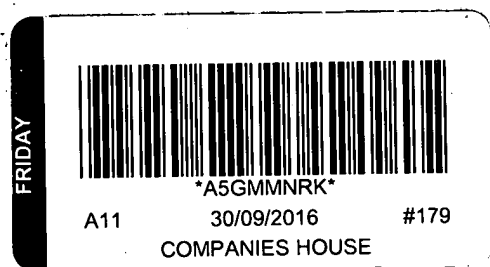


Registration number: 02644860

**Ecclesiastical Planning Services Limited**  
**(Formerly NAFD Services Limited)**  
**2015 Annual Report and Financial Statements**



# **Ecclesiastical Planning Services Limited**

## **Report and accounts 31 December 2015**

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3	Directors' Report
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8	Statement of Changes in Equity
9	Statement of Financial Position
10	Statement of Cash Flows
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# **Ecclesiastical Planning Services Limited**

## **Officers and Professional Advisers**

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<b>Directors</b>	I. G. Campbell C. A. H. Clark P. D. New Mrs H. E. Price	BSc (Econ) Hons, ACA FCII BSc, FIA FCCA	<i>Chairman</i>
<b>Company Secretary</b>	Mrs R. J. Hall	FCIS	
<b>Auditor</b>	Deloitte LLP, London		
<b>Bankers</b>	National Westminster Bank Plc		
<b>Solicitors</b>	Speechly Bircham LLP, London		
<b>Registered Office</b>	Beaufort House, Brunswick Road, Gloucester, GL1 1JZ		
<b>Company Registration Number</b>	02644860		

# **Ecclesiastical Planning Services Limited**

## **Strategic Report**

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The directors present their strategic report of the company for the year ended 31 December 2015.

### **Objective and strategy**

The principal activity of the company is the distribution and administration of prepaid funeral plans.

Ecclesiastical Insurance Group plc acquired NAFD Services Limited (subsequently re-named Ecclesiastical Planning Services Limited (EPSL)) in January 2016 following the National Association of Funeral Directors (NAFD's) decision to exit the funeral plan market as a provider in favour of focusing their activity on their core business as a trade association. EPSL's intention is to continue distributing funeral plans through funeral directing firms that are members of NAFD whilst remaining alert to opportunities that will enable plan sales to grow as a result of developing relationships with suitable distribution partners.

### **Review of the company's business**

The results for the year are shown on page 7 and the position at the year-end is shown on page 9.

The income that was generated through funeral plan sales was ahead of the prior year, mirroring the increased number of plan sales during 2015.

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

### **Future prospects**

EPSL is well positioned to take advantage of the growing UK funeral plan market. Plan sales are expected to increase as EPSL develops relationships with more funeral directing firms for the distribution of Perfect Choice Funeral Plans and introduces new initiatives to increase market share.

### **Principal risks and uncertainties facing the company**

Further information on the principal risks and uncertainties, together with details of the financial risk management objectives and policies of the company, are disclosed in note 3 to the financial statements.

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

By order of the Board :



Mrs R .J. Hall  
*Company Secretary*  
28 September 2016

# **Ecclesiastical Planning Services Limited**

## **Directors' Report**

---

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

### **Future prospects**

The future prospects for the company are dealt with in the Strategic Report on page 2.

### **Going concern**

The company is part of the Ecclesiastical group which has considerable financial resources and has undertaken to provide continuing financial support to the company for at least twelve months from the date of this report. Accordingly, the directors have adopted the going concern basis in preparing the company's annual report and financial statements. The current negative equity situation will be addressed by the issue of a further 700,000 ordinary shares of £1 each to the parent company Ecclesiastical Insurance Group plc.

### **Dividends**

The directors of the company, on 31 December 2015, recommended the payment of a dividend of £600,000 in respect of the year ended 31 December 2015 (2014: £Nil).

### **Board of directors**

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

The original directors, Mr B. Hutsby, Mr I.H. Steel, Mr S.A. Truelove and Mr M. Wilkinson, resigned from the Board on 27 January 2016 following the acquisition of the company by Ecclesiastical Insurance Group plc. Mr I.G. Campbell, Mr C.A.H. Clark, Mr P.D. New and Mrs H.E. Price were appointed directors on 27 January 2016.

The company has qualifying third party indemnity provisions for the benefit of the directors which were appointed on 27 January 2016. The provisions were in place from the date of appointment and remain in force at the date of this report.

### **Ownership**

Since January 2016, the entire equity share capital of the company is owned by Ecclesiastical Insurance Group plc. The ultimate parent company is Allchurches Trust Limited. At 31 December 2015, the entire equity share capital of the company was held in trust for the benefit of National Association of Funeral Directors.

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

# **Ecclesiastical Planning Services Limited**

## **Directors' Report**

---

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.

### **Post balance sheet events**

Since 31 December 2015, the company has been acquired by Ecclesiastical Insurance Group plc, and has changed the insurance provider it uses (see note 22).

### **Auditor**

Following the acquisition of the company by Ecclesiastical Insurance Group plc, Deloitte LLP was appointed as the company's auditor and has indicated its willingness to continue in office. In accordance with Section 489 of the Companies Act 2006 it is proposed that Deloitte LLP be re-appointed auditor for the ensuing year.

### **Auditor and the disclosure of information to auditor**

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

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

By order of the board :



Mrs R.J. Hall  
*Company Secretary*  
28 September 2016

## **Independent Auditor's Report to the members of Ecclesiastical Planning Services Limited**

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We have audited the financial statements of Ecclesiastical Planning Services Limited (formerly NAFD Services Limited) for the year ended 31 December 2015 which comprise the statement of profit or loss, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent Auditor's Report to the members of Ecclesiastical Planning Services Limited**

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### **Matters on which we are required to report by exception**

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.



Paul Stephenson BA FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
30 September 2016



# Ecclesiastical Planning Services Limited

## Statement of Profit or Loss

for the year ended 31 December 2015

	Notes	2015 £	2014 Restated £
<b>Revenue</b>			
Interest receivable	4	1,311	4,651
Fees and other income	5	195,364	181,050
<b>Total revenue</b>		<b>196,675</b>	<b>185,701</b>
<b>Expenses</b>			
Operating expenses	6	(62,753)	(187,990)
<b>Total expenses</b>		<b>(62,753)</b>	<b>(187,990)</b>
<b>Profit/(loss) for the year before taxation</b>		<b>133,922</b>	<b>(2,289)</b>
<b>Tax (expense)/income</b>	11	<b>(29,385)</b>	<b>346</b>
<b>Profit/(loss) for the year attributable to equity holders and total comprehensive income/(expenses)</b>		<b>104,537</b>	<b>(1,943)</b>

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

# **Ecclesiastical Planning Services Limited**

## **Statement of Changes in Equity**

for the year ended 31 December 2015

	<b>Called up share capital</b>	<b>Retained earnings</b>	<b>Total shareholder's equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2014	100	(98,644)	(98,544)
Total comprehensive expenses for the year	-	(1,943)	(1,943)
Balance at 31 December 2014	100	(100,587)	(100,487)
Balance at 1 January 2015	100	(100,587)	(100,487)
Total comprehensive income for the year	-	104,537	104,537
Dividend	-	(600,000)	(600,000)
Balance at 31 December 2015	100	(596,050)	(595,950)

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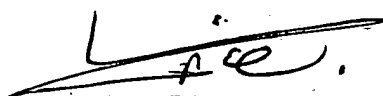
# Ecclesiastical Planning Services Limited

## Statement of Financial Position

At 31 December 2015

	Notes	2015 £	2014 Restated £
<b>Assets</b>			
Other assets	13	116,703,495	100,689,014
Trade and other receivables	14	548,868	383,982
Deferred tax asset	15	-	5,000
Cash and cash equivalents		2,128,480	2,388,449
<b>Total assets</b>		<b>119,380,843</b>	<b>103,466,445</b>
<b>Liabilities</b>			
Provisions	16	633,432	616,758
Current tax liabilities		9,588	4,593
Trade and other payables	17	2,630,277	2,256,567
Other liabilities	18	116,703,495	100,689,014
<b>Total liabilities</b>		<b>119,976,793</b>	<b>103,566,932</b>
<b>Equity</b>			
Called up share capital	19	100	100
Retained earnings	20	(596,050)	(100,587)
<b>Total shareholder's equity</b>		<b>(595,950)</b>	<b>(100,487)</b>
<b>Total shareholder's equity and liabilities</b>		<b>119,380,843</b>	<b>103,466,445</b>

The financial statements of Ecclesiastical Planning Services Limited, company registration number 02644860, on pages 7 to 22, were approved and authorised for issue by the board of directors on 28 September 2016 and signed on their behalf by:



H. E. Price

Director

# Ecclesiastical Planning Services Limited

## Statement of Cash Flows

for the year ended 31 December 2015

	2015 £	2014 £ Restated
<b>Profit/(loss) for the year before tax</b>	<b>133,922</b>	<b>(2,289)</b>
<i>Adjustments for:</i>		
Interest receivable	(1,311)	(4,651)
Increase in provisions	16,674	74,232
<i>Changes in operating assets and liabilities:</i>		
Increase in other assets	(16,014,481)	(20,092,409)
Increase in trade and other receivables	(164,886)	(380,502)
Increase in other liabilities	16,014,481	20,092,409
(Decrease)/increase in trade and other payables	(226,290)	844,995
Tax paid/(received)	(19,389)	4,939
<b>Net cash (used in)/provided by operating activities</b>	<b>(261,280)</b>	<b>536,724</b>
Interest received	1,311	4,651
<b>Net cash provided by investing activities</b>	<b>1,311</b>	<b>4,651</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(259,969)</b>	<b>541,375</b>
Cash and cash equivalents at beginning of year	2,388,449	1,847,074
<b>Cash and cash equivalents at end of year</b>	<b>2,128,480</b>	<b>2,388,449</b>

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 1 Accounting policies

The principal accounting policies adopted in preparing the company's International Financial Reporting Standards (IFRS) financial statements are set out below.

#### Basis of preparation

The company's financial statements have been prepared on the historical cost basis. The company has adopted and is compliant with IFRS issued by the IASB and endorsed by the EU, as applicable at 31 December 2015. In the prior year the company complied with UK Accounting Standards (Financial Reporting Standard for Smaller Entities) (effective April 2008). The year of the last financial statements reported under UK Accounting Standards was 31 December 2014. The transition date to IFRS was 1 January 2014. The effects of the transition to IFRS from UK Accounting Standards are disclosed in note 23.

#### New and revised standards

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

The following Standards were in issue but not yet effective and have not been applied in these financial statements.

Accounting Standard	Key requirements	Expected impact on financial statements	Effective date
IFRS 15, <i>Revenue from Contracts with Customers</i>	Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	The impact on fee and commission income is being assessed. There is the possibility of commission income being recognised earlier if a contract is approved and consideration is probable. Variable consideration will be recognised earlier if receipt is considered highly probable.	Annual periods beginning on or after 1 January 2018 (effective date deferred by one year during the current year).

The other Standards in issue but not yet effective are not expected to materially impact the company.

#### Going concern

The company is part of the Ecclesiastical group which has considerable financial resources and has undertaken to provide continuing financial support to the company for at least twelve months from the date of this report. Accordingly, the directors have adopted the going concern basis in preparing the company's annual report and financial statements. The current negative equity situation will be addressed by the issue of a further 700,000 ordinary shares of £1 each to the parent company Ecclesiastical Insurance Group plc.

#### Financial Assets

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

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

# **Ecclesiastical Planning Services Limited**

## **Notes to the Financial Statements**

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### **1 Accounting policies (continued)**

#### **Loans and receivables**

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

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

#### **Effective interest method**

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

#### **Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

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

#### **Other financial liabilities**

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

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

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

#### **Other assets**

The values of the other assets are equal to the value of the matching liabilities. This is the indexed value of each individual funeral plan administered by the company from the original plan inception date to the period end date.

#### **Other liabilities**

Other liabilities comprise the obligations to the holders of the funeral plans. These are stated at the indexed value of the plans in-force at the balance sheet date.

#### **Offset of financial assets and financial liabilities**

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

#### **Revenue**

Revenue is wholly generated in the United Kingdom, and comprises introducer fees and bank deposit interest.

Introducer fees are recognised on inception of the individual funeral plans and the underlying insurance policy. Bank deposit interest is recognised as it is accrued. Trail commission income streams are recognised when due.

#### **Cash and cash equivalents**

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

#### **Trade and other payables**

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

# **Ecclesiastical Planning Services Limited**

## **Notes to the Financial Statements**

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### **1 Accounting policies (continued)**

#### **Provisions and contingent liabilities**

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

The company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities are disclosed if the future obligation is probable but the amount cannot be reliably estimated.

#### **Taxation**

Income tax comprises current and deferred tax.

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

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

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

Deferred tax assets and liabilities are not discounted.

### **2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

#### **Critical judgements in applying the company's accounting policies**

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

#### **Accounting treatment of other liabilities**

IFRS 4, *Insurance Contracts* states that prepaid funeral plans are examples of insurance contracts, if the transfer of insurance risk is significant. The company's obligations to the holders of the funeral plans are wholly matched by the amounts receivable from regulated insurance companies over the life of the plans, therefore contracts do not expose the company to significant insurance risk. Consequently, the other assets and other liabilities in the financial statements have been accounted for under IAS 39, *Financial Instruments: Recognition and Measurement*.

## Ecclesiastical Planning Services Limited

### Notes to the Financial Statements

#### 3 Financial risk and capital management

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

The company is not exposed to financial risk in respect of the large asset and liability as the asset is equal to the liability. The assets are investments with regulated insurance companies in whole of life insurance policies which are RPI index linked. The company has no obligation to pay out more than the policy proceeds it receives from the insurers on the death of the insured person.

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

#### Interest rate risk

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

#### Credit risk

The company's principal financial assets are cash and cash equivalents, other assets and trade and other receivables. The carrying amount of these financial assets represents the company's maximum exposure to credit risk. The company has significant counterparty risk in respect of its other assets. The company mitigates this risk by placing the amounts received with two regulated insurance companies. The company has no other significant concentration of credit risk with any individual counterparty.

#### Liquidity risk

The company has robust processes in place to manage liquidity risk and has adequate available funds to pay obligations when due. Following acquisition the company is considered to be an integral part of the Ecclesiastical group's business. The group monitors the liquidity of the company to ensure that adequate funds are available to pay obligations when due.

The table below summarises the estimated maturity dates for those assets and liabilities that are exposed to liquidity and interest rate risk.

	Within 1 year	Between 1 and 5 years	After 5 years	Total
	£	£	£	£
<b>At 31 December 2015</b>				
Other assets	9,495,582	31,951,380	75,256,533	116,703,495
Cash and cash equivalents	2,128,480	-	-	2,128,480
	<u>11,624,062</u>	<u>31,951,380</u>	<u>75,256,533</u>	<u>118,831,975</u>
Other liabilities (not discounted)	<u>9,495,582</u>	<u>31,951,380</u>	<u>75,256,533</u>	<u>116,703,495</u>
	<u>9,495,582</u>	<u>31,951,380</u>	<u>75,256,533</u>	<u>116,703,495</u>
<b>At 31 December 2014</b>				
Other assets	8,192,563	27,566,894	64,929,557	100,689,014
Cash and cash equivalents	2,388,449	-	-	2,388,449
	<u>10,581,012</u>	<u>27,566,894</u>	<u>64,929,557</u>	<u>103,077,463</u>
Other liabilities (not discounted)	<u>8,192,563</u>	<u>27,566,894</u>	<u>64,929,557</u>	<u>100,689,014</u>
	<u>8,192,563</u>	<u>27,566,894</u>	<u>64,929,557</u>	<u>100,689,014</u>



# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

<b>4 Interest receivable</b>	<b>2015</b>	<b>2014</b>
	£	£
Bank interest	1,311	4,651

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

### 5 Fees and other income

Fees and other income represent the UK revenue receivable for the arrangement of pre-paid funeral plans.

	<b>2015</b>	<b>2014</b>
	£	£
Plan registration fees	193,162	154,537
Orphan policies	2,202	26,513
	<b>195,364</b>	<b>181,050</b>

The orphan policies income relates to plans in related Trust funds, where the life assured is known to be deceased and no claim has been made against the plan held.

### 6 Operating expenses

Included within operating expenses is £16,674 (2014: £74,232) in respect of the movement in the provision for management expenses to administer the run off of the funeral plans in the event that EPSL ceases to write new business. All the assets backing the funeral plans are held by insurance companies but EPSL is responsible for administering the payment of all claims over an extended period of time.

### 7 Finance income and costs

During the year the value of other assets increased by £779,687 (2014: £3,045,501) and the value of other liabilities increased by £779,687 (2014: £3,045,501).

### 8 Employee information

The company had no employees (2014: nil).

### 9 Directors' emoluments

No director received any emoluments from the company in the financial year (2014: £Nil).

<b>10 Auditor's remuneration</b>	<b>2015</b>	<b>2014</b>
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	7,700	4,500

The amounts disclosed are net of taxes, where applicable.

### 11 Tax expense

The charge for taxation in the company's statement of profit and loss is in respect of income tax and deferred tax for the current year.

	<b>2015</b>	<b>2014</b>
	£	£
Current tax	24,385	4,654
Deferred tax	5,000	(5,000)
<b>Total tax expense</b>	<b>29,385</b>	<b>(346)</b>

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 11 Tax expense (continued)

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

	2015 £	2014 £
Profit/(loss) before tax	133,922	(2,289)
Tax calculated at the UK standard rate of tax of 20.25% (2014: 21.5%)	27,119	(492)
<i>Factors affecting the charge for the year</i>		
Expenses not deductible for tax purposes	850	-
Adjustments in respect of prior periods	1,700	111
Payments at non standard rate of tax - small companies relief	(284)	35
<b>Total tax expense</b>	<b>29,385</b>	<b>(346)</b>

A change in the UK standard rate of corporation tax from 21% to 20% became effective from 1 April 2015. Current tax has been provided for at the blended rate of 20.25% (2014: 21.5%). A further reduction in the corporation tax rate to 19% will become effective from April 2017, reducing again to 17% effective from April 2020. These changes were substantively enacted on 18 November 2015 and 15 September 2016 respectively. No deferred tax has been provided in the current year, in 2014 deferred tax was provided at 20%.

### 12 Dividends paid

A dividend of £6,000 per ordinary share, £600,000 in total (2014: £Nil) was declared on 31 December 2015 to those persons entered on the register of members at the close of business on 31 December 2015. The dividend was paid in January 2016.

### 13 Other assets

The funds received by the company are invested in whole of life insurance policies, provided by regulated insurance companies, secured on the life of the plan holder. The insurance companies guarantee a return, from inception until death, of RPI on the original sum invested. If the plans are cancelled prior to death, only the original sum invested is returned to the client.

The other assets shown in the statement of financial position are at the value of the matching liability. This is the indexed value of each individual plan administered by the company from its original inception date to 31 December 2015.

If all the plans had become payable on 31 December 2015, this is the value the company would receive from the insurers to pay on to the respective funeral directors.

	2015 £	2014 Restated £
Indexed value brought forward	100,689,014	82,778,679
New plans written in the year - original plan value	24,644,590	22,660,023
Withdrawals - indexed values	(9,346,387)	(7,570,601)
Indexation of inforce plans	716,278	2,820,913
<b>Indexed plan values carried forward</b>	<b>116,703,495</b>	<b>100,689,014</b>

The reduction in indexation from one year to the next, despite increasing volumes of plans, is a reflection of the reduction in the underlying indices.

The directors consider that the carrying value of the other assets approximates to their fair value. The other assets are equal to the value of the matching liability, for which, when determining fair value, all future cash flows are both inflated and discounted at RPI

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

14 Trade and other receivables	2015	2014 Restated
	£	£
Commissions due from insurer	14,035	13,200
Claims balances due from insurers	534,833	370,782
	<u>548,868</u>	<u>383,982</u>

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

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

### 15 Deferred tax asset

A reconciliation of the movement of the key components of the deferred tax asset during the current and prior reporting period is as follows:

	2015	2014
	£	£
At 1 January	5,000	-
(Charge)/credit to income	(5,000)	5,000
At 31 December	<u>-</u>	<u>5,000</u>

The deferred tax asset in the prior year related to a temporary timing difference.

### 16 Provisions

	2015	2014 Restated
	£	£
At 1 January	616,758	542,526
Additions	16,674	74,232
At 31 December	<u>633,432</u>	<u>616,758</u>

The provision is the discounted amount it is estimated the company needs to hold to cover the future administration costs to administer the claims on the pre-paid funeral plans were the company to cease to write new business.

### 17 Trade and other payables

	2015	2014 Restated
	£	£
Other creditors	2,022,277	2,248,491
Dividends payable	600,000	-
Accruals	8,000	8,076
	<u>2,630,277</u>	<u>2,256,567</u>

### 18 Other liabilities

	2015	2014 Restated
	£	£
Funeral plan indexed liabilities	<u>116,703,495</u>	<u>100,689,014</u>

Funeral plan indexed liabilities wholly comprise the obligations to the holders of Perfect Choice Pre Paid Funeral Plans. These are stated at the indexed value of the plans in-force at the respective year end dates.

The estimated current/non-current split based on previous years experience is:

	2015	2014 Restated
	£	£
Current	9,495,582	8,192,563
Non-current	107,207,913	92,496,451
	<u>116,703,495</u>	<u>100,689,014</u>

The directors consider that the carrying value of the other liabilities approximates to their fair value. When determining fair value, all future cash flows are both inflated and discounted at RPI.

## Ecclesiastical Planning Services Limited

### Notes to the Financial Statements

<b>19 Called up share capital</b>	<b>2015</b>	<b>2014</b>
Share capital	£	£
Allotted, issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

<b>20 Retained earnings</b>	<b>2015</b>	<b>2014</b>
	£	Restated £
Retained earnings brought forward	(100,587)	(98,644)
Total comprehensive income/(expense) for the year	104,537	(1,943)
Dividend payable	<u>(600,000)</u>	<u>-</u>
Retained earnings carried forward	<u>(596,050)</u>	<u>(100,587)</u>

#### 21 Related party transactions

The National Association of Funeral Directors was paid a management fee of £27,250 (2014: £25,000).

#### 22 Post balance sheet event

The company was acquired by Ecclesiastical Insurance Group plc on 26 January 2016. Up to 26 January 2016 the amounts received in respect of each funeral plan were invested in indexed linked whole of life insurance policies, with regulated insurance providers. With effect from 27 January 2016 the amounts received have been invested in whole of life with profits policies with another fully regulated insurance provider.

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 23 Transition to IFRS

This is the first year that the company has presented its financial statements under IFRS. The last financial statements under previous UK Accounting Standards were for the year ended 31 December 2014 and the date of transition to IFRS was therefore 1 January 2014.

	Previously reported under UKGAAP	Total reclassifications	Total revaluations	Restated under IFRS
	2014 £	2014 £	2014 £	2014 £
<b>Income statement</b>				
Turnover	181,050	(181,050)	-	-
Interest receivable	4,651	-	-	4,651
Fee and other income	-	181,050	-	181,050
Administrative expenses	(105,934)	105,934	-	-
Interest payable and similar charges	(7,824)	7,824	-	-
Operating expenses	-	(113,758)	-	(113,758)
Tax expense	(14,500)	-	-	(14,500)
Profit after tax and attributable to equity holders	57,443	-	-	57,443
<b>Assets</b>				
Investments	96,915,162	(96,915,162)	-	-
Other assets	-	96,915,162	3,773,852	100,689,014
Deferred tax asset	-	5,000	-	5,000
Debtors	52,592	(5,000)	-	47,592
Cash at bank	531,272	-	-	531,272
<b>Total assets</b>	97,499,026	-	3,773,852	101,272,878
<b>Liabilities</b>				
Amounts falling due within one year	82,439	(82,439)	-	-
Trade and other payables	-	63,000	-	63,000
Current tax liabilities	-	19,439	-	19,439
Amounts falling due after one year	96,915,162	(96,915,162)	-	-
Other liabilities	-	96,915,162	3,773,852	100,689,014
<b>Total liabilities</b>	96,997,601	-	3,773,852	100,771,453
<b>Equity</b>				
Share capital	100	-	-	100
Profit and loss account	501,325	(501,325)	-	-
Retained earnings	-	501,325	-	501,325
<b>Total equity</b>	501,425	-	-	501,425

The previous financial statements were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and valued "Fixed assets - investments" and "Liabilities: amounts falling due after more than one year" at cost. On transition to IFRS "Fixed assets: investments" are reclassified as Other assets and "Liabilities: amounts due after more than one year" are reclassified as Other liabilities and are valued on an amortised cost basis as permitted under IAS 39.

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 23 Transition to IFRS (continued)

The financial statements under previous UK Accounting Standards for the year ended 31 December 2013 and the transition to IFRS.

	Previously reported under UKGAAP	Total reclassifications	Total revaluations	Restated under IFRS
	2013 £	2013 £	2013 £	2013 £
<b>Assets</b>				
Investments	79,623,383	(79,623,383)	-	-
Other assets	-	79,623,383	3,155,296	82,778,679
Deferred tax asset	-	-	-	-
Debtors	8,480	-	-	8,480
Cash at bank	1,847,074	-	-	1,847,074
<b>Total assets</b>	<b>81,478,937</b>	<b>-</b>	<b>3,155,296</b>	<b>84,634,233</b>
<b>Liabilities</b>				
Amounts falling due within one year	1,411,559	(1,411,559)	-	-
Trade and other payables	-	1,395,059	-	1,395,059
Current tax liabilities	-	16,500	-	16,500
Amounts falling due after one year	79,623,396	(79,623,396)	-	-
Other liabilities	-	79,623,396	3,155,296	82,778,692
<b>Total liabilities</b>	<b>81,034,955</b>	<b>-</b>	<b>3,155,296</b>	<b>84,190,251</b>
<b>Equity</b>				
Share capital	100	-	-	100
Profit and loss account	443,882	(443,882)	-	-
Retained earnings	-	443,882	-	443,882
<b>Total equity</b>	<b>443,982</b>	<b>-</b>	<b>-</b>	<b>443,982</b>

The previous financial statements were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and valued "Fixed assets - investments" and "Liabilities: amounts falling due after more than one year" at cost. On transition to IFRS "Fixed assets: investments" are reclassified as Other assets and "Liabilities: amounts due after more than one year" are reclassified as Other liabilities and are valued on an amortised cost basis as permitted under IAS 39.

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 24 Restatement of prior period errors

#### Restatement of statement of profit or loss

	IFRS 2014 £	Restatement for 2014 £	Restated 2014 £
<b>Revenue</b>			
Interest receivable	4,651	-	4,651
Fees and other income	181,050	-	181,050
<b>Total revenue</b>	<b>185,701</b>	<b>-</b>	<b>185,701</b>
<b>Expenses</b>			
Operating expenses	(113,758)	(74,232)	(187,990)
<b>Total expenses</b>	<b>(113,758)</b>	<b>(74,232)</b>	<b>(187,990)</b>
<b>Profit/(Loss) for the year before taxation</b>	<b>71,943</b>	<b>(74,232)</b>	<b>(2,289)</b>
Tax expense	(14,500)	14,846	346
<b>Profit/(loss) for the year attributable to equity holders</b>	<b>57,443</b>	<b>(59,386)</b>	<b>(1,943)</b>

#### Restatement of statement of changes in equity

	IFRS 2014 £	Restatement for 2014 £	Restated 2014 £
Opening shareholder's equity	443,982	(542,526)	(98,544)
Total comprehensive income for the year	57,443	(59,386)	(1,943)
Closing shareholder's equity	<b>501,425</b>	<b>(601,912)</b>	<b>(100,487)</b>

The provision referred to in note 16 above has been calculated at the year end dates for 2013 and 2014, based on the numbers of policies in-force at each year end. The previous year's financial statements have been restated to reflect this provision being held prior to 2015. The 2014 tax has been restated to reflect the effect of including the movement in the provision in the year.

#### Restatement of statement of financial position

	IFRS 2014 £	Restatement for 2014 £	Restated 2014 £
<b>Assets</b>			
Other Assets	100,689,014	-	100,689,014
Trade and other receivables	47,592	336,390	383,982
Deferred tax asset	5,000	-	5,000
Cash and cash equivalents	531,272	1,857,177	2,388,449
<b>Total assets</b>	<b>101,272,878</b>	<b>2,193,567</b>	<b>103,466,445</b>
<b>Liabilities</b>			
Provisions	-	616,758	616,758
Current tax liabilities	19,439	(14,846)	4,593
Trade and other payables	63,000	2,193,567	2,256,567
Other liabilities	100,689,014	-	100,689,014
<b>Total liabilities</b>	<b>100,771,453</b>	<b>2,795,479</b>	<b>103,566,932</b>
<b>Equity</b>			
Called up share capital	100	-	100
Retained earnings	501,325	(601,912)	(100,587)
<b>Total shareholders' equity</b>	<b>501,425</b>	<b>(601,912)</b>	<b>(100,487)</b>
<b>Total shareholders' equity and liabilities</b>	<b>101,272,878</b>	<b>2,193,567</b>	<b>103,466,445</b>

## Ecclesiastical Planning Services Limited

### Notes to the Financial Statements

#### 24 Restatement of prior period errors (continued)

In addition to the restatements in respect of the provision and the restated tax credit, the 2014 figures have been restated to include cash, debtors and creditors which were not included in the prior year's financial statements. These have no effect on the retained reserves of the company.

Certain cash balances and related debtors and creditors were not included in the 2014 financial statements. These have been restated, even though there is no net effect on the financial statements, as there is no right of set-off.

The restatement for the provision for run off expenses has arisen as the company has a contractual liability in relation to these costs. Prior to the acquisition by Ecclesiastical Insurance Group plc, another Ecclesiastical group company had been bearing these costs on an on-going basis but had no contractual liability to do so.

The statement of financial position for 2013 has been restated below to show the effect of the inclusion of the provision for future liabilities.

#### Restatement of statement of changes in equity

	IFRS 2013	Restatement for 2013	Restated 2013
	£	£	£
Opening shareholder's equity	376,745	(353,902)	22,843
Total comprehensive income for the year	67,237	(188,624)	(121,387)
Closing shareholder's equity	443,982	(542,526)	(98,544)

The provision for other liabilities referred to in note 16 above has been calculated at the year end dates for 2013 and 2014, based on the numbers of policies in-force at each year end.

Restatement of statement of financial position	IFRS 2013	Restatement for 2013	Restated 2013
	£	£	£
<b>Assets</b>			
Other Assets	82,778,679	-	82,778,679
Trade and other receivables	8,480	-	8,480
Deferred tax asset	-	-	-
Cash and cash equivalents	1,847,074	-	1,847,074
<b>Total assets</b>	<b>84,634,233</b>	<b>-</b>	<b>84,634,233</b>
<b>Liabilities</b>			
Provisions	-	542,526	542,526
Current tax liabilities	16,500	-	16,500
Trade and other payables	1,395,059	-	1,395,059
Other liabilities	82,778,692	-	82,778,692
<b>Total liabilities</b>	<b>84,190,251</b>	<b>542,526</b>	<b>84,732,777</b>
<b>Equity</b>			
Called up share capital	100	-	100
Retained earnings	443,882	(542,526)	(98,644)
<b>Total shareholders' equity</b>	<b>443,982</b>	<b>(542,526)</b>	<b>(98,544)</b>
<b>Total shareholders' equity and liabilities</b>	<b>84,634,233</b>	<b>-</b>	<b>84,634,233</b>