

ASSOCIATED CHURCH CLUBS LIMITED

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2000

COMPANY NUMBER 2724031



ASSOCIATED CHURCH CLUBS LIMITED

ANNUAL REPORT

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ASSOCIATED CHURCH CLUBS LIMITED

DIRECTORS' REPORT

The directors present their annual report, together with the audited financial statements for the year ended 31 December 2000.

1 Results and dividends

The loss for the year after tax amounted to £47,991.

The directors do not recommend the payment of a dividend.

2 Review of the business

The principal activity of the company is the management of bulk brewery purchasing arrangements for parish clubs in the Archdiocese of Liverpool and from other Dioceses.

3 Shareholding

The company is a wholly owned subsidiary of Liverpool Roman Catholic Archdiocesan Trustees Incorporated, a registered charity number 232709, and the taxable profits of the company are covenanted to the charity.

4 Directors

The directors who served during the year were as follows:

Rev A O'Brien

Mgr M McKenna (resigned 15 October 1999,
reappointed 1 July 2000)

M R Davies

C Callaghan (resigned 1 October 2000)

J Cowdall

Rev T Dooley

Rev M Lee

Rev K Mullen

Rev S O'Connor

B A O'Toole

Rev M. Worden

On 6 April 2001, M R Davies resigned and Rev J Feeney and S Thorrington were appointed directors. On 3 May 2001 Rev M Worden resigned as a director.

None of the directors have any interest in the shares of the company other than nominee interests.

5 Auditors

A resolution to reappoint the auditors, PKF, will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

A O'Brien

Director

18th October 2001

ASSOCIATED CHURCH CLUBS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- 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 proper accounting records which 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 1985. 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ASSOCIATED CHURCH CLUBS LIMITED**

We have audited the financial statements of Associated Church Clubs Limited for the year ended 31 December 2000 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2000, and of the loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


PKF -

Registered Auditors

Liverpool

18 October 2001

ASSOCIATED CHURCH CLUBS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover	1.2	6,832,716	6,713,155
Cost of sales	1.3	(3,257,683)	(3,770,470)
		3,575,033	2,942,685
Administrative expenses		(3,672,784)	(3,129,715)
Operating result		(97,751)	(187,030)
Interest receivable		51,424	39,107
Interest payable	3	(1,664)	(819)
Loss on ordinary activities before taxation	4	(47,991)	(148,742)
Taxation	5	-	-
Loss for the year transferred to reserves	10	(47,991)	(148,742)

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

ASSOCIATED CHURCH CLUBS LIMITED

BALANCE SHEET

31 DECEMBER 2000

	Notes	2000 £	1999 £
Fixed assets	6	22,533	38,604
Current assets			
Debtors	7	6,477,785	5,587,572
Cash at bank and in hand		1,962,904	1,929,699
		<u>8,440,689</u>	<u>7,517,271</u>
Creditors – amounts falling due within one year	8.1	<u>(7,791,890)</u>	<u>(6,836,552)</u>
Net current assets		648,799	680,719
Total assets less current liabilities		<u>671,332</u>	<u>719,323</u>
Creditors – amounts falling due after one year	8.2	<u>(600,000)</u>	<u>(600,000)</u>
Net assets		<u><u>71,332</u></u>	<u><u>119,323</u></u>
Capital and reserves			
Called up share capital	9	500,000	500,000
Profit and loss account	10	<u>(428,668)</u>	<u>(380,677)</u>
Shareholders' funds	11	<u><u>71,332</u></u>	<u><u>119,323</u></u>

Approved by the board on 18th October 2001

A O'Brien

Rev A O'Brien - Director

ASSOCIATED CHURCH CLUBS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2000

	2000 £	1999 £	
Reconciliation of operating result to net cash inflow from operating activities			
Operating result	(97,751)	(187,030)	
Depreciation charges	16,071	19,178	
Increase in debtors	(880,255)	(731,750)	
Increase in creditors	(675,251)	2,089,343	
Net cash (outflow)/inflow from operating activities	(286,684)	1,189,741	
Returns on investments and servicing of finance (note A)	39,802	39,135	
Capital expenditure (note B)	-	(17,626)	
(Decrease)/increase in cash	(246,882)	1,211,250	
Reconciliation of net cash flow to movement in net debt			
Change in net debt being (decrease)/increase in cash	(246,882)	1,211,250	
Net funds at 1 January 2000	1,175,933	(35,317)	
Net funds at 31 December 2000	929,051	1,175,933	
A) Returns on investments and servicing of finance			
Interest received	41,466	39,954	
Interest paid	(1,664)	(819)	
	39,802	39,135	
B) Capital expenditure			
Payments to acquire tangible fixed assets	-	(17,626)	
Analysis of changes in net debt			
	At 1 January 2000 £	Cash flows £	At 31 December 2000
Cash at bank and in hand	1,929,699	33,205	1,962,904
Overdraft	(753,766)	(280,087)	(1,033,853)
	1,175,933	(246,882)	929,051

ASSOCIATED CHURCH CLUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents brewery discounts receivable in respect of supplies to parish clubs and other income.

1.3 Cost of sales

The cost of sales includes discounts distributable to participants outside the Archdiocese.

1.4 Depreciation

Depreciation is provided at the following annual rates in order to write off the cost of fixed assets over their estimated useful lives:-

Computer equipment	-	25% of cost
Motor vehicles	-	25% of cost
Office equipment	-	25% of cost

1.5 Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

1.6 Pension costs

The company and eligible employees contribute to a money purchase pension scheme.

1.7 Operating leases

Rentals on operating leases are charged to the profit and loss account on a straight line basis over the period of the leases.

2 DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
2.1 Directors' remuneration		
Emoluments including pension contributions	31,708	29,851

The highest paid director received £31,708 including £1,777 (1999: £1,695) contributions to a money purchase pension scheme.

2.2 Employee information

Aggregate amounts for both staff and directors paid in respect of:	£	£
Wages and salaries	129,829	161,146
Social security costs	12,611	12,499
Other pension costs	3,095	4,023
	145,535	177,668

Average number of persons employed during the year was 7 (1999 average number 8)

ASSOCIATED CHURCH CLUBS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

3 INTEREST PAYABLE

	2000	1999
	£	£
On bank overdrafts	1,664	819

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	£	£
Auditors' remuneration	3,500	3,250
Depreciation	16,071	19,178
Operating lease charges – motor vehicles	6,744	-
Deed of covenant provision to parent undertaking	3,180,000	2,410,000

5 TAXATION

There is no liability to taxation based on the result for the year.

ASSOCIATED CHURCH CLUBS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

6 FIXED ASSETS – TANGIBLE

	At 1 January 2000 £	Disposals		At 31 December 2000 £
Cost				
Computer equipment	49,568	(17,480)		32,088
Office equipment	1,185	-		1,185
Motor vehicles	43,020	-		43,020
	<u>93,773</u>	<u>(17,480)</u>		<u>76,293</u>
Depreciation		Charge for year	Eliminated on disposal	At 31 December 2000
Computer equipment	29,468	8,519	(17,480)	20,507
Office equipment	493	296	-	789
Motor vehicles	25,208	7,256	-	32,464
	<u>55,169</u>	<u>16,071</u>	<u>(17,480)</u>	<u>53,760</u>
Net book amounts				
Computer equipment	20,100			11,581
Office equipment	692			396
Motor vehicles	17,812			10,556
	<u>38,604</u>			<u>22,533</u>

ASSOCIATED CHURCH CLUBS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

7 DEBTORS

	2000 £	1999 £
Due within one year:		
Trade debtors	2,439,732	2,042,048
Amount due from parent undertaking	3,929,324	3,454,829
Amount due from fellow subsidiary undertaking	7,792	7,792
Other taxation debtor	10,555	15,724
Other debtors and prepayments	90,382	67,179
	<u>6,477,785</u>	<u>5,587,572</u>

8 CREDITORS

8.1 Amounts falling due within one year:

Bank overdraft	1,033,853	753,766
Amounts distributable to non Liverpool clubs	605,105	658,806
Deed of covenant provision	3,180,000	2,410,000
Amount due to parent undertaking	886,430	958,221
Amount due to fellow subsidiary undertaking	1,262,812	1,281,950
Accruals and sundry creditors	823,690	773,809
	<u>7,791,890</u>	<u>6,836,552</u>

8.2 Amounts falling due after one year:

Amount due to parent undertaking	<u>600,000</u>	<u>600,000</u>
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9 CALLED UP SHARE CAPITAL

	Authorised £	Issued & fully paid £
Ordinary shares of £ 1 each	<u>1,000,000</u>	<u>500,000</u>

ASSOCIATED CHURCH CLUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2000

10 RESERVES

	Profit and loss account £
Accumulated loss brought forward	(380,677)
Loss for year (page 4)	(47,991)
Accumulated loss carried forward	(428,668)

11 SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds was as follows:

	2000 £	1999 £
Loss for the financial year	(47,991)	(148,742)
Balance at 1 January 2000	119,323	268,065
Balance at 31 December 2000	71,332	119,323

12 OPERATING LEASE COMMITMENTS

	2000 £	1999 £
The amounts falling due within the next year in respect of:		
Motor vehicle leases:		
Expiring within 1 to 2 years	8,267	-

13 COMMITMENTS

The company has guaranteed the payment of the trading liabilities due to the suppliers from participants to the scheme. The commitment amounted to £2,538,503 at 31 December 2000 in respect of supplies made in December 2000. The total indebtedness was paid by the company in January 2001 and subsequently recovered from participants.

14 ULTIMATE PARENT ENTITY AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Liverpool Roman Catholic Archdiocesan Trustees Incorporated, a charity registered under the Charities Act No. 232709. The taxable profits of the company are covenanted to the charity.

During the period there have been transactions with other group undertakings. As these transactions are included in the consolidated Charity accounts and these accounts are publicly available, the company has taken advantage of the exemption allowed by FRS8.