

Registration number: 02644860

# **Ecclesiastical Planning Services Limited**

## **2022 Annual Report and Financial Statements**

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# **Ecclesiastical Planning Services Limited**

## **Annual Report and Financial Statements 31 December 2022**

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# **Ecclesiastical Planning Services Limited**

## **Directors and company information**

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<b>Directors</b>	D. R. Moore C. A. H. Clark G. S. Searle	<i>Chairman</i>
<b>Company Secretary</b>	Mrs R. J. Hall	
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 2 Glass Wharf Temple Quay Bristol BS2 0FR United Kingdom	
<b>Registered Office</b>	Benefact House 2000 Pioneer Avenue Gloucester Business Park Brockworth Gloucester GL3 4AW United Kingdom	
<b>Company Registration Number</b>	02644860	

# **Ecclesiastical Planning Services Limited**

## **Strategic Report**

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The directors present their strategic report for Ecclesiastical Planning Services Limited (the Company) for the year ended 31 December 2022.

### **Objective and strategy**

The principal activity of the Company is the distribution and administration of prepaid funeral plans through independent funeral directing outlets.

The Company's business model remains focused on providing first class support to funeral directors that offer prepaid funeral plans to customers and providing outsourced administration services for other funeral plan providers.

Following the introduction of, the Company's buy online functionality during 2021, work continued in 2022 to develop the Company's plan for digital transformation which will include electronic trading for distribution partners and support for the expected growth in online activity as consumer behaviours shift.

During the year, the Company continued with the partnership established in August 2021 with Ecclesiastical Life Limited (ELL), which provides whole of life policies to the Company to back new funeral plans sold by funeral directing firms. The Company administers these life insurance policies on behalf of ELL on an outsourced basis. The Company also continued its extended partnership with Royal London, which has provided life insurance policies to support a number of new distribution partnerships secured as a result of market consolidation ahead of the funeral plan market becoming regulated by the Financial Conduct Authority (FCA) in July 2022.

The new distribution partners included 12 businesses that previously operated as funeral plan providers in their own right and chose not to apply for direct authorisation by the FCA. As part of the transition the Company supported work to ensure that the existing customers that had funeral plans with these providers were not disadvantaged by the introduction of new regulation.

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

The results for the year are shown on page 10 and the financial position at the year end is shown on page 12.

Although preparation for funeral plan regulation disrupted sales activity during 2022, the Company's funeral plan sales during the year were higher than in 2021 due to the efforts that were made to attract new funeral director partners ahead of the regulatory deadline. This growth in scale was important activity as it enables the Company to navigate a period of market disruption while the new regulation is embedded across the distribution network, and consumer confidence in the funeral plan market is restored. Alongside pricing changes implemented during the year and fees secured from the delivery of the aforementioned market consolidation opportunities, this resulted in an increase in net fee income earned by the Company.

Although, Prudent expense management ensured that the core costs were well controlled the Company continued to require significant additional resources to support the delivery of the FCA Regulation Project and business growth initiatives. This was partly due to the late delivery of an upgraded funeral plan administration system to enable the Company to benefit from more efficient business processes. The combination of these factors resulted in higher expenditure overall compared to 2021.

As a result, the Company did not achieve its business plan despite the positive movements in sales and profitability compared to the previous year.

The directors' analysis of key performance indicators relating to sales volume, business growth objectives, expense management, customer measures and regulatory compliance recognised the strong performance by the Company during the year in which there was a strong focus of preparing the business for new regulation.

# **Ecclesiastical Planning Services Limited**

## **Strategic Report**

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### **Future prospects**

Having invested in the capabilities that are required for the business to operate successfully in a regulated environment, the Company is well placed to support its broad network of funeral directors which are operating in a regulated market for the first time. The Company's culture and business model for holding pre-payment funds in whole of life insurance policies is well suited to FCA regulation and could assist in attracting funeral directing firms and other business partners over the next few years.

The Company continues to operate as part of a larger financial services group and is well placed to take advantage of opportunities to grow the business in a steady and sustainable way. Going forward the Company expects to be moderately profitable as it develops existing funeral director relationships and accommodates business growth alongside more efficient working practices.

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

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

We acknowledge, alongside these risks that climate change presents increasing levels of risk to businesses and customers. Due to the nature of the Company we do not anticipate any material impact, although we continue to work towards the Benefact Group's net zero emissions targets and sustainable investment policies.

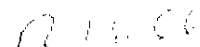
### **Section 172 Statement**

This section describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' voluntary statement required under section 414CZA of the Companies Act 2006 where relevant to the Company. The directors recognise that the long-term success of the Company is dependent on having regard to the interests of its stakeholders. Decisions and policies in relation to shareholders, employees, customers, community and environment are determined at a Group level and set out in the Annual Report and Accounts of Ecclesiastical Insurance Office plc (EIO), a fellow subsidiary undertaking. The directors agree with these policies and operate the company in accordance with them.

### **Shareholder Engagement**

The Company is a private limited Company incorporated and domiciled in England and Wales. Prior to 3 January 2023 the entire share capital of the Company was owned by Benefact Group plc. On 3 January 2023 Benefact Group plc transferred its entire holding in the Company to an intermediate parent company, Benefact Broking & Advisory Holdings Limited. The ultimate parent company and controlling party is the Benefact Trust Limited (BTL). The parent companies of the smallest and largest groups for which group financial statements are drawn up are EIO and BTL respectively. Both companies are incorporated and operate in Great Britain and copies of their financial statements are available from the registered office shown on page 1.

Approved and authorised for issue by the Board of Directors and signed on its behalf by



Mrs R. J. Hall  
Company Secretary  
23 May 2023

# **Ecclesiastical Planning Services Limited**

## **Directors' Report**

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The directors present their report for the year ended 31 December 2022.

### **Future prospects**

The future prospects for the Company are presented in the Strategic Report on page 3.

### **Dividends**

The directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £Nil).

### **Board of directors**

The directors of the Company at the date of this report are stated on page 1. All the directors were in office during the year and up to the date of signing the financial statements.

The Company has qualifying third party indemnity provisions for the benefit of its directors and the directors of associated companies. The provisions were in place from the date of appointment and remain in force at the date of this report.

### **Ownership**

Prior to 3 January 2023 the entire issued share capital of the Company was owned by the Benefact Group plc (the Group). On 3 January 2023 the Benefact Group plc transferred its entire holding in the Company to an intermediate parent company, Benefact Broking & Advisory Holdings Limited. The ultimate parent company is the Benefact Trust Limited.

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

The principal risks and uncertainties facing the Company are disclosed in note 3 to the financial statements.

### **Directors' responsibilities statement**

The directors are responsible for preparing the 2022 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 prepared the financial statements in accordance with UK-Adopted International Accounting Standards (UKIAS).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-IAS have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

# **Ecclesiastical Planning Services Limited**

## **Directors' Report**

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### **Going concern**

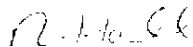
The Company has adequate financial resources and no recourse to external borrowing. The Company has sufficient cash resources, which are monitored closely on an actual and prospective basis, and has no concerns over the ability to meet its commitments as they fall due over the foreseeable future. Given the Company's operations, financial position and outlook, the Directors have a reasonable expectation that the Company has adequate resources and is well placed to manage its risks successfully and continue in operational existence for at least twelve months from the date of this report. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's financial statements.

### **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 and the Company's auditor, 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.

Approved and authorised for issue by the Board of Directors and signed on its behalf by



Mrs R. J. Hall  
*Company Secretary*  
23 May 2023

# **Independent auditors' report to the members of Ecclesiastical Planning Services Limited**

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## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Ecclesiastical Planning Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2022 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Profit or Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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



# **Independent auditors' report to the members of Ecclesiastical Planning Services Limited**

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## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent auditors' report to the members of Ecclesiastical Planning Services Limited**

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### **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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulation, such as those governed by Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of compliance, risk, internal audit, and the Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes
- Risk based journal testing with a focus on journals which had attributes which could be indicative of a fraudulent posting; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

# **Independent auditors' report to the members of Ecclesiastical Planning Services Limited**

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Pye (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
23 May 2023

## Ecclesiastical Planning Services Limited

### Statement of Profit or Loss

For the year ended 31 December 2022

	Notes	2022 £000	Restated* 2021 £000
<b>Revenue</b>			
Interest receivable	4	13	-
Fees and other income	5	6,865	5,026
<b>Total revenue</b>		<b>6,878</b>	<b>5,026</b>
<b>Expenses</b>			
Finance costs		-	-
Operating expenses		(6,739)	(5,788)
<b>Total operating expenses</b>		<b>(6,739)</b>	<b>(5,788)</b>
Profit/(Loss) for the year before taxation		139	(762)
Tax (charge)/credit	9	(85)	102
<b>Profit/(Loss) for the year attributable to equity holders and total comprehensive income/(expense)</b>		<b>54</b>	<b>(660)</b>

\*The comparative financial statements have been restated as detailed in note 19.

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 other 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 2022

	Note	Called up share capital £000	Accumulated Losses £000	Total shareholder's equity £000
Balance at 31 December 2020 (as reported)		5,200	(3,498)	1,702
Restatement	19	-	(942)	(942)
Balance 1 January 2021 (as restated*)		5,200	(4,440)	760
Total comprehensive loss for the year		-	(660)	(660)
Ordinary share capital issued in the year		2,800	-	2,800
Balance at 31 December 2021 (as restated*)		8,000	(5,100)	2,900
<b>Balance at 1 January 2022 (as restated*)</b>		<b>8,000</b>	<b>(5,100)</b>	<b>2,900</b>
Total comprehensive income for the year		-	54	54
Ordinary share capital issued in the year		2,000	-	2,000
<b>Balance at 31 December 2022</b>		<b>10,000</b>	<b>(5,046)</b>	<b>4,954</b>

\*The comparative financial statements have been restated as detailed in note 19.

# Ecclesiastical Planning Services Limited

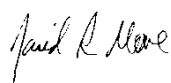
## Statement of Financial Position

At 31 December 2022

	Notes	31 December 2022 £000	Restated* 31 December 2021 £000	Restated* 1 January 2021 £000
<b>Assets</b>				
Goodwill and other intangible assets	10	1,067	1,116	1,339
Financial investments	11	586,031	262,025	234,840
Current tax		181	250	275
Trade and other receivables	12	730	800	479
Cash and cash equivalents		6,218	5,497	3,572
<b>Total assets</b>		<b>594,227</b>	<b>269,688</b>	<b>240,505</b>
<b>Liabilities</b>				
Deferred fee income	13	2,183	2,641	1,594
Trade and other payables	14	1,059	2,122	3,311
Investment contract liabilities	15	586,031	262,025	234,840
<b>Total liabilities</b>		<b>589,273</b>	<b>266,788</b>	<b>239,745</b>
<b>Equity</b>				
Called up share capital	16	10,000	8,000	5,200
Accumulated losses		(5,046)	(5,100)	(4,440)
<b>Total shareholder's equity</b>		<b>4,954</b>	<b>2,900</b>	<b>760</b>
<b>Total shareholder's equity and liabilities</b>		<b>594,227</b>	<b>269,688</b>	<b>240,505</b>

\*The comparative financial statements have been restated as detailed in note 19.

The financial statements of Ecclesiastical Planning Services Limited, company registration number 02644860, on pages 10 to 26, were approved and authorised for issue by the board of directors on 23rd May 2023 and signed on its behalf by:



D. R. Moore

Chairman

# Ecclesiastical Planning Services Limited

## Statement of Cash Flows

For the year ended 31 December 2022

	2022 £000	Restated* 2021 £000
<b>Profit/(loss) for the year before tax</b>	<b>139</b>	<b>(762)</b>
<i>Adjustments for:</i>		
Interest receivable	(13)	-
Amortisation of intangible assets	223	223
Change in deferred income	(459)	1,047
<i>Changes in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	54	(194)
Decrease in trade and other payables	(1,062)	(1,189)
<b>Net cash used in operating activities</b>	<b>(1,118)</b>	<b>(875)</b>
<b>Investing activities</b>		
Interest received	13	-
Purchase of intangible asset	(174)	-
<b>Net cash used in investing activities</b>	<b>(161)</b>	<b>-</b>
<b>Financing activities</b>		
Issue of ordinary shares	2,000	2,800
<b>Net cash provided by financing activities</b>	<b>2,000</b>	<b>2,800</b>
<b>Net increase in cash and cash equivalents</b>	<b>721</b>	<b>1,925</b>
Cash and cash equivalents at beginning of year	5,497	3,572
<b>Cash and cash equivalents at end of year</b>	<b>6,218</b>	<b>5,497</b>

\*The comparative financial statements have been restated as detailed in note 19.

# **Ecclesiastical Planning Services Limited**

## **Notes to the Financial Statements**

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### **1 Accounting policies**

Ecclesiastical Planning Services Limited referred to as "the Company" throughout these financial statements is incorporated and domiciled in England and Wales.

The principal accounting policies adopted in preparing the Company's UK Adopted International Accounting Standards (UKIAS) financial statements are set out below.

#### **Basis of preparation**

The company's financial statements have been prepared on the historical cost basis, and in accordance with UKIAS.

#### **Going concern**

As stated in the Director's Report, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements

#### **New and revised standards**

A number of amendments and improvements to accounting standards have been issued by the International Accounting Standards Board (IASB) and endorsed by the UK with an effective date of on or after 1 January 2022 and are therefore applicable for the 31 December 2022 financial statements. None were in scope or material to the company.

#### *IFRS 17, Insurance Contracts*

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

IFRS 17 is applicable to annual reporting periods beginning on or after 1 January 2023.

Application of this standard is not expected to materially impact the Company.

#### **Interest Receivable**

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

#### **Fees and other income**

Fee and other income is wholly generated in the United Kingdom (UK), and includes initial management fees, management charge rebates from an insurer, administration fees and bank deposit interest.

Initial management fees are recognised at a point in time on inception of the individual funeral plans.

Management charge rebates are variable based on the value of assets under administration, and are recognised over time as services are provided, and once it is reasonably certain that no significant reversal of the amount recognised would occur.

Administration fees received, including plan registration fees, are paid up front but recognised over time as services are provided. Bank deposit interest is recognised as it is accrued

#### **Business acquisitions**

The Company uses the acquisition method of accounting to account for business combinations. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Non-controlling interests are measured either at fair value or at a proportionate share of the identifiable net assets of the acquiree. Goodwill is measured as the excess of the aggregate of the consideration transferred, the fair value of contingent consideration, the amount of non-controlling interests and, for an acquisition achieved in stages, the fair value of previously held equity interest over the fair value of the identifiable net assets acquired. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly through profit or loss.



# **Ecclesiastical Planning Services Limited**

## **Notes to the Financial Statements**

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

#### **Intangible Assets**

##### *Intangible Assets*

Intangible assets relates to computer software. This is carried at historical cost less accumulated amortisation and impairment, and amortised over a useful life of between three and ten years, using the straight-line method. Amortisation and impairment charges incurred for the period are included in the Statements of Profit or Loss within other operating and administrative expenses.

Software costs that cannot be classified as intangible assets are charged to profit or loss during the period in which they are incurred.

##### *Other intangible assets*

Other intangible assets consists of distribution relationships, and are carried at cost at acquisition less accumulated amortisation and impairment after acquisition. Amortisation is on a straight-line basis over the weighted average estimated useful life of intangible assets acquired. The amortisation and impairment charge for the period is included in the statement of profit or loss within operating expenses.

#### **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.

#### **Loans and receivables**

Loans and receivables 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 held by the Company meet the definition of loans and receivables and are accounted for at amortised cost. 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.

# **Ecclesiastical Planning Services Limited**

## **Notes to the Financial Statements**

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

#### **Investment contract liabilities**

For products that have no significant insurance risk and are therefore classified as a financial instrument, the Company recognises a liability measured at fair value. The fair value of these liabilities is estimated based on an arms-length transaction between willing market participants with consideration given to the cost of the minimum payment guarantee to the policyholders. The cost of the guarantee to policyholders is determined using risk free rates of return, with the associated volatility assumption and allowing for the costs of administration associated with this low risk investment strategy.

#### **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 financial liabilities and are accounted for at amortised cost.

#### **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.

#### **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 or less.

#### **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.

# **Ecclesiastical Planning Services Limited**

## **Notes to the Financial Statements**

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### **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 and estimates 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 the financial statements.

### **Treatment of the Ecclesiastical Life arrangement**

When determining the accounting treatment of the contractual arrangements entered into, the Company assesses whether there has been a transfer of insurance risk and how significant that risk is. Where significant insurance risk has not been accepted by the Company these arrangements are accounted for as financial instruments. Contracts that accept significant insurance risk will be treated and accounted for as insurance arrangements. Contracts can have features of, or appear to have features of, an insurance contract arrangement and therefore judgement is required when determining whether there is insurance risk and then whether that insurance risk is significant.

An assessment has been made of all the contracts held by the company and in the judgement of management there is no significant insurance risk therefore all contracts have been accounted for as investment contracts.

### **Deferred income**

Income is recognised in the period where performance obligations are provided. Under certain contracts, income from policies may be deferred until the completion of performance obligations. Where performance obligations are not priced separately, estimates are required to determine the amount of income to defer. It is estimated that 15% of initial fee income represents the consideration for the provision of services to be provided in the future. Increasing this per policy estimate by 10% to 25% would have the effect of increasing deferred revenue of £2,183k by £1,455k

### **3 Financial risk and capital management**

The Company's objectives when managing capital are to meet the capital requirements in the markets the Company operates in as issued by the Financial Conduct Authority (FCA), provide returns for shareholders and benefits for other stakeholders and maintain an optimal structure to reduce the cost of capital.

The Company's capital is represented by the Company's equity shareholders' funds.

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, liquidity risk and market risk. The Company does not have any hedging arrangements in place.

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, and borrowings.

## Ecclesiastical Planning Services Limited

### Notes to the Financial Statements

#### 3 Financial risk and capital management (continued)

##### Credit risk

The Company's principal financial assets are cash and cash equivalents, insurance contracts 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 insurance contracts. The Company mitigates this risk by placing the plan funds in whole-of-life assurance policies which are either RPI index linked or linked to the performance of a with-profits life assurance plan, with insurance companies that are authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority. There is a significant amount of regulation around insurance companies which is designed, among other things to ensure that they are able to meet their financial obligations. The Company monitors the performance of the with-profits life assurance fund. 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. The Ecclesiastical Group monitors the liquidity of the Company to ensure that adequate funds are available to pay obligations when due.

##### Market risk

The Company is subject to the risk of adverse movements in interest rates and equity prices which principally arises from the investments held by the Company. Overall the market risk profile has not materially changed and we remain invested for the long term. The Ecclesiastical Group monitors market conditions and the socio - political environment.

#### 4 Interest receivable

	2022 £000	2021 £000
Bank interest	13	-

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

During the year fee and other income from the arrangements of pre-paid funeral plans of £6,865,274 was recognised in accordance with IFRS 15 Revenue from contracts with customers. Fees and administration fees from contracts with customers were recognised as follows:

	Recognised at a point in time £000	Recognised over time £000	Total £000
For the year ended 31 December 2022			
Plan registration and management fees	5,970	895	6,865
	5,970	895	6,865
For the year ended 31 December 2021 (restated*)			
Plan registration and management fees	4,387	639	5,026
	4,387	639	5,026

\*The comparative financial statements have been detailed in note 19.

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 6 Employee information

The Company has no employees (2021: nil).

### 7 Directors' emoluments

Directors of the Company receive emoluments from and are employed by Ecclesiastical Insurance Office plc (EIO), the Company's fellow subsidiary company. It is not practicable to attribute the remuneration of some directors between companies of which they were also directors and remunerated by EIO. Where practicable director emoluments, including benefits in kind attributable to the Company were £149,000 (2021: £126,000). Where practicable director pension contributions attributable to the Company were £13,100 (2021: £13,000).

### 8 Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the Company's auditor for the audit of the company's financial statements	37	28

The amounts disclosed are net of taxes, where applicable.

### 9 Tax (charge)/credit

The credit for taxation in the company's statement of profit or loss is in respect of income tax for the current year:

	2022 £000	Restated* 2021 £000
Current tax - current year	70	(102)
- prior years	15	-
<b>Total tax charge/(credit)</b>	<b>85</b>	<b>(102)</b>

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

	2022 £000	2021 £000
Profit/(Loss) before tax	139	(762)
Tax calculated at the UK standard rate of tax of 19% (2021: 19%)	26	(145)
<i>Factors affecting the charge for the year</i>		
Capital allowances of the year in excess of depreciation	1	-
Expenses not deductible for tax purposes	43	43
Adjustments in respect of prior periods	15	-
<b>Total tax charge/(credit)</b>	<b>85</b>	<b>(102)</b>

\*The comparative financial statements have been detailed in note 19.

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 10 Goodwill and intangible assets

	Intangible assets £000	Other intangible assets £000	Total £000
<b>Cost</b>			
At 1 January 2022	-	2,232	2,232
Addition	174	-	174
At 31 December 2022	174	2,232	2,406
<b>Amortisation and Impairment</b>			
At 1 January 2022	-	1,116	1,116
Amortisation charge for the year	-	223	223
At 31 December 2022	-	1,339	1,339
Net book value at 31 December 2021	-	1,116	1,116
Net book value at 31 December 2022	174	893	1,067

Intangible assets consist of Computer Software. During the year, £174,186 of additions relating to the development of a new financial system were capitalised. The asset is still in development so no amortisation has been charged.

	Restated* Other intangible assets £000	Total £000
<b>Cost</b>		
At 1 January 2021	2,232	2,232
At 31 December 2021	2,232	2,232
<b>Amortisation and Impairment</b>		
At 1 January 2021	893	893
Amortisation charge for the year	223	223
Impairment loss	-	-
At 31 December 2021	1,116	1,116
Net book value at 31 December 2020	1,339	1,339
Net book value at 31 December 2021	1,116	1,116

\*The prior year has been restated to remove goodwill with a nil net book value which was fully amortised in the current and prior financial year.

Intangible assets consist of Computer Software. During the year, £174,186 of additions relating to the development of a new financial system were capitalised. The asset is still in development so no amortisation has been charged.

Other intangible assets consist of acquired brand, customer and distribution relationships, which have an overall remaining useful life of four years on a weighted average basis.

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 11 Financial investments

	2022	Restated*
	£000	2021 £000
RPI linked life policies	99,108	95,513
With profit life policies	438,683	154,616
Investment linked life policies	48,240	11,896
	<b>586,031</b>	<b>262,025</b>

\*The comparative financial statements have been detailed in note 19.

Due to the advent of regulation the Company was able to acquire a large amount of new business as other companies exited the market. This led to a significant increase in with profit life policies and investment linked life policies.

### 12 Trade and other receivables

	2022	2021
	£000	£000
Commissions due from insurer	408	151
Prepayments	17	9
Sundry debtors	4	2
Due from related parties (Note 18)	17	139
Claims balances due from insurers	284	499
	<b>730</b>	<b>800</b>

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. No expected credit loss has been recognised in the current or prior year as it is not considered material to these financial statements.

### 13 Deferred fee income

Certain fee income is deferred in accordance with IFRS 15, until such time as all contractual obligations have been fulfilled.

### 14 Trade and other payables

	2022	2021
	£000	£000
Other creditors	5	1,373
Due to related parties (Note 18)	650	365
Accruals	404	384
	<b>1,059</b>	<b>2,122</b>

The directors consider that the carrying value of trade and other payables is a reasonable approximation of fair value.

## **Ecclesiastical Planning Services Limited**

### **Notes to the Financial Statements**

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#### **15 Investment contract liabilities**

Investment contract liabilities represents amounts due to policyholders and, if applicable, the cost of the minimum repayment guarantee. Investment contract liabilities are repayable on demand or at short notice and therefore classified as current. These liabilities are matched with highly liquid investments.

<b>16 Called up share capital</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1 January	<b>8,000</b>	5,200
Issued in the year	<b>2,000</b>	2,800
At 31 December	<b>10,000</b>	8,000

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

Shareholders have the right to attend and vote at general meetings. All shares rank pari passu and every shareholder has, on a show of hands, one vote for every share held at the relevant time on a written

#### **17 Ultimate parent company and controlling party**

The Company is a private limited company, limited by shares, incorporated and domiciled in England and Wales. Prior to 3 January 2023 the entire share capital of the Company was owned by the Benefact Group plc. On 3 January 2023 the Benefact Group plc transferred its entire holding in the Company to an intermediate parent company, Benefact Broking & Advisory Holdings Limited. The ultimate parent company and controlling party is the Benefact Trust limited. The parent companies of the smallest and largest groups for which group financial statements are drawn up are the Benefact Group plc and the Benefact Trust limited respectively. Both companies are incorporated and operate in Great Britain and copies of their financial statements are available from the registered office shown on page 1.



# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

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### 18 Related party transactions

The parent related party transactions below relate to Benefact Group plc. Other related parties comprise of fellow subsidiary undertakings.

	Parent	Other related parties
	£000	£000
<b>For the year ended 31 December 2022</b>		
Trading, investment and other expenditure, including recharges	77	47,278
Trading, investment and other income, including recharges	2,000	5,335
Amounts owed to related parties	16	207
Amounts owed by related parties	-	100,119
<b>For the year ended 31 December 2021 (restated*)</b>		
Trading, investment and other expenditure, including recharges	-	12,736
Trading, investment and other income, including recharges	-	4,268
Amounts owed to related parties	-	365
Amounts owed by related parties	127	62,017

\*The prior period figures have been restated to include two tranches of business, which although not new, have been included to better reflect the movements between the company and other group companies.

Transactions and services between related parties are made on commercial terms. Amounts are unsecured, are not subject to guarantees, and will be settled in cash. No provisions have been made in respect of these balances.

## **Ecclesiastical Planning Services Limited**

### **Notes to the Financial Statements**

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#### **19 Prior year restatement**

During the year, the Company reassessed the books of business on which deferred fee income has been recognised and expanded this to include all legacy contracts where the Company has an obligation to provide administrative services. Deferred tax has also been restated to reflect the tax impact of this adjustment. Management has applied judgement when estimating the amount of revenue to defer and then ultimately recognise for the provision of these services.

In addition the prior period reported financial investments and financial liabilities positions have been restated to include two tranches of business which were omitted in the prior year.

	As Reported 2021 £000	Restatement £000	As Restated 2021 £000
<b>Revenue</b>			
Fees and other income	<u>5,182</u>	<u>(156)</u>	<u>5,026</u>
<b>Total revenue</b>	<u>5,182</u>	<u>(156)</u>	<u>5,026</u>
<b>Expenses</b>			
Operating expenses	<u>(5,788)</u>	<u>-</u>	<u>(5,788)</u>
<b>Total operating expenses</b>	<u>(5,788)</u>	<u>-</u>	<u>(5,788)</u>
<b>Loss for the year before taxation</b>	<u>(606)</u>	<u>(156)</u>	<u>(762)</u>
Tax credit	<u>73</u>	<u>29</u>	<u>102</u>
<b>Loss for the year attributable to equity holders and total comprehensive expense</b>	<u>(533)</u>	<u>(127)</u>	<u>(660)</u>

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 19 Prior year restatement (continued)

	As Reported 2021 £000	Restatement £000	As Restated 2021 £000
<b>Assets</b>			
Goodwill and other intangible assets	1,116	-	1,116
Financial investments	253,084	8,941	262,025
Current tax	-	250	250
Trade and other receivables	800	-	800
Cash and cash equivalents	5,497	-	5,497
<b>Total assets</b>	<b>260,497</b>	<b>9,191</b>	<b>269,688</b>
<b>Liabilities</b>			
Deferred fee income	1,322	1,319	2,641
Trade and other payables	2,122	-	2,122
Investment contract liabilities	253,084	8,941	262,025
<b>Total liabilities</b>	<b>256,528</b>	<b>10,260</b>	<b>266,788</b>
<b>Equity</b>			
Called up share capital	8,000	-	8,000
Retained earnings	(4,031)	(1,069)	(5,100)
<b>Total shareholder's equity</b>	<b>3,969</b>	<b>(1,069)</b>	<b>2,900</b>
<b>Total shareholder's equity and liabilities</b>	<b>260,497</b>	<b>9,191</b>	<b>269,688</b>

# Ecclesiastical Planning Services Limited

## Notes to the Financial Statements

### 19 Prior year restatement (continued)

	As Reported 2021 £000	Restatement £000	As Restated 2021 £000
Loss for the year before tax	(606)	(156)	(762)
<i>Adjustments for:</i>			
Amortisation of goodwill	223	-	223
Change in deferred income	891	156	1,047
Changes in operating assets and liabilities			
Increase in trade and other receivables	(194)	-	(194)
Decrease in trade and other payables	(1,189)	-	(1,189)
<b>Net cash used in operating activities</b>	<b>(875)</b>	<b>-</b>	<b>(875)</b>
<b>Net cash provided by financing activities</b>	<b>2,800</b>	<b>-</b>	<b>2,800</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,925</b>	<b>-</b>	<b>1,925</b>
Cash and cash equivalents at the beginning of the year	3,572	-	3,572
<b>Cash and cash equivalents at the end of the year</b>	<b>5,497</b>	<b>-</b>	<b>5,497</b>
	As Reported 2020 £000	Restatement £000	As Restated 2020 £000
<b>Assets</b>			
Goodwill and other intangible assets	1,339	-	1,339
Financial investments	234,840	-	234,840
Current tax	54	221	275
Trade and other receivables	479	-	479
Cash and cash equivalents	3,572	-	3,572
<b>Total assets</b>	<b>240,284</b>	<b>221</b>	<b>240,505</b>
<b>Liabilities</b>			
Deferred fee income	431	1,163	1,594
Trade and other payables	3,311	-	3,311
Investment contract liabilities	234,840	-	234,840
<b>Total liabilities</b>	<b>238,582</b>	<b>1,163</b>	<b>239,745</b>
<b>Equity</b>			
Called up share capital	5,200	-	5,200
Retained earnings	(3,498)	(942)	(4,440)
<b>Total shareholder's equity</b>	<b>1,702</b>	<b>(942)</b>	<b>760</b>
<b>Total shareholder's equity and liabilities</b>	<b>240,284</b>	<b>221</b>	<b>240,505</b>