

# **Associated Church Clubs Limited**

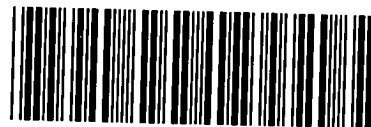
Report and Financial Statements

Year Ended

31 December 2016

Company Number 02724031

FRIDAY



\*A6G0JCAW\*

A05

29/09/2017

#490

COMPANIES HOUSE

# **Associated Church Clubs Limited**

## **Company Information**

---

<b>Directors</b>	Rev S Kirwin Mr N Loughrey Mrs C Lawrence Rev M Thompson Rev E Cain
<b>Company secretary</b>	Mr J Cowdall
<b>Registered number</b>	02724031
<b>Registered office</b>	Archdiocese of Liverpool The Centre For Evangelisation Croxteth Drive Sefton Park Liverpool Merseyside L17 1AA
<b>Independent auditors</b>	BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH

# **Associated Church Clubs Limited**

## **Contents**

---

	<b>Page</b>
<b>Directors' Report</b>	<b>1</b>
<b>Directors' Responsibilities Statement</b>	<b>3</b>
<b>Independent Auditors' Report</b>	<b>4 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Statement of Financial Position</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 16</b>

# **Associated Church Clubs Limited**

## **Directors' Report For the Year Ended 31 December 2016**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

### **Principal activity**

The principal activity of the company was the bulk purchase of stock for supply to diocesan parish centres and other members of the scheme operated by the company. Until 31st December 2015 the company was responsible for bulk purchasing of supplies for sale to members and receiving discounts based on the value of these purchases to cover the cost of operation of the scheme. With effect from 1st January 2016 a change in the major supplier meant that purchases by members are now made directly from that supplier under a contract facilitated through ACC Limited.

As such, volume discounts continue to be accrued on these purchases and paid directly to the company. Such discounts form the income of the company and any surpluses remaining at the year end will continue to be gift aided to the main charity where possible.

The key objective of the company continues to be providing all members with the benefit of collective purchasing power in order to obtain competitive prices and to facilitate additional marketing and advice where required. The directors do not anticipate any changes in this key objective.

### **Directors**

The directors who served during the year were:

Rev S Kirwin  
Mr N Loughrey  
Mrs C Lawrence  
Rev M Thompson  
Rev E Cain

### **Provision of information to auditors**

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

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

### **Auditors**

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# Associated Church Clubs Limited

## Directors' Report (continued) For the Year Ended 31 December 2016

---

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28 September 2017 and signed on its behalf.



**Rev S Kirwin**  
Director

# **Associated Church Clubs Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2016**

---

The directors are responsible for preparing 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). 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

# **Associated Church Clubs Limited**

## **Independent Auditors' Report to the Members of Associated Church Clubs Limited**

---

We have audited the financial statements of Associated Church Clubs Limited for the year ended 31 December 2016 which comprise statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

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

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

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

### **Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# Associated Church Clubs Limited

## Independent Auditors' Report to the Members of Associated Church Clubs Limited

---

### 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 directors' report.

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

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

BDO LLP

**Hamid Ghafoor** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Liverpool  
United Kingdom

28/09/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Associated Church Clubs Limited

## Statement of Comprehensive Income For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		-	9,261,989
Cost of sales		-	(8,982,224)
<b>Gross profit</b>		-	279,765
Administrative expenses		(208,636)	(312,033)
Other operating income	4	165,699	106,366
<b>Operating (loss)/profit</b>	5	(42,937)	74,098
Interest receivable and similar income		-	1,933
Interest payable and similar charges		(16)	(311)
<b>(Loss)/profit on ordinary activities before taxation</b>		(42,953)	75,720
Taxation on (loss)/profit on ordinary activities		-	-
<b>(Loss)/profit for the financial year</b>		(42,953)	75,720
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		(42,953)	75,720

The notes on pages 9 to 16 form part of these financial statements.


**Associated Church Clubs Limited**  
Registered number:02724031

**Statement of Financial Position**  
**As at 31 December 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Current assets</b>					
Debtors	10	166,568		648,603	
Cash at bank and in hand		1,180,367		2,445,000	
		<u>1,346,935</u>		<u>3,093,603</u>	
Creditors: amounts falling due within one year	11	(1,118,228)		(2,821,943)	
<b>Net assets</b>			<u>228,707</u>	<u>271,660</u>	
<b>Capital and reserves</b>					
Called up share capital	12,13	500,000		500,000	
Profit and loss account	13	(271,293)		(228,340)	
<b>Total equity</b>			<u>228,707</u>	<u>271,660</u>	

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

*28 September 2017*  


**Rev S Kirwin**  
Director

The notes on pages 9 to 16 form part of these financial statements.

# Associated Church Clubs Limited

## Statement of Changes in Equity For the Year Ended 31 December 2016

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2016	500,000	(228,340)	271,660
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(42,953)	(42,953)
<b>Total comprehensive loss for the year</b>	-	(42,953)	(42,953)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2016</b>	<b>500,000</b>	<b>(271,293)</b>	<b>228,707</b>

## Statement of Changes in Equity For the Year Ended 31 December 2015

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2015	500,000	(304,060)	195,940
<b>Comprehensive income for the year</b>			
Profit for the year	-	75,720	75,720
<b>Total comprehensive income for the year</b>	-	75,720	75,720
<b>At 31 December 2015</b>	<b>500,000</b>	<b>(228,340)</b>	<b>271,660</b>

The notes on pages 9 to 16 form part of these financial statements.

# **Associated Church Clubs Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2016**

---

### **1. General information**

Associated Church Clubs Limited is a company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities is disclosed in the directors' report.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of Financial Reporting Standard 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

The directors have considered the period of 12 months from the date of approval of these accounts and have reviewed working capital requirements for the period. The parent charity has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, they will continue to provide financial support and make available such funds to meet working capital requirements as they fall due.

The directors therefore conclude that it remains appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **2.3 Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# **Associated Church Clubs Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2016**

---

### **2. Accounting policies (continued)**

#### **2.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# **Associated Church Clubs Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2016**

---

### **2. Accounting policies (continued)**

#### **2.6 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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

#### **2.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.8 Finance costs**

Finance costs are charged to the statement of comprehensive income 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.

# Associated Church Clubs Limited

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.9 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 the statement of comprehensive income 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.

#### 2.10 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### 2.11 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### 2.12 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors do not believe they have made any material judgements in preparing these financial statements.

### 4. Other operating income

	2016 £	2015 £
Other income	5,821	6,464
Discount receivable	159,878	99,902
	<u>165,699</u>	<u>106,366</u>

# Associated Church Clubs Limited

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 5. Operating (loss)/profit

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

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,000	8,000
Fees payable to the company's auditors and its associates for other services to the group:		
- other non-audit services	2,525	2,790
Defined contribution pension cost	7,491	9,480
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2015 - £Nil)

### 6. Employees

The average monthly number of employees, including directors, during the year was 2 (2015 - 2).

### 7. Interest receivable

	2016 £	2015 £
Other interest receivable	-	1,933
	<u>          </u>	<u>          </u>

### 8. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	16	311
	<u>          </u>	<u>          </u>

### 9. Taxation

	2016 £	2015 £
Current tax on profits for the year	-	-
	<u>          </u>	<u>          </u>
<b>Taxation on profit on ordinary activities</b>	<u>          </u>	<u>          </u>



# Associated Church Clubs Limited

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<b>(42,953)</b>	75,720
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%)	<b>(8,591)</b>	15,331
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods - deferred tax	<b>1,225</b>	-
Adjust closing deferred tax to average rate of 20.00%	<b>11,808</b>	7,013
Adjust opening deferred tax to average rate of 20.00%	<b>(7,013)</b>	-
Deferred tax not recognised	<b>2,571</b>	(20,545)
Other movements	-	(1,799)
<b>Total tax charge for the year</b>	<b>-</b>	-

#### Factors that may affect future tax charges

The Chancellor announced in his Budget on 16 March 2016 that the main rate of corporation tax will be reduced to 19% from 1 April 2017 to 17% from 1 April 2020 and the future current tax chargers will reduce accordingly.

# Associated Church Clubs Limited

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 10. Debtors

	2016 £	2015 £
Trade debtors	1,501	378,421
Amounts owed by group undertakings	4,461	259,809
Other debtors	728	-
Prepayments and accrued income	159,878	10,373
	<u>166,568</u>	<u>648,603</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £4,719 (2015 - £11,028 credit).

### 11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	5,805	744,223
Trade creditors	16,029	789,231
Amounts owed to group undertakings	1,086,294	1,040,853
Other taxation and social security	-	187,577
Other creditors	10,100	60,059
	<u>1,118,228</u>	<u>2,821,943</u>

### 12. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
500,000 Ordinary Shares shares of £1 each	<u>500,000</u>	<u>500,000</u>

# **Associated Church Clubs Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2016**

---

### **13. Reserves**

The company's capital and reserves are as follows:

#### **Share capital**

Called up share capital represents the nominal value of the shares issued.

#### **Profit and loss account**

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### **14. Related party transactions**

During the year the following related party transactions have taken place;

Liverpool Roman Catholic Archdiocesan Trust, the parent entity of the company, has recharged salary costs in the year totalling £34,951 (2015 - £78,372). There is a year end creditor balance owed to the Liverpool Roman Catholic Archdiocesan Trust of £1,086,294 (2015 - £1,040,853).

Archdiocesan Parish Centre Management Company Limited, a fellow subsidiary within the group, which contains parish centres of various Catholic Dioceses, some of whom have representatives on the board of this company, are supplied with stock from Associated Church Clubs Limited. All transactions are on an arms length basis and sales to this entity totalled £Nil (2015 - £6,761,369) in the year. At the year end £4,461 (2015 - £259,809) was owed from Archdiocesan Parish Centre Management Company Limited.

### **15. Ultimate parent undertaking and controlling party**

The company is a subsidiary of Liverpool Roman Catholic Archdiocesan Trust, a charity registered under the Charities Act, registered No. 232709. The trust is also the ultimate controlling party. The company is consolidated within their accounts which are available from the registered office as detailed in these accounts.