

Associated Church Clubs Limited

Directors' Report and Financial Statements

Year Ended

31 December 2018

Company Number 02724031



Associated Church Clubs Limited

Company Information

Directors	Rev Mgr J Devine OBE (appointed 18 September 2019) Mrs C Lawrence Rev M Thompson Rev E Cain
Company secretary	Mr J Cowdall (resigned 23 April 2019) Rev S Kirwin (appointed 23 April 2019, resigned 18 September 2019) Rev Mgr J Devine (appointed 18 September 2019)
Registered number	02724031
Registered office	Archdiocese of Liverpool The Centre For Evangelisation Croxteth Drive Sefton Park Liverpool Merseyside L17 1AA
Independent auditor	BDO LLP 5 Temple Square Temple Street Liverpool L2 5RH

Associated Church Clubs Limited

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Associated Church Clubs Limited

Directors' Report For the Year Ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company was to facilitate the bulk purchase of stock by diocesan parish centres and other members of the bulk purchase scheme operated by the company.

Volume discounts were earned based on these purchases and paid directly to the company. Such discounts formed the income of the company.

The key objective of the company was to provide all members with the benefit of collective purchasing power in order to obtain competitive prices and to facilitate additional marketing and advice where required. However, as explained in note 2.2 to the financial statements, following the post year end decision by the directors to settle and subsequently exit the bulk purchase contract with its supplier, it is the directors' intention to cease operating and then to potentially wind up the company. Therefore, the financial statements have not been prepared on a going concern basis.

Directors

The directors who served during the year were:

Rev S Kirwin (resigned 18 September 2019)
Mr N Loughrey (retired 18 June 2018)
Mrs C Lawrence
Rev M Thompson
Rev E Cain

Disclosure of information to auditor

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

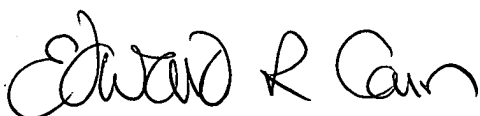
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor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

Auditor

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

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 30 September 2019 and signed on its behalf.



Rev E Cain
Director

Associated Church Clubs Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2018

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 2.2 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis..

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Associated Church Clubs Limited

Independent Auditor's Report to the Members of Associated Church Clubs Limited

Opinion

We have audited the financial statements of Associated Church Clubs Limited ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position and the statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended; and
- 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.

Emphasis of matter - basis of preparation

We draw attention to note 2.2 in the financial statements which indicates that as it is the directors' intention to cease operating and then to potentially wind up the company, therefore they do not consider the company a going concern. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 2.2. Our opinion is not modified in respect of this matter.

Associated Church Clubs Limited

Independent Auditor's Report to the Members of Associated Church Clubs Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report 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 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.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Associated Church Clubs Limited

Independent Auditor's Report to the Members of Associated Church Clubs Limited (continued)

Responsibilities of directors

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

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://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.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Liverpool
United Kingdom 30/09/2019.

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 2018

	Note	2018 £	2017 £
Administrative expenses		(164,295)	(161,193)
Other operating income	4	165,615	169,227
Operating profit	5	1,320	8,034
Interest receivable and similar income		-	4
Interest payable and similar charges		-	(6)
Profit on ordinary activities before taxation		1,320	8,032
Taxation on profit on ordinary activities	7	-	-
Profit for the financial year		1,320	8,032
Other comprehensive income		-	-
Total comprehensive income for the year		1,320	8,032

The notes on pages 9 to 15 form part of these financial statements.

All amounts relate to discontinued activities, as it is the directors' intention to cease operating and then to wind up the company after the statement of financial position date.

Associated Church Clubs Limited

Registered number: 02724031

Statement of Financial Position As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Current assets					
Debtors: amounts falling due within one year	8	290,771		262,008	
Cash at bank and in hand		2,030		30	
		<u>292,801</u>		<u>262,038</u>	
Creditors: amounts falling due within one year	9	(54,742)		(25,299)	
Net assets			<u>238,059</u>		<u>236,739</u>
Capital and reserves					
Called up share capital	10	500,000		500,000	
Profit and loss account	11	(261,941)		(263,261)	
Total equity			<u>238,059</u>		<u>236,739</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

30/09/19



Rev E Cain
Director

The notes on pages 9 to 15 form part of these financial statements.

Associated Church Clubs Limited

Statement of Changes in Equity For the Year Ended 31 December 2018

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2018	500,000	(263,261)	236,739
Comprehensive income for the year			
Profit for the year	-	1,320	1,320
Total comprehensive income for the year	-	1,320	1,320
At 31 December 2018	500,000	(261,941)	238,059

Statement of Changes in Equity For the Year Ended 31 December 2017

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2017	500,000	(271,293)	228,707
Comprehensive income for the year			
Profit for the year	-	8,032	8,032
Total comprehensive income for the year	-	8,032	8,032
At 31 December 2017	500,000	(263,261)	236,739

The notes on pages 9 to 15 form part of these financial statements.

Associated Church Clubs Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. General information

Associated Church Clubs Limited is a company limited by shares and 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 activity 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 Section 1A of 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

As it is the directors' intention to cease operating and to potentially wind up the company, these financial statements have not been prepared on a going concern basis. As a result, all assets have been written down to their recoverable amount and provision has been made for liabilities known at the date of the statement of financial position. There has been no impact on the results or financial position of the company as a result of this basis of preparation.

The parent company, Liverpool Roman Catholic Archdiocesan Trust, have also provided the company with an undertaking that guarantees the value of assets and liabilities within the financial statements.

2.3 Revenue

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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Associated Church Clubs Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

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.

2.6 Financial instruments

The company only enters into basic financial instrument 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 the 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.

Associated Church Clubs Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

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.

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 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.

Associated Church Clubs Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

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

	2018 £	2017 £
Discount receivable	165,615	169,227

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	5,150	5,000
Fees payable to the company's auditor and its associates in relation to all other services	3,100	3,035
Defined contribution pension cost	196	79

6. Employees

The average monthly number of employees, including directors, during the year was 1 (2017 - 1).

During the year, no director received any emoluments (2017 - £Nil).

Associated Church Clubs Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

7. Taxation

	2018 £	2017 £
Current tax on profits for the year	-	-
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,320</u>	<u>8,032</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	251	1,546
Effects of:		
Adjustments to tax charge in respect of prior periods - deferred tax	(197)	-
Adjust closing deferred tax to average rate of 19.00%/19.25%	7,685	8,636
Adjust opening deferred tax to average rate of 19.00%/19.25%	(7,711)	(8,843)
Deferred tax not recognised	(28)	(1,339)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly.

Associated Church Clubs Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

8. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	-	51,156
Amounts owed by group undertakings	247,643	166,100
Prepayments and accrued income	43,128	44,752
	<u>290,771</u>	<u>262,008</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2017 - £Nil).

Within amounts owed by group undertakings, there is an amount of £1,352,726 (2017 - £1,259,957) which represents cash owed to Associated Church Clubs Limited but held within the Group cash management pool at the year end.

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	44,750	15,409
Other taxation and social security	367	1,155
Accruals	9,625	8,735
	<u>54,742</u>	<u>25,299</u>

10. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
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 2018

11. Reserves

The company's capital and reserves are as follows:

Called up 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.

12. 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 charge amounted to £196 (2017 - £79). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

13. 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 £17,405 (2017 - £16,827). There is a year end debtor balance owed by the Liverpool Roman Catholic Archdiocesan Trust of £232,864 (2017 - £157,613 debtor).

Archdiocesan Parish Centre Management Company Limited, a fellow subsidiary within the group, which contains parish centres within the Archdiocese of Liverpool, are supplied with stock through an agreement facilitated by Associated Church Clubs Limited. Salary recharges to this entity during the year totalled £8,692 (2017 - £8,487). At the year end £16,779 was owed by Archdiocesan Parish Centre Management Company Limited (2017 - £8,487 owed by).

14. 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. The registered office of the parent company is Liverpool Archdiocese, Centre for Evangelisation, Croxteth Drive, Liverpool, L17 1AA.