
PURE CREMATION FUNERAL PLANNING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



PURE CREMATION FUNERAL PLANNING LIMITED

COMPANY INFORMATION

Directors	R J Murphy S J T Wassall
Company secretary	R J Murphy
Registered number	09906976
Registered office	Charlton Park Crematorium Charlton Down Andover SP11 OTA
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

PURE CREMATION FUNERAL PLANNING LIMITED

CONTENTS

	Page
Strategic Report	1 - 6
Directors' Report	7
Directors' Responsibilities Statement	8
Independent Auditor's Report	9 - 12
Statement of Profit or Loss	13
Statement of Financial Position	14 - 15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 - 39

PURE CREMATION FUNERAL PLANNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2022.

Trading performance and future developments

The principal activity of the Company is the manufacture, sale and distribution of pre-arranged funeral plans.

From 29 July 2022 the Company (reference number 965260) was authorised by the Financial Conduct Authority (FCA) as a provider of funeral plans. We welcome the move to regulation, the resultant improvements in conduct standards and financial strength across the industry and the added protection this provides to all consumers will strengthen the market over time.

The financial information has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Comparative information has also been stated on a consistent basis.

The directors consider that turnover, operating profit and operating cashflow are the principal key performance indicators to drive the growth of the business over the medium to long term.

During the year turnover decreased by 41% as a result of the change in contracting relationships set out below whilst operating profit increased by 93% following the change in the treatment of marketing costs between group companies (detailed below) and despite the introduction of a recharge of central and shared costs from Pure Cremation Group Limited during the year. Operating cashflow is measured and managed at group level.

The Company interacts and supports other businesses in the Group so the directors believe that in order to fully appreciate how the Company has performed, a reproduction of extracts of the group's strategic report will enhance understanding and as such this is included below.

Potential change of control

The Company's ultimate parent company, Cognicent Limited, announced that contracts were exchanged on 22 July 2023 for funds managed or advised by Epiris GP III Limited ("Epiris") to acquire a 100% interest in that company. Epiris is a leading private equity firm committed to continuing to provide the highest standards of service across its diverse portfolio of companies. Completion is subject to regulatory consent which is expected to take a few months.

Group overview of operations and business model

Cognicent Limited is a holding company with a number of trading subsidiaries.

The principal activities of the Group during the period were the manufacture, sale and distribution of pre-arranged funeral plans and the provision of direct cremation and related services. The majority of our clients are private individuals, and our services are provided solely in the UK.

Our key strategy is to provide a high-quality service to our clients and their loved ones. We pride ourselves on our customer focused approach in everything that we do to ensure that appropriate respect and dignity is afforded to our clients at all times.

The Group has the following core operational businesses:

PURE CREMATION FUNERAL PLANNING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Pure Cremation Funeral Planning Limited

Pure Cremation Funeral Planning Limited's principal activity is the manufacture, sale and distribution of pre-arranged funeral plans and is the UK's leading provider of funeral plans. It has a long standing relationship with Pure Cremation Funeral Plan Trust, which is independently managed and set up to safeguard funds needed for the provision of plan holder funerals in the future.

On 29 July 2022 Pure Cremation Funeral Planning Limited (reference number 965260) was authorized by the Financial Conduct Authority (FCA) as a provider of funeral plans. We welcome the move to regulation, the resultant improvements in conduct standards, financial strength across the industry and the added protection this provides to all consumers will strengthen the market further over time.

From 29 July 2022, the contractual relationship between the Group, Customer and Trust has fundamentally changed. For new funeral plan customers after that date, the obligation for providing the planholder's funeral at time of need now sits with the Group, with the obligation to provide a funeral for customers who purchased a plan before that date remaining with the Trust. These changes do not affect the quality of service that we provide or the ability to fund the obligations of either the Group or the Trust.

We appreciate that customers trust us to deliver for them and their loved ones. As such, we ensure our Trust is well capitalized with assets of at least 110% of requirements. This is monitored through annual actuarial reviews and an independent board of trustees which has been a consistent approach since the business started in 2015.

As a result of these changes, the Trust Deed which the Group has entered into with Pure Cremation Funeral Trust ("the Trust") was updated and a Supplemental Trust Deed signed. The Group has a special relationship with the Trust as considered within IFRS 10 'Consolidated Financial Statements' resulting in the need for the Trust to be included within the Consolidated Financial Statements of the Group from the 29 July 2022.

Pure Cremation Limited

Pure Cremation Limited's principal activity is the provision of direct cremation and related services and is one of the UK's leading independent providers of direct cremations. These cremations predominantly take place at our state-of-the-art crematorium nestling in a mature parkland setting in Hampshire.

Pure Cremation Limited provides funerals for holders of Pure Cremation funeral plans as well as for customers purchasing funerals at time of need.

Pure Cremation Group Limited

Pure Cremation Group Limited is an interim holding company incurring, and recharging, central or shared costs and services for the two trading businesses.

The Group has undertaken a review of its marketing activities. Historically, a high percentage of marketing expenditure has been incurred by Pure Cremation Funeral Planning Ltd, and expensed in the financial statements of that company. We have concluded that the impact of our marketing expenditure (which includes TV adverts, online advertising and direct mail) creates an awareness of the Pure Cremation brand resulting in sales of prepaid funeral plans, at time of need funerals and has the potential to promote other complementary products such as legal and insurance services. We have therefore concluded that it is more appropriate for marketing expenditure to be charged to Pure Cremation Group and the directors are assessing the basis on which this expenditure may be recharged to the trading subsidiaries to match the revenue recognised.

PURE CREMATION FUNERAL PLANNING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Other subsidiary operations

Two further subsidiaries have traded during the year, Pure Life Financial Services Limited and Pure Life Legal Services Limited offer complementary propositions to help customers and enquirers with end-of-life planning and we have been testing these fledgling business offerings.

On 18 November 2022 Pure Life Financial Services Limited (reference number 968233) was authorized by the Financial Conduct Authority (FCA) as an insurance intermediary.

Pure Life Legal Services Limited ceased to write new business during the first half of the year. The directors continue to assess the most appropriate operating model to deliver services to its customers, this has resulted in the Company providing services to customers through a third-party supplier.

Sustainability

The Group has a three pillar sustainability policy.

1. Economic success. We have positioned our business to survive and prosper both economically and in the community.
2. Social responsibility. We have respect for our employees, our shareholders and our customers promoting diversity at all times.
3. Environmental responsibility. We work with our business partners to conserve natural resources, reduce waste and obtain products from renewable sources where possible. We take our environmental responsibility seriously by investing in efficient cremators and transport fleet to support a carbon neutral business.

Trading performance and key performance indicators

The consolidated financial statements for the Group for the year incorporate the results of the Trust from 29 July 2022.

Cognicent Limited was incorporated on 1 June 2021 and was created as a vehicle to acquire Pure Cremation Holdings Limited on 15 June 2021. The consolidated financial statements for the Group for the comparative year therefore only cover the relevant trading period from 15 June 2021 to 31 December 2021.

The Group has ensured that sufficient funds are placed in the Trust to fund future funerals when required. At 31 December 2022 the Pure Cremation Funeral Planning Trust had an actuarially assessed funding level of 117.0% (2021 - 115.4%), under the Best Estimate set of assumptions. The report is prepared by an independent actuary in accordance with the provisions of the Financial Services and Markets Act and the Technical Actuarial Standard – TAS 100.

At 31 December 2022, the number of Trust backed funeral plan holders in force was 111,099 (2021 - 69,576) with a further 20,470 insurance backed plan holders (2021 - 14,729).

During the year to 31 December 2022, 13,541 cremations were arranged by subsidiary companies up from 10,298 in the previous year. For context registered deaths in England and Wales (source: ONS 30 August 2023) were 576,896 for the year to 31 December 2022 (2021 - 586,334).

The quality of our service is a core focus and imperative for the Group and we welcome feedback from all our customers. We are delighted by our Trustpilot rating of 4.9 out of 5 (Source: Trustpilot.com 20 September 2023) and Reviews.io rating of 4.8 out of 5 (Source: Reviews.io 20 September 2023) reflecting their experience.

The directors consider that the underlying trading performance in the period reflects continued, consistent and sustainable progress in the development of the business.

PURE CREMATION FUNERAL PLANNING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

People

We are proud of our people who are central to all that we do and are a critical driver to the ongoing success of the business. Our staff focus on the customer experience, treating our customers in a dignified, fair and transparent manner, whilst ensuring that they deliver a sensitive and respectful service in supporting our plan holders, bereaved families, vulnerable people, and their loved ones. This can at times be highly challenging due to the sensitive nature of our services, and they are to be applauded for their ongoing customer commitment, tenacity, fortitude and the genuine pride that they take in their work and their achievements.

The Board are committed to continuously review ways in which we can develop our people potential and strive to be an employer of choice. To support this commitment, we have created our training academy which provides a continuous learning and development environment and career development opportunities, further supporting our future rising stars with our management development programme.

Outlook and future developments

Macro-economic factors including high interest rates and inflationary impacts on cost of living have adversely impacted consumer confidence, however the value for money provided by the Group's direct cremation service mitigates those factors to a large extent and the Board remain confident in the core product offering.

The Group continues to operate in generally robust markets and the Board is confident that it has the appropriate business model, as well as the skills, services, management and customer focused culture to build and grow market share and to continue to offer our clients, and their families, a premium level of service.

PURE CREMATION FUNERAL PLANNING LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Group financing and risk management

The Group uses financial instruments comprising a Term Loan Facility provided by Santander UK PLC. It is the Group's policy to minimize the cost of borrowings whilst retaining the flexibility of funding opportunities.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to appropriate board approval and ongoing review by management. Compliance with regulatory and legal standards is a high priority for the Group and the compliance team take on an important oversight role in this regard.

Interest rate exposure:

The Term Loan Facility held in the ultimate parent company is denominated in sterling and had floating interest rate terms linked to SONIA.

Currency exposure:

The Group does not have any material risks arising from the effects of exchange rate fluctuations.

Credit risk:

The Group's credit risk is primarily attributable to its Trade Receivables which, at the balance sheet date, are comprised entirely of sums due from individual customers resulting in a low risk profile.

Other risks:

In addition to the primary areas of risk noted above, the directors continually monitor other areas of risk such as suppliers, data, premises and markets as part of its ongoing business continuity planning.

Supplier payments:

The Group's policy is to confirm the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of these terms and to endeavour to abide by the terms of payment.

PURE CREMATION FUNERAL PLANNING LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard to the interest of the Company's employees, customers, suppliers and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and below, how the board engages with stakeholders.

The directors are aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Board regularly revises the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves.

The Board is committed to enhancing its methods of employee engagement and involvement and encourages openness, honesty and transparency through our employee voice forum. We welcome and value our employees thoughts, opinions, suggestions and challenge to how we do things in order to improve the experience for our employees, our customers and their loved ones.

Our aim is to work responsibly with all our stakeholders and have invested significantly in ensuring we have the right people in the right roles, and continue to enhance our policy and procedure framework, including reviewing our vulnerable customer, anti-corruption and anti-bribery, anti-money laundering, whistle blowing, and complaints policy and procedures during the year.

The key Board decisions made in the period are set out below:

Significant events/decisions	S172 stakeholders affected	Actions and impact
Acquisition by Epiris	Employees, suppliers	On exchange, key suppliers and all employees were informed explaining the rationale for the deal and the implications for the stakeholders. The new Board's plans for the future will be communicated following completion.

This report was approved by the board and signed on its behalf.

R. Murphy
R.Murphy (Sep 27, 2023 11:57 GMT+1)

R J Murphy
Director

Date: 27/09/2023

PURE CREMATION FUNERAL PLANNING LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £4,862,239 (2021 - £2,590,731).

During the year the Company paid a dividend of £Nil (2021 - £2,000,000).

Directors

The directors who served during the year were:

R J Murphy

P E Thilo (resigned 14 September 2023)

S J T Wassall

B Powell (resigned 8 March 2022)

P K Smith (appointed 8 March 2022, resigned 30 September 2022)

Directors' Report disclosures made in the Strategic Report

Information on financial risk management objectives and policies; exposure to price risk, credit risk, liquidity risk and cashflow risk; likely future developments in the business of the Group have been included in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

R. Murphy

R.Murphy (Sep 27, 2023 11:57 GMT+1)

R J Murphy

Director

Date: 27/09/2023

PURE CREMATION FUNERAL PLANNING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE CREMATION FUNERAL PLANNING
LIMITED**

Opinion

We have audited the financial statements of Pure Cremation Funeral Planning Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

PURE CREMATION FUNERAL PLANNING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE CREMATION FUNERAL PLANNING LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

PURE CREMATION FUNERAL PLANNING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE CREMATION FUNERAL PLANNING LIMITED (CONTINUED)

Auditor's 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 auditor's 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:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies, and procedures regarding compliance, and how they identify, evaluate and account for litigation claims, and how management identify breaches of the applicable Financial Conduct Authority (FCA) rules. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with the framework through:

- Outsourcing accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 101 in respect of the preparation and presentation of the financial statements.
- The UK regulatory principles, including those governed by the Financial Conduct Authority (FCA).

To gain evidence about compliance with the significant laws and regulations above we reviewed the Company's breaches register, reviewed board meeting minutes, inspected correspondence with the FCA relating to the year and obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

PURE CREMATION FUNERAL PLANNING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE CREMATION FUNERAL PLANNING
LIMITED (CONTINUED)

The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries, particularly as the size of the Company means that there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above, and comparison to post-year-end data.
- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in dealing with companies in this sector and subject to the above mentioned regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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


Andrew Edmonds (Sep 27, 2023 15:10 GMT+1)

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 27/09/2023

PURE CREMATION FUNERAL PLANNING LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Revenue	4	11,081,043	18,734,346
Gross profit		11,081,043	18,734,346
Administrative expenses		(7,204,178)	(16,138,143)
Trust distribution income		1,124,844	-
Operating profit	5	5,001,709	2,596,203
Finance income	9	34,625	1,283
Finance expense	10	(174,095)	(580)
Profit before tax		4,862,239	2,596,906
Tax on profit	11	-	(6,175)
Profit for the financial year		4,862,239	2,590,731

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 17 to 39 form part of these financial statements.

PURE CREMATION FUNERAL PLANNING LIMITED
REGISTERED NUMBER:09906976

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	223,640	71,034
Tangible assets	13	3,213	5,486
		<u>226,853</u>	<u>76,520</u>
Current assets			
Trade and other receivables: amounts falling due after more than one year	14	2,012,887	-
Trade and other receivables: amounts falling due within one year	14	42,391,646	1,947,883
Cash at bank and in hand	15	2,816,324	2,739,334
		<u>47,220,857</u>	<u>4,687,217</u>
Trade and other payables: amounts falling due within one year	16	(10,922,490)	(3,402,277)
Lease liability: amounts falling due within one year	16	(2,314)	(2,117)
		<u>36,296,053</u>	<u>1,282,823</u>
Net current assets			
		<u>36,296,053</u>	<u>1,282,823</u>
Total assets less current liabilities		<u>36,522,906</u>	<u>1,359,343</u>
Trade and other payables: amounts falling due after more than one year	17	(30,303,638)	-
Lease liability: amounts falling due after more than one year	17	(1,236)	(3,550)
		<u>6,218,032</u>	<u>1,355,793</u>
Net assets		<u>6,218,032</u>	<u>1,355,793</u>
Issued capital and reserves			
Share capital	19	100	100
Retained earnings		6,217,932	1,355,693
		<u>6,218,032</u>	<u>1,355,793</u>
Total equity		<u>6,218,032</u>	<u>1,355,793</u>

PURE CREMATION FUNERAL PLANNING LIMITED
REGISTERED NUMBER:09906976

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R. Murphy
R. Murphy (Sep 27, 2023 11:57 GMT+1)

R J Murphy
Director

Date: 27/09/2023

The notes on pages 17 to 39 form part of these financial statements.

PURE CREMATION FUNERAL PLANNING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Retained earnings £	Total equity £
At 1 January 2021	100	764,962	765,062
Comprehensive income for the year			
Profit for the year	-	2,590,731	2,590,731
Contributions by and distributions to owners			
Dividends paid	-	(2,000,000)	(2,000,000)
At 1 January 2022	100	1,355,693	1,355,793
Comprehensive income for the year			
Profit for the year	-	4,862,239	4,862,239
At 31 December 2022	100	6,217,932	6,218,032

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Pure Cremation Funeral Planning Limited (the 'Company') is a private company, limited by shares and incorporated in England and Wales (registered number: 09906976). The Company's registered office is at Charlton Park Crematorium, Charlton Down, Andover, England, SP11 OTA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The Company's shareholders were notified of, and did not object to, the use of the UK-adopted IFRS disclosure exemptions. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (adopted IFRS) but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

2.2 Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
 - a reconciliation of the number of shares outstanding at the start and end of the prior period; and
 - reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period.
- An additional balance sheet for the beginning of the earliest comparative period, following the reclassification of items in the financial statements
- A Statement of Cash Flows
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead)
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements
- Disclosures in relation to the objectives, policies, and process for managing capital
- Disclosure of the effect of future accounting standards not yet adopted
- The remuneration of key management personnel
- Related party transactions with two or more wholly owned members of the group
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations
- The amount of lease income recognised on operating leases as lessor
- The maturity analysis of lease liabilities, as required by paragraph 58 of IFRS 16 Leases, has not been disclosed separately as details of indebtedness required by Companies Act has been presented separately for lease liabilities in note 18.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Disclosure exemptions adopted (continued)

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Cognicent Limited. These financial statements do not include certain disclosures in respect of:

Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures
Fair value measurements - details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis. The presentation currency used is sterling and amounts have been presented in absolute amounts.

2.4 Changes in accounting policies and disclosures

a) Effective for periods beginning on or after from 1 January 2022

The following new and amended Standards and Interpretations effective for the financial year beginning 1 January 2022 have been adopted. The adoption of these standards has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Conceptual Framework for Financial Reporting - Amendments to IFRS 3
- IAS 16 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments Fees in the '10 per cent' test for derecognition of financial liabilities
- IFRS 16 Leases
- IAS 41 Agriculture

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Changes in accounting policies and disclosures (continued)

b) Effective for periods beginning on or after 1 January 2023

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to AS 1 IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors anticipate that the adoption of these Standards in future periods may have an impact on the results and net assets of the Company, however, it is too early to quantify this.

The directors anticipate that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the financial statements of the Company.

2.5 Exemption from consolidation

The Company has taken exemption from consolidating the results of Pure Cremation Funeral Plan Trust as these are consolidated in the ultimate parent company, Cognicent Limited.

2.6 Going concern

The directors have carefully reviewed the future prospects of the Company and its future cash flows. The directors have a reasonable expectation that the Company has adequate resources to meet their obligations as they fall due for a period of at least 12 months after the date on which the report and financial statements are signed, furthermore, as the directors have considered going concern at a group level should the company require funding to meet its liabilities as they fall due, this would be provided by funding from the wider group. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.8 Revenue recognition

IFRS 15 'Revenue from Contracts with Customers' establishes a single model to account for revenue arising from the sale of products to consumers and services rendered. All revenue arose from agreements with external customers.

Revenue in the course of ordinary activities is measured and recognised using the five-step approach outlined in IFRS 15:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when the entity satisfies the performance obligation.

The Company recognises revenue on Trust based funeral plans when it has transferred the promised services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those services which until 29 July 2022 was deemed as the sale of pre-arranged funeral plans. From 29 July 2022 this changed to the time of cremation for Trust based funeral plans sold post regulation.

Commission received on the sale of insurance backed funeral plans is recognised at point of sale with provision made against future commission claw backs arising from expected cancellation rates.

Contract balances

Timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets represent revenue recognised prior to invoicing when it has satisfied its performance obligation and have the unconditional right to payment. Contract assets are reviewed for impairment in accordance with IFRS 9.

Interest income is accrued on a time basis.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Leasing

IFRS 16 was adopted using the modified retrospective method (including appropriate practical expedients), with the effect of initially applying this standard recognised at the date of transition being 1 January 2020.

A right-of-use asset and a lease liability has been recognised for all leases except leases of low value assets, which are considered to be those with a fair value below £5,000, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the Company's incremental borrowing rate. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The rate applied was 8.9%.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Statement of Financial Position, right-of-use assets have been included in property, plant and equipment.

2.10 Profit from operations

Profit from operations is stated after the inclusion of all operating items, but before financing costs.

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.15 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Website	-	20% straight-line
---------	---	-------------------

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% reducing balance
Right of use asset	- Straight-line over the lease term

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Impairment of tangible fixed assets

At each reporting date tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). If there is an indication of possible impairment, the recoverable amount of any affected assets (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.18 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, except for those held at fair value through profit or loss, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Financial assets with cash flows that are not solely payments of principle and interest on the principle amount outstanding are classified and measured at FVTPL, irrespective of the business model.

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short-term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Amortised cost and effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

All income and expenses relating to financial assets that are recognised in the Statement of Comprehensive Income are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other administrative expenses.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss, in the finance income/expense line.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Financial liabilities measured subsequently at amortised cost

The company's financial liabilities include trade and other payables and amounts due to group undertakings. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial assets

The Company's financial assets comprise trade and other debtors, and cash and cash equivalents.

Trade and other receivables

Trade and other receivables are classified as basic financial instruments and measured at initial recognition at transaction price. Trade and other receivables are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade and other payables are classified as basic financial instruments and measured at initial recognition at transaction price. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Dividends voted are done so under the accounting framework used at the time the dividend is voted. For the dividend voted during the prior year the dividend was assessed against FRS102 distributable profits due to the date of the dividend pre-dating the decision to transition to FRS101.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported revenue and expenses during the reporting year.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Allowances for non-recoverability of trade receivables

An allowance is created for non-recoverability of trade receivables when management expect that the amount outstanding will not be repaid. Management exercise their judgement and experience when deciding the value of any such allowance. At the year end, the allowance totaled £Nil (2021 - £Nil).

Discount rate - IFRS 16

Leases are discounted using the Company's incremental borrowing rate. The Company's borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The rate was estimated to be 8.9% per annum (2021 - 8.9%).

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Revenue

An analysis of revenue by class of business is as follows:

	2022 £	2021 £
Manufacture, sale and distribution of pre-arranged funeral plans	<u>11,081,043</u>	<u>18,734,346</u>

Analysis of revenue by country of destination:

	2022 £	2021 £
United Kingdom	<u>11,081,043</u>	<u>18,734,346</u>

All of the above revenue is recognised on the sale of Trust or Insurance backed pre-arranged funeral plans, when economic benefits are realised by customers, and the Company believes they have fulfilled their performance obligation.

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	2,273	2,308
Amortisation of intangible assets	24,373	-
Exchange differences	114	-
	<u>26,760</u>	<u>2,308</u>

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>23,325</u>	<u>15,525</u>

The above fees are borne by another group Company.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

7. Employees

	2022 £	2021 £
Wages and salaries	2,640,033	1,152,447
Social security costs	268,820	101,776
Cost of defined contribution scheme	116,182	14,135
	<u>3,025,035</u>	<u>1,268,358</u>

The average monthly number of employees, excluding directors, during the year was 88 (2021 - 46).

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	130,390	-
Company contributions to defined contribution pension schemes	5,520	-
	<u>135,910</u>	<u>-</u>

During the year retirement benefits were accruing to 1 director (2021 - Nil) in respect of defined contribution pension schemes. Directors remuneration during the year relates to one director only as other directors are paid through other group companies.

In the prior year, all directors received emoluments through other group entities. It is not practicable to allocate these emoluments between their services as directors of Pure Cremation Funeral Planning Limited and their services as directors of the other group companies.

9. Finance income

	2022 £	2021 £
Interest income	<u>34,625</u>	<u>1,283</u>

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Finance expense

	2022 £	2021 £
Interest accruing on funeral plan liabilities	173,694	-
Interest on lease liabilities	401	580
	<u>174,095</u>	<u>580</u>

11. Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	-	8,125
Effect of changes in tax rates	-	(1,950)
	<u>-</u>	<u>6,175</u>
Taxation on profit on ordinary activities		
	<u>-</u>	<u>6,175</u>

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	4,862,239	2,596,906
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	923,825	493,412
Effects of:		
Expenses not deductible for tax purposes	12	-
Fixed asset differences	(10,088)	(4,049)
Income not taxable for tax purposes	(213,742)	(22)
Adjustments to brought forward values	274,388	538,265
Chargeable gains/(losses)	13,057	-
Exempt ABGH distributions	-	(15,071)
Group relief claimed	(1,146,449)	(1,142,642)
Adjustments to tax charge in respect of previous periods	138,578	138,532
Adjustments to tax charge in respect of prior periods - deferred tax	-	6,175
Timing not recognised in the computation	(31)	(52)
Remeasurement of deferred tax for changes in tax rates	9,433	2,644
Movement in deferred tax not recognised	11,017	(11,017)
Tax paid on behalf of Trust	175,607	-
Compensation from Trust for tax paid on its behalf	(175,607)	-
Total tax charge for the year	-	6,175

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Intangible assets

	Website £
Cost	
At 1 January 2022	71,034
Additions	176,979
At 31 December 2022	<u>248,013</u>
Amortisation	
Charge for the year	24,373
At 31 December 2022	<u>24,373</u>
Net book value	
At 31 December 2022	<u>223,640</u>
At 31 December 2021	<u>71,034</u>

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

	Fixtures and fittings £	Right of use asset £	Total £
Cost			
At 1 January 2022	1,500	9,378	10,878
At 31 December 2022	1,500	9,378	10,878
Depreciation			
At 1 January 2022	1,065	4,327	5,392
Charge for the year	109	2,164	2,273
At 31 December 2022	1,174	6,491	7,665
Net book value			
At 31 December 2022	326	2,887	3,213
At 31 December 2021	435	5,051	5,486

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Trade and other receivables

	2022 £	2021 £
Due after more than one year		
Trade receivables	2,012,887	-
	<u>2,012,887</u>	<u>-</u>
Due within one year		
Trade receivables	1,884,355	-
Amounts owed by group undertakings	21,508,940	409,616
Funds held in trust for group undertakings	16,991,377	-
Other receivables	1,029,073	775,906
Prepayments and accrued income	977,901	725,193
Contract assets	-	37,168
	<u>42,391,646</u>	<u>1,947,883</u>

Trade receivables, held at amortised cost, are non-interest bearing and generally have a 30-day term. Due to their short maturities, the carrying amount of trade receivables is a reasonable approximation of their fair value.

A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default.

The directors considers that the carrying amount of loans and receivables, after taking account of related allowances, approximates to their fair value.

Other receivables, contract assets and amounts owed from group undertakings are also financial assets held at amortised cost. Based on prior experience and an assessment of the current economic environment, the directors do not consider that any impairment provision is required against the above assets and considers that the carrying amount of the assets is a reasonable approximation of fair value.

In the event that the Company becomes insolvent, the funds held in the Trust are not recoverable to settle its liabilities. These funds are safeguarded for the Trust to provide a funeral to the relevant funeral plan holders in the event that the Company is unable to fulfil its obligation to do so.

As at 31 December 2022 trade receivables of £Nil (2021 - £Nil) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Up to 2 months	-	-
2 - 4 months	-	-
Over 4 months	-	-
	<u>-</u>	<u>-</u>

There are no impairment allowance for trade receivables recorded in this financial year or the prior financial year.

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>2,816,324</u>	<u>2,739,334</u>

The directors considers that the carrying amount of these assets approximates to their fair value. The credit risk on liquid funds is limited because the counterparty is a bank with a high credit rating.

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Trade and other payables: amounts falling due within one year

	2022 £	2021 £
Trade payables	459,442	378,060
Amounts owed to group undertakings	5,343,733	1,795,618
Corporation tax	175,607	-
Other taxation and social security	-	564,165
Lease liabilities	2,314	2,117
Other creditors	868,828	-
Accruals and deferred income	1,509,449	664,434
Contract liabilities	2,565,431	-
	<u>10,924,804</u>	<u>3,404,394</u>

The directors considers that the carrying amount of trade payables approximates to their fair value. No interest is charged on trade and other payables.

Contract liabilities is made up of deferred revenue and a refund liability. The deferred revenue represents amounts received from pre-arranged funeral plan holders adjusted to reflect a significant financing component, and for which the Company has not completed its performance obligations at the balance sheet date. Refund liabilities represent amounts received from pre-arranged funeral plan holders for which it is expected that the respective plans will be cancelled based on historical performance.

Trade payables, other payables and amounts owed to group undertakings constitute the only financial liabilities measured at amortised cost.

Loans and borrowings are held at amortised cost.

The Corporation tax liability represents the tax liability payable by Pure Cremation Funeral Planning Limited on behalf of the Trust. The tax paid by the company is then recuperated from the Trust and consequently no tax charge is recognised.

On 25 April 2023, amounts owed to group companies in the sum of £6,335,922 were subordinated so will be classified as non-current liabilities in future years.

17. Trade and other payables: amounts falling due after more than one year

	2022 £	2021 £
Lease liabilities	1,236	3,550
Contract liabilities	30,303,638	-
	<u>30,304,874</u>	<u>3,550</u>

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Leases

Company as a lessee

The leases relate to a phone system leased by the Company.

Lease liabilities are due as follows:

	2022 £	2021 £
Not later than one year	2,314	2,117
Between one year and five years	1,236	3,550
	<u>3,550</u>	<u>5,667</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2022 £	2021 £
Interest expense on lease liabilities	<u>401</u>	<u>580</u>

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
200 Ordinary shares of £0.50 each	<u>100</u>	<u>100</u>

The Ordinary shares have attached to them full voting, dividend and capital distribution rights.

20. Reserves

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

21. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £116,182 (2021 - £14,135). Contributions totalling £Nil (2021 - £Nil) were payable to the fund at the reporting date.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Financial instruments - fair values and risk management

Company financing and risk management

The Company's board of directors have overall responsibility for establishment and oversight of the Company's risk management framework.

The Company uses financial instruments comprising a Term Loan Facility provided by Santander UK PLC. It is the Company's policy to minimize the cost of borrowings whilst retaining the flexibility of funding opportunities.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to appropriate board approval and ongoing review by management. Compliance with regulatory and legal standards is a high priority for the Company and the compliance team take on an important oversight role in this regard.

Currency exposure:

The Company does not have any material risks arising from the effects of exchange rate fluctuations.

Credit risk:

The Company's credit risk is primarily attributable to its Trade Receivables which, at the Balance Sheet date, are comprised entirely of sums due from individual customers resulting in a low risk profile.

Other risks:

In addition to the primary areas of risk noted above, the directors continually monitor other areas of risk such as suppliers, data, premises and markets as part of its ongoing business continuity planning.

Supplier payments:

The Company's policy is to confirm the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of these terms and to endeavour to abide by the terms of payment.

Fair value measurements

The fair value of all of the classes of financial instruments in these financial statements is considered to be materially equivalent to their carrying value. The fair value of these items is defined below.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the Statement of Financial Position date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the Statement of Financial Position date if the effect is material.

PURE CREMATION FUNERAL PLANNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

23. Related party transactions

Pure Cremation Funeral Planning Limited has taken advantage of the exemption under FRS 101 paragraph 8(k) not to disclose information about transactions entered into between two or more members of the group where any subsidiary which is a party to the transactions is wholly owned by such a member.

Pure Cremation Funeral Plan Trust is deemed to be a related party by virtue of the Company being the sole settlor and beneficiary of the Trust.

24. Financial commitments, guarantees and contingent liabilities

At the statement of financial position date, the company is a joint guarantor of the Term Loan Facility held in another Group entity by way of an Accession Deed signed by all subsidiary companies of the ultimate parent company, Cognicent Limited.

The directors believe that no provision needs to be recognised in these accounts in respect of the Company being a guarantor, as it's not considered probable that any transfer of economic benefit will pass in connection with the Company acting as guarantor to the Group.

25. Controlling party

The Company's immediate parent undertaking and controlling party is Pure Cremation Group Limited, a company incorporated in the United Kingdom. The registered office address of Pure Cremation Group Limited is Charlton Park Crematorium, Charlton Down, Andover, England, SP11 0TA.

The ultimate parent is Cognicent Limited, a company incorporated in the United Kingdom. This entity is the highest and lowest level of the group at which consolidated accounts are prepared. The registered office address is Eagle House, Joule Road, Andover, England, SP10 3UX.

The ultimate controlling party is Cognicent Limited.