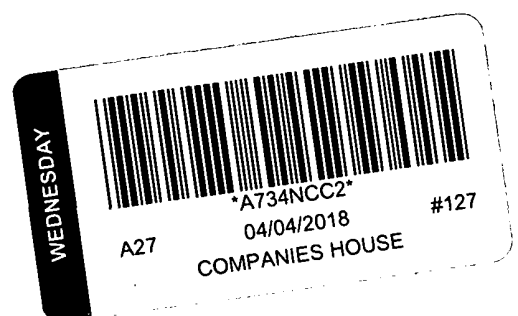


Company registration number : 02046087

Ecclesiastical Financial Advisory Services Limited
2017 Annual Report and Financial Statements



Ecclesiastical Financial Advisory Services Limited

2017 Annual Report

Page	Contents
2	Officers and Professional Advisers
3	Strategic Report
4	Directors' Report
6	Independent Auditor's Report
9	Statement of Profit or Loss
10	Statement of Changes in Equity
11	Statement of Financial Position
12	Statement of Cash Flows
13	Notes to the Financial Statements

Ecclesiastical Financial Advisory Services Limited

Officers and Professional Advisers

Directors	M. C. J. Hews BSc, FIA M. G. Angell, ACII H. E. Price, FCCA R. A. Wood, ACII, FPFS	<i>Chairman</i>
Company Secretary	Mrs R.J. Hall FCIS	
Auditor	Deloitte LLP Statutory Auditor London UK	
Registered Office	Beaufort House, Brunswick Road, Gloucester, GL1 1JZ	
Company Registration Number	02046087	

Ecclesiastical Financial Advisory Services Limited

Strategic Report

The directors present their strategic report of the company for the year ended 31 December 2017.

Objective and strategy

During 2017 the principal activity of the company has been that of an independent financial adviser (IFA) to our core Church of England client base. The company also has an appointed representative agreement with Ecclesiastical Planning Services Limited (EPSL), to enable EPSL to access certain FCA permissions for a limited number of its funeral planning services, namely providing outsourced administrative services to third party companies who market their own funeral plans. The company is not remunerated for this service.

Review of the company's business

The results of the company for the year are shown on page 9 and the financial position at the year end is shown on page 10.

Despite the continuing moderate losses the company continues to receive full support from its parent to provide financial advice to our core customer base.

Ecclesiastical Financial Advisory Services Limited (EFAS) has continued to support the core clients of the group in 2017 in providing advice plus financial awareness seminars and surgery events for clergy and employees of church organisations. Feedback from individuals and organisers has consistently been very positive.

The fee and commission income received in respect of independent financial adviser activity was £760,415 (2016: £687,957). This is the highest level of income achieved for IFA business in the ten year history of the company.

Future prospects

EFAS had its greatest success in 2017 in terms of increasing its new advice income and funds under advice for which it receives ongoing remuneration and has plans to continue this in 2018 and beyond. It also intends to increase the number of financial awareness seminars provided in dioceses.

Principal risks and uncertainties facing the company

Further information on the principal risks and uncertainties, together with details of the financial risk management objectives and policies of the company, are disclosed in note 3 to the financial statements.

The company is exposed to financial risk through its financial assets and financial liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk.

The financial risks that the company is exposed to have been significantly reduced following the sale of the legacy mortgage book, however, the manner in which the company manages and measures these risks has not altered.

By order of the board



Mrs R. J. Hall
Company Secretary
14 March 2018

Ecclesiastical Financial Advisory Services Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

Future prospects

The future prospects for the company are dealt with in the Strategic Report on page 3.

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2017 (2016: £nil).

Board of directors

The directors of the company at the date of this report and throughout the year are stated on page 2.

The company has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

Ownership

The entire equity share capital of the company is owned by Ecclesiastical Insurance Office plc. The ultimate parent company is Allchurches Trust Limited.

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Going concern

The company has adequate financial resources and no recourse to external borrowing. When appropriate, additional financial support is also provided by the group. The Ecclesiastical group has considerable financial resources and, as a consequence, the directors believe the group is well placed to continue to support the company for the twelve months following the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the company's annual report and financial statements.

Ecclesiastical Financial Advisory Services Limited

Directors' Report

Auditor and the disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the board



Mrs R. J. Hall
Company Secretary
14 March 2018

Independent auditor's report to the members of Ecclesiastical Financial Advisory Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ecclesiastical Financial Advisory Services Limited (the company) which comprise:

- statement of profit and loss;
- statement of financial position;
- the statement of changes in equity;
- statement of cash flows;
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis of 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by the ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Ecclesiastical Financial Advisory Services Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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 respect of these matters.

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' 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.

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 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 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.

Independent auditor's report to the members of Ecclesiastical Financial Advisory Services Limited

Report on other legal and regulatory requirements

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 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.

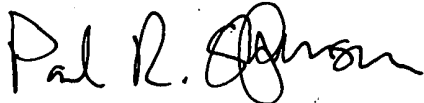
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Paul Stephenson BA FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 March 2018

Ecclesiastical Financial Advisory Services Limited

Statement of Profit or Loss

For the year ended 31 December 2017

	Notes	2017 £	2016 £
Revenue			
Interest receivable	4	108	1,129
Fees, commission and other income	5	<u>760,415</u>	<u>687,957</u>
Total revenue		<u>760,523</u>	<u>689,086</u>
Expenses			
Operating expenses		<u>(975,587)</u>	<u>(955,158)</u>
Total expenses		<u>(975,587)</u>	<u>(955,158)</u>
Loss for the year before taxation from continuing operations		(215,064)	(266,072)
Taxation	7	<u>41,395</u>	<u>53,338</u>
Loss for the year after taxation from continuing operations		<u>(173,669)</u>	<u>(212,734)</u>
Net loss attributable to discontinued operations	8	-	(4,227)
Loss for the year attributable to equity holders		<u>(173,669)</u>	<u>(216,961)</u>

The company had no recognised income or expense during the current financial year or the preceding financial year other than that included in the statement of profit or loss. Accordingly, no separate statement of comprehensive income has been presented.

Ecclesiastical Financial Advisory Services Limited

Statement of Changes in Equity

For the year ended 31 December 2017

	Note	Called up share capital	Retained earnings	Total shareholder's equity
		£	£	£
Balance at 1 January 2016	15	800,000	(116,632)	683,368
Total comprehensive expense for the year		-	(216,961)	(216,961)
Group tax relief in excess of standard rate		-	217,584	217,584
Balance at 31 December 2016		<u>800,000</u>	<u>(116,009)</u>	<u>683,991</u>
Balance at 1 January 2017		800,000	(116,009)	683,991
Total comprehensive expense for the year		-	(173,669)	(173,669)
Group tax relief in excess of standard rate		-	173,650	173,650
Balance at 31 December 2017		<u>800,000</u>	<u>(116,028)</u>	<u>683,972</u>

Ecclesiastical Financial Advisory Services Limited

Statement of Financial Position

At 31 December 2017

	Notes	2017 £	2016 £
Assets			
Trade and other receivables	11	93,111	422,068
Cash and cash equivalents	14	555,301	179,178
Amounts receivable after more than one year	13	125,044	213,741
Total assets		773,456	814,987
Liabilities			
Trade and other payables	17	89,484	130,996
Total liabilities		89,484	130,996
Equity			
Share capital	15	800,000	800,000
Retained earnings	16	(116,028)	(116,009)
Total shareholders' equity		683,972	683,991
Total shareholders' equity and liabilities		773,456	814,987

The financial statements of Ecclesiastical Financial Advisory Services Limited, registered number 02046087, on pages 9 to 19 were approved and authorised for issue by the board of directors on 14 March 2018 and signed on its behalf by:



M.C.J. Hews

Chairman

Ecclesiastical Financial Advisory Services Limited

Statement of Cash Flows

for the year ended 31 December 2017

	2017 £	2016 £
Loss before tax attributable to continuing operations	(215,064)	(266,072)
Loss before tax attributable to discontinued operations	-	(5,285)
<i>Adjustments for:</i>		
Interest income and expense	(108)	(1,115)
<i>Changes in operating assets and liabilities:</i>		
Decrease in trade and other receivables	346,922	271,065
Decrease in trade and other payables	(41,512)	(13,234)
Decrease in other liabilities	-	(6,000)
Cash used in operations	90,238	(20,641)
Interest received	108	1,129
Interest paid	-	(14)
Tax recovered	55,788	47,592
Net cash generated from operating activities	146,134	28,066
Financing activities		
Decrease in borrowings	-	(300,000)
Amounts received for group tax relief in excess of standard rate	12 229,989	189,496
Net cash used by financing and investing activities	229,989	(110,504)
Net decrease in cash and cash equivalents	376,123	(82,438)
Cash and cash equivalents at beginning of year	179,178	261,616
Cash and cash equivalents at end of year	555,301	179,178

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

1 Accounting policies

The principal accounting policies adopted in preparing the company's International Financial Reporting Standards (IFRS) financial statements are set out below.

Basis of preparation

The company's financial statements have been prepared on the historical cost basis and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as applicable at 31 December 2017.

New and revised Standards

The Standards adopted in the current year are either outside the scope of company transactions or do not materially impact the company.

The following Standard was in issue but not yet effective and has not been applied in these financial statements.

Accounting Standard	Key requirements	Expected impact on financial statements	Effective date
IFRS 15, <i>Revenue from Contracts with Customers</i>	Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.	It is not anticipated that the Standard will have a material impact on the amount and timing of revenue recognised. Advisory fees and commission will continue to be recognised over the period for which the services are provided. Trail commissions, which are received in relation to historic performance obligations, will continue to be recognised when due. It is not possible to recognise future trail commission in advance, due to uncertainty around the amount that will be received.	Annual periods beginning on or after 1 January 2018.

The other Standards in issue but not yet effective are not expected to materially impact the company.

Going concern

The company has adequate financial resources and no recourse to external borrowing. When appropriate, additional financial support is also provided by the group. The Ecclesiastical group has considerable financial resources and, as a consequence, the directors believe the group is well placed to continue to support the company for at least twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the company's annual report and financial statements.

Revenue

Revenue is wholly generated in the United Kingdom, and comprises seminar fees, advisory fees, arrangement fees, commission income (including trail commission) and bank deposit interest.

Advisory fees and commission are recognised over the period for which the services are provided. Bank deposit interest is recognised on an accruals basis. Trail commission income streams are recognised when due.

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

Financial instruments

The company holds financial assets and financial liabilities which are classified in accordance with IAS 39, initially measured at fair value and subsequently held at amortised cost. The directors consider that the carrying values of these financial assets and liabilities approximate to their fair value.

Financial assets and liabilities

Financial assets include trade debtors and accrued income; financial liabilities include trade creditors, accruals and borrowings, which are measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs, and subsequently stated at amortised cost.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss when there is objective evidence that the asset is impaired.

The allowance recognised is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

Offset of financial assets and financial liabilities

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

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that it relates to items taken directly to equity, in which case it is recognised in equity.

Current tax is the expected tax (payable)/receivable on the taxable profit/(loss) for the period and any adjustment to the tax payable in respect of previous periods.

Deferred tax is provided in full, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled based on tax rates and laws which have been enacted or substantively enacted at the year-end date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not discounted.

Amounts received in respect of group tax relief in excess of the standard rate are taken directly to equity as a capital contribution.

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

2 Critical accounting judgements and key sources of estimation uncertainty

There have been no critical judgements made by management in applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements. There are no key sources of estimation uncertainty at the year-end date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Financial risk and capital management

The financial risks that the company is exposed to and the manner in which the company manages and measures those risks has not changed since the prior year. Shareholders' equity represents total capital under management.

The company is exposed to financial risk through its financial assets and financial liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. The company does not have any hedging arrangements in place.

Interest rate risk

The company is exposed to cash flow interest rate risk in respect of its cash and cash equivalents and in the prior year in respect of its cash and cash equivalents and borrowings. This risk reduced in the prior year following the repayment of its borrowings.

Credit risk

The company's principal financial assets are cash and cash equivalents and trade and other receivables. The carrying amount of these financial assets represents the company's maximum exposure to credit risk. The company has a concentration of credit risk with Holmesdale Building Society in relation to contractual retentions under the mortgage sale agreement. The company has no other significant concentration of credit risk with any individual counterparty, except with related parties.

Liquidity risk

The company is considered to be an integral part of the Ecclesiastical group's business. The group monitors the liquidity of the company to ensure that adequate funds are available to pay obligations when due, and that the company remains solvent.

4 Interest receivable

	2017	2016
	£	£
Bank interest	108	1,129
	<u>108</u>	<u>1,129</u>

Interest receivable is all in respect of financial assets not at fair value through the statement of profit or loss.

5 Fees, commission and other income

	2017	2016
	£	£
Fees	245,754	214,408
Commission receivable	514,661	473,549
	<u>760,415</u>	<u>687,957</u>

6 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor for the audit of the company's annual financial statements.	3,200	3,100

Amounts disclosed are net of service taxes, where applicable.

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

7 Taxation

The credit for taxation in the company's statement of profit or loss is in respect of income tax for the current year.

	2017 £	2016 £
Current tax	41,395	54,376
Prior year	-	20
Less: tax credit of discontinued operations	-	(1,058)
Tax credit of continuing operations	41,395	53,338

Tax on the company's result before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

	2017 £	2016 £
Loss on ordinary activities before tax	215,064	266,072
Tax calculated at the UK standard rate of 19.25% (2016: 20%)	41,400	53,213
<i>Factors affecting credit for the year:</i>		
Capital allowances for the year in excess of depreciation	-	108
Adjustments to tax charged in prior periods	-	20
Other items/expenses not deductible for tax purposes	(5)	(3)
Total actual amount of current tax credit	41,395	53,338

A change in the UK standard rate of corporation tax from 20% to 19% became effective from 1 April 2017. Where appropriate, current tax has been provided at a blended rate of 19.25% for the current year and at a rate of 20% for the prior year. A further reduction in the corporation tax rate to 17% will become effective from April 2020.

8 Discontinued operations

During 2015 an opportunity arose to acquire the funeral plan business of Ecclesiastical Planning Services Limited (EPSL) from our main business partner, the National Association of Funeral Directors. EPSL was purchased in January 2016, by Ecclesiastical Insurance Group plc, and funeral plan business has been administered through the new company from the beginning of February 2016 when EFAS ceased to provide this service.

	2016 £
Funeral plan management fees received	162,839
Funeral plan operating expenses	(168,110)
Loss before taxation	(5,271)
Attributable taxation	1,055
Net (loss) attributable to funeral plan administration business	(4,216)
Net cash from operating activities	(5,271)

Discontinued operations had no impact on the company's result in the current financial year.

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

8 Discontinued operations (continued)

The company ceased to offer new mortgages following a strategic review in 2007, although it continued to administer the existing book. During 2014 management decided to dispose of the mortgage book in order to more clearly focus its attention on the current elements of the business.

The company entered into an agreement with Holmesdale Building Society to transfer its legacy mortgage business. The transfer agreement was completed on 2 February 2015.

	2016 £
Mortgage interest received	-
Loan interest paid to parent	(14)
Mortgage administration costs	-
Costs of sale	-
Market value adjustment	-
Loss before taxation	(14)
Attributable taxation	3
Net loss attributable to mortgages held for sale	(11)

9 Employee information

The company had no employees in the year (2016: nil).

10 Directors' emoluments

The directors of the company were employed by Ecclesiastical Insurance Office plc, the company's immediate parent company, and received emoluments from that company for the period they were directors. It is not practicable to allocate their remuneration between the companies of which they were directors during the year. Mr Hews was a member of the group's defined contribution pension scheme during the current and prior year. Mr Angell, Mrs Price and Mr Wood were members of the group's defined benefit pension scheme during the current and prior year.

11 Trade and other receivables

	2017 £	2016 £
Commission debtors	-	353
Amounts owed by related parties	8,936	1,717
Prepayments and accrued income	-	3,250
Holmesdale deferred consideration	84,175	416,748
	<u>93,111</u>	<u>422,068</u>

The directors consider that the carrying value of trade and other receivables is a reasonable approximation of fair value. None of these balances is past due at the reporting date and no amounts have been impaired during the current or prior year.

The amounts owed by related parties include receivables only with a carrying value of £8,936 (2016: £1,717) and payables with a carrying value of Nil (2016: Nil).

12 Assets arising from financing activities

The company receives payments in respect of group tax relief which are in excess of the standard rate of tax. These are taken directly to equity as a capital contribution. Amounts due at the end of the year are included within amounts due from related parties. At 1 January 2017 £104,593 was due and settled in cash in the year. At 31 December 2017 £33,861 is due.

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

13 Amounts receivable after more than one year

This amount comprises contractual retentions in respect of valuation risk, retained by Holmesdale Building Society following the sale of the mortgage book in 2015. Assuming contractual conditions are met, these amounts will be recovered over the next five years. There is nothing at the current time to suggest that the amounts in question will not be recovered in accordance with the sale agreement.

14 Cash and cash equivalents

The effective interest rate on cash and cash equivalents was 0.25% (2016: 0.25%).

15 Called up share capital

The authorised share capital of the company for both the current and prior years is £5,000,000.

	2017 £	2016 £
Allotted, issued and fully paid ordinary shares of £1 each At 1 January and 31 December	800,000	800,000

16 Retained earnings

	2017 £	2016 £
Retained earnings brought forward	(116,009)	(116,632)
Loss for the year	(173,669)	(216,961)
Group tax relief in excess of the standard rate	173,650	217,584
Retained earnings carried forward	(116,028)	(116,009)

17 Trade and other payables

	2017 £	2016 £
Amounts owed to related parties	-	68,329
Other creditors	89,484	62,667
	89,484	130,996

Trade creditors are recognised at the date of invoice and measured at invoice value net of any discounts and taxes. VAT on both sales and purchases is recognised at invoice date. The directors consider that the carrying value of trade and other payables is a reasonable approximation of fair value.

18 Ultimate parent company and controlling party

The company is a private limited company incorporated and domiciled in England and is a wholly-owned subsidiary of Ecclesiastical Insurance Office plc. Its ultimate parent and controlling party is Allchurches Trust Limited. The parent companies of the smallest and largest groups for which group financial statements are drawn up are Ecclesiastical Insurance Office plc and Allchurches Trust Limited respectively. Both companies are incorporated and operate in the United Kingdom and copies of their financial statements are available from the registered office shown on page 2.

Ecclesiastical Financial Advisory Services Limited

Notes to the Financial Statements

19 Related party transactions

During the year the company entered into the following transactions with related parties.

The parent related party transactions below relate to Ecclesiastical Insurance Office plc, the company's immediate parent company. Other related parties comprise fellow subsidiary undertakings.

Amounts outstanding are unsecured, are not subject to guarantees, and will be settled in cash. No provisions have been made in respect of these balances.

	Parent	Other related parties
	£	£
For the year ended 31 December 2017		
Trading, investment and other income, including recharges	-	149,106
Trading, investment and other charges, including recharges	245,594	-
Amounts owed by related parties	7,046	1,781
Amounts owed to related parties	-	-
For the year ended 31 December 2016		
Trading, investment and other income, including recharges	-	136,779
Trading, investment and other charges, including recharges	303,589	-
Amounts owed by related parties	-	1,717
Amounts owed to related parties	68,329	-

Transactions within the group are made on commercial terms.