

Company Registration No. 99121 (England and Wales)

MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012



## **MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

### **COMPANY INFORMATION**

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**Directors**

Phillip Blinkhorn  
Richard Byrom  
Alan Cooper  
Martin Miller  
David W Millington  
Paul Nott  
Richard O'Connell  
Robert Wilcock

**Secretary** Paul Nott

**Company Number** 99121

**Registered Office** 90 Deansgate  
Manchester  
M3 2GP

**Auditors** Mazars LLP  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

**MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

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## MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED

### DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

#### Principal activities

The principal activity of the company is the provision of a Church House for Diocesan purposes and, in furtherance of this, the operation as a Property Company

#### Directors

The following directors have held office since 1 January 2012 unless otherwise stated

Phillip Blinkhorn (appointed 18 April 2013)

Richard Byrom (appointed 18 April 2013)

Alan Cooper

Martin Miller (appointed 18 April 2013)

David W Millington

Paul Nott

Richard O'Connell (appointed 18 April 2013)

Robert Wilcock

#### Directors' interests

The directors' interests in the shares of the company (which they hold as nominees for the ultimate parent company, Manchester Diocesan Board of Finance) were as stated below

	Ordinary shares of £1 each	
	31 December 2012	31 December 2011
Alan Cooper	250	250
David W Millington	250	250
Robert K Wilcock	250	250
Paul Nott	250	250

#### Charitable donations

The company has given £100,000 in the year ended 31 December 2012 (2011: £nil) to the Manchester Diocesan Board of Finance, a registered charity and the ultimate holding company of the Manchester Diocesan Church House Company Limited. The donation is to be used by the Manchester Diocesan Board of Finance to further the aims of the Diocese.

#### 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 judgments and estimates that are reasonable and prudent,
- comply with applicable accounting standards 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 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.

**MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

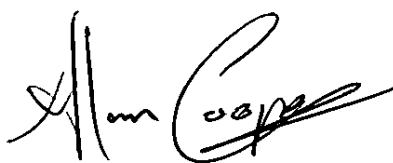
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**Statement of disclosure to auditor**

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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 18.04.13 and signed on its behalf

A handwritten signature in black ink, appearing to read 'Alan Cooper', with a stylized flourish at the end.

Alan Cooper, OBE JP  
**Director**

## **MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

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We have audited the financial statements of Manchester Diocesan Church House Company Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

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

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

#### **Opinion on the 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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

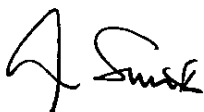
#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

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.



**Alastair Smith (Senior statutory auditor)**

**For and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditors**

**The Lexicon, Mount Street, Manchester, M2 5NT**

Date **18 Feb 13**

**MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

		<b>2012</b>	<b>2011</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		510,314	520,629
Administrative expenses		(540,707)	(428,260)
Other operating income		1,091	20,080
<b>Operating (loss) / profit</b>	2	(29,302)	112,449
Other interest receivable and similar income	3	56	56
Interest payable and similar charges		(355)	(1,779)
(Loss) / profit on ordinary activities before taxation		(29,601)	110,726
Tax on loss or profit on ordinary activities	4	18,825	(48,956)
<b>(Loss) / profit on ordinary activities after taxation</b>		(10,776)	61,770
<b>Retained (loss) / profit for the year</b>	11	(10,776)	61,770

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses other than those passing through the profit and loss account

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Notes	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Tangible assets	5		1,777,915		1,790,791
<b>Current assets</b>					
Debtors	6	142,136		206,492	
Cash at bank and in hand		147,979		93,973	
		<u>290,115</u>		<u>300,465</u>	
<b>Creditors amounts falling due within one year</b>	7	<u>(326,810)</u>		<u>(320,400)</u>	
<b>Net current liabilities</b>			<u>(36,695)</u>		<u>(19,935)</u>
<b>Total assets less current liabilities</b>			1,741,220		1,770,856
<b>Provisions for liabilities and charges</b>	8		<u>(70,140)</u>		<u>(89,000)</u>
			<u>1,671,080</u>		<u>1,681,856</u>
<b>Capital and reserves</b>					
Called up share capital	10		40,841		40,841
Other reserves	11		12,231		12,231
Profit and loss account	11		1,618,008		1,628,784
<b>Shareholders' funds - equity interests</b>	12		<u>1,671,080</u>		<u>1,681,856</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies

The financial statements were approved by the Board on 15.04.13

Alan Cooper, OBE JP  
Director





# MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 1. Accounting policies

#### (a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company has net current liabilities and, in view of this, the Board of Directors has reviewed projected income and expenditure forecasts including cash flow information for a period of at least 12 months from the date of these financial statements. On the basis of this information, the Board of Directors considers that the company will continue to operate within its available facilities for the foreseeable future and considers it appropriate to prepare the financial statements on the going concern basis

#### (b) Turnover

Turnover consists of rents receivable and service charges

#### (c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. A full year's depreciation is charged in the year of acquisition

Depreciation is provided at the following rates

Long leasehold land and buildings	2% straight line
Plant and machinery	10% straight line
Fixtures and fittings	10% straight line

#### (d) Pensions

The company operates two defined contribution schemes for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### (e) Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallize in the foreseeable future

#### (f) Repairs and renewals

Expenditure on repairs and renewals is charged to revenue as incurred

### 2 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	78,917	76,536
Auditors' remuneration	6,250	6,150

### 3. Investment income

	2012 £	2011 £
Bank interest	56	56

MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2012

4. Taxation

	2012	2011
	£	£
<b>Domestic current year tax</b>		
UK corporation tax	5,117	48,956
<b>Current tax charge</b>	4,918	37,117
Under/(over) provision in prior year	(4,883)	1,839
<b>Deferred tax</b>		
Deferred tax charge current year	(18,860)	10,000
	(18,825)	48,956

5 Tangible fixed assets

	Long Leasehold Land and Buildings £	Plant, Machinery & Fixtures £	Total £
<b>Cost</b>			
At 1 January 2012	2,152,840	623,637	2,776,477
Additions	52,727	13,314	66,041
At 31 December 2012	2,205,567	636,951	2,842,518
<b>Depreciation</b>			
At 1 January 2012	408,354	577,332	985,686
Charge for the year	44,112	34,805	78,917
At 31 December 2012	452,466	612,137	1,064,603
<b>Net book value</b>			
At 31 December 2012	1,753,101	24,814	1,777,915
At 31 December 2011	1,744,486	46,305	1,790,791

The Royal Bank of Scotland Group has a first legal charge over the property at 90 Deansgate, Manchester

MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2012

6 Debtors

	2012	2011
	£	£
Trade debtors	109,509	162,540
Other debtors	32,627	43,952
	<u>142,136</u>	<u>206,492</u>

7. Creditors Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	-	80,066
Taxation and social security	12,614	44,664
Group creditors	160,298	33,368
Other creditors	153,898	162,302
	<u>326,810</u>	<u>320,400</u>

8. Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2012	89,000
Profit and loss account	(18,860)
Balance as at 31 December 2012	<u>70,140</u>

The deferred tax liability is made up as follows

	2012	2011
	£	£
Accelerated capital allowances	<u>70,140</u>	<u>89,000</u>
	<u>70,140</u>	<u>89,000</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**9 Pension costs****Defined contribution**

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	6,364	4,864
	<u>6,364</u>	<u>4,864</u>

**10. Share capital**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
40,841 Ordinary shares of £1 each	<u>40,481</u>	<u>40,841</u>

**11 Statement of movements on reserves**

	<b>Other reserves £</b>	<b>Profit and Loss Account £</b>
Balance as at 1 January 2012	12,231	1,628,784
Retained loss for the year	-	(10,776)
Balance as at 31 December 2012	<u>12,231</u>	<u>1,618,008</u>

**12. Reconciliation of movements in shareholders' funds**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
(Loss) / profit for the financial year	(10,776)	61,770
Dividends paid	-	-
Net (deduction from) / addition to shareholders' funds	(10,776)	61,770
Opening shareholders' funds	1,681,856	1,620,086
Closing shareholders' funds	<u>1,671,080</u>	<u>1,681,856</u>

**MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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**13. Transactions with directors**

During the year secretarial, office and professional services were rendered by Mr Paul Nott. The total value of these services was £6,618 (2011 - £20,000). Mr Paul Nott was also appointed an employee of the company during the year and has received salary payments totalling £15,000 (2011 - £nil) and pension contributions totalling £1,500 (2011 - £nil). Professional services were rendered by Mr R Wilcock. The total value of these services was £1,508 (2011 - £4,499). Both parties are directors of the company and all services were conducted at normal commercial rates.

**14. Control**

The ultimate holding company is Manchester Diocesan Board of Finance, a company limited by guarantee incorporated in England. The company has taken advantage of the exemption in FRS8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate holding company.

**MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

**DETAILED TRADING PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Rents	422,377	434,972
Service charges	77,934	75,063
Overtime re-charge	10,003	10,594
	<u>510,314</u>	<u>520,629</u>
<b>Administrative expenses</b>	<u>(540,707)</u>	<u>(428,260)</u>
	(30,393)	92,369
<b>Other operating income</b>		
Sundry income	1,091	20,080
<b>Operating (loss) / profit</b>	<u>(29,302)</u>	<u>112,449</u>
Bank interest received	56	56
<b>Interest payable</b>		
Bank interest paid	(355)	(1,779)
<b>(Loss) / profit before taxation</b>	<u><u>(29,601)</u></u>	<u><u>110,726</u></u>

**MANCHESTER DIOCESAN CHURCH HOUSE COMPANY LIMITED**

**SCHEDULE OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Administrative expenses</b>		
Wages and salaries	77,393	58,170
Employer's National Insurance contributions	4,881	3,502
Pension contributions	6,364	4,864
Ground rents	1,840	2,940
Rent and service charge discounts	26,466	14,394
Rates	28,131	27,514
Insurance	44,276	43,951
Light, heat and water	52,207	42,447
Cleaning and cleaning materials	10,783	15,577
Repairs and refurbishments	46,794	67,548
Floral displays	3,501	3,442
Meeting expenses	673	3,560
Advertising	280	3,913
Telephone	1,661	1,384
Legal and professional fees	16,653	33,989
Accountancy and audit	23,870	22,300
Bank charges	4,465	920
Bad debts	11,042	-
Sundries	510	1,309
Charitable donations	100,000	-
Amortisation on long leasehold	44,112	43,056
Depreciation on plant and machinery	34,805	33,480
	<b>540,707</b>	<b>428,260</b>