548

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

	2021	2020
	£	£
Deferred tax		
On accelerated capital allowances and investment property revaluations	**163,190**	185,199
On pension scheme deficit	**(622,477)**	(647,140)
On revaluations	**1,062,124**	1,162,472
Prepaid funerals	**168,060**	189,202
	770,897	889,733

	Deferred tax	**Prepaid funerals**
	£	**£**
Balance at 1st April 2020	**700,531**	**189,202**
Utilised during year	**(103,663)**	**(22,521)**
Debited to other comprehensive income	**5,969**	**-**
To current liabilities	**-**	**1,379**
Balance at 31st March 2021	**602,837**	**168,060**

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 2021.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2021**	2020
			£	£
1,000	Ordinary	£1	**1,000**	1,000

continued...

22. RESERVES

	Retained earnings £	Non distributable capital redemption reserve £	Totals £
At 1st April 2020	**4,744,144**	7,675	**4,751,819**
Profit for the year	**814,288**		**814,288**
Remeasurement gain/(loss) recognised on defined benefit scheme net of tax	**25,446**	-	**25,446**
At 31st March 2021	**5,583,878**	7,675	**5,591,553**

Retained earnings include a revaluation reserve arising on the transition to FRS 102 of £4,528,004 (2020 £4,955,800) which is not distributable. Distributable reserves are £1,105,200 (2020 in deficit by £211,656).

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. This valuation of £1,806,000 has not been updated to 31st March 2021 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	
	2021	2020
	£	£
Present value of funded obligations	**(10,173,000)**	(9,251,000)
Fair value of plan assets	**6,896,804**	5,845,000
	(3,276,196)	(3,406,000)
Present value of unfunded obligations	-	-
Deficit	**(3,276,196)**	(3,406,000)
Net liability	**(3,276,196)**	(3,406,000)

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.

continued...

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	**-**	-
Net interest from net defined benefit asset/liability	**73,000**	69,000
Past service cost	**-**	-
Scheme administration expense	**16,111**	8,000
	89,111	77,000
Actual return on plan assets	**90,000**	(533,000)

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

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	**9,251,000**	9,240,000
Interest cost	**163,000**	178,000
Actuarial losses/(gains)	**851,879**	(120,000)
Benefits paid	**(92,879)**	(47,000)
	10,173,000	9,251,000

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

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	**5,845,000**	6,271,000
Contributions by employer	**187,500**	162,000
Administration fee paid from scheme assets	**(16,111)**	(8,000)
Interest income	**90,000**	109,000
Benefits paid	**(92,879)**	(47,000)
Return on plan assets (excluding interest income)	**883,294**	(642,000)
	6,896,804	5,845,000

23. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Return on plan assets (excluding interest income)	**883,294**	(642,000)
Actuarial gains/(losses)	**(851,879)**	120,000
	31,415	(522,000)

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

	Defined benefit pension plans	
	2021	2020
Equities	**63.00%**	46.20%
Bonds	**8.00%**	9.70%
Government bonds	**16.00%**	4.30%
Property	**-**	3.60%
Cash	**13.00%**	36.20%
	100.00%	100.00%

The value of the immediate annuity assets used to secure pensions in payment was £1,806,000 (2020 £1,789,000). These assets are not included in the analysis above.

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

	2021	2020
Discount rate	**1.95%**	2.20%
RPI inflation	**3.30%**	2.60%
Pension increases in payment: RPI maximum 5%	**3.20%**	2.60%
:RPI maximum 2.5%	**2.25%**	2.00%
Pension revaluation in deferment: CPI maximum 5%	**2.50%**	1.80%

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 2020 projection model (2020 CMI 2019 projection model) with a long term rate of improvement of 1.25%.

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.

continued...

23. **- continued**

The company expects to contribute £183,516 (2020 £162,000) 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 £243,881 (2020 - £120,310) at the year end. No interest was charged.

D A H Truelove, a director, was owed £88,186 by the company (2020 - £178,364) at the year end. Interest of £4,718 was credited during the year (2020 - £6,617).

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 daughter of the director, S A Truelove, owed the company £nil (2020 - £10,000) at the year end.

S Truelove, the son of the director, D A H Truelove, owed the company £10,051 (2020 - £9,950) at the year end.

26. ULTIMATE CONTROLLING PARTY

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