

**ENTERPRISE-LIVERPOOL LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2008**

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COMPANIES HOUSE

# ENTERPRISE-LIVERPOOL LIMITED

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

H F Clucas O.B.E (resigned 16 July 2008)  
J J Flood  
D N Foster  
M R Hynes  
M J Joyce  
M Fielding  
N H D Thompson  
R J McBride  
M P Bradley  
G M Billsborough  
B Turner (appointed 16 July 2008)

**SECRETARY**

P Birch

**REGISTERED OFFICE**

Newton Road  
Liverpool  
L13 3HS

**BANKERS**

Barclays Bank plc  
38 Fishergate  
Preston  
PR1 2DD

**SOLICITORS**

DLA  
101 Barbirolli Square  
Manchester  
M2 3DL

**AUDITORS**

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Manchester  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

### **ACTIVITIES**

The principal activity of the company is supplying services to Liverpool City Council.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

As shown in the profit and loss account on page 6, sales of £64,324,566 and loss before tax of £463 were broadly in line with the previous year. The balance sheet position of the company is shown on page 7.

In April 2008, the housing stock of Liverpool City Council was transferred to Liverpool Mutual Homes and the company secured the maintenance of these properties on a one year contract. This expires in March 2009.

In November 2008, the company was awarded the refuse collection contract for Liverpool City Council. This lasts for seven years with revenues of approximately £9m per annum.

The directors view the future prospects of the company with optimism and other than the matters mentioned above, are not aware of any likely major changes in the company's activities.

Enterprise Group Holdings Limited manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Public Sector division of the Group, which includes this company, is discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties affecting the business, considered by the directors to be commercial relationships and competitor risk, are also discussed in the Group's annual report. Due to the nature of the contract with Liverpool City Council and the associated payment terms, credit and liquidity risk are not considered significant.

### **DIVIDENDS AND TRANSFERS TO/(FROM) RESERVES**

The directors do not recommend a final dividend (2007 – same). No dividends were paid during the year (2007 – same).

The loss after taxation for the year ended 31 March 2008 is £59,210 (2007 - £1,140) which has been withdrawn from reserves.

### **DIRECTORS**

The directors who served during the year are shown on page 1.

### **ENVIRONMENT**

Enterprise – Liverpool Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. The company operates within the group's policies, which are described in the group's annual report and do not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

### **EMPLOYMENT**

It is the company's policy to provide employees with relevant information on a regular basis and to seek their views on matters that concern them. The company's aims, objectives and financial performance are communicated through management briefings and other less formal communications.

The company's policy is to provide, whenever possible, employment opportunities for disabled people to encourage and assist their recruitment, training, career development and promotion, and to retain employees who become disabled. The company also operates an equal opportunities policy.

**DIRECTORS' REPORT (continued)**

**STATEMENT OF DISCLOSURE TO AUDITOR**

In the case of each of the persons who are directors of the company at the date when this report was approved:

- (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.

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985

**AUDITORS**

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board



Secretary

30 January 2009

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and 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).

The financial statements are required by law to give a true and fair view of the state of affairs of the company as at the end of the financial year 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;
- 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 1985. They are also responsible for the system of internal control, 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 MEMBERS OF ENTERPRISE-LIVERPOOL LIMITED**

We have audited the financial statements of Enterprise-Liverpool Limited for the year ended 31 March 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
Manchester  
United Kingdom

*30 January* 2009

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2008**

	Note	2008 £	2007 £
<b>TURNOVER</b>	2	64,324,566	58,326,473
Cost of sales		<u>(59,378,955)</u>	<u>(53,119,909)</u>
<b>GROSS PROFIT</b>		4,945,611	5,206,564
Administrative expenses		<u>(5,373,095)</u>	<u>(5,609,990)</u>
<b>OPERATING LOSS</b>	4	(427,484)	(403,426)
Interest receivable and similar income	5	<u>427,022</u>	<u>403,469</u>
<b>(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(462)	43
Tax on (loss) profit on ordinary activities	6	<u>(58,748)</u>	<u>(1,183)</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>	14	(59,210)	(1,140)
Retained profit brought forward		<u>44,653</u>	<u>45,793</u>
Retained (loss) profit carried forward		<u><u>(14,557)</u></u>	<u><u>44,653</u></u>

All results are derived from continuing activities.

The company has no recognised gains or losses other than the loss for current and prior financial year. Accordingly a separate statement of total recognised gains and losses has not been presented.

# ENTERPRISE-LIVERPOOL LIMITED

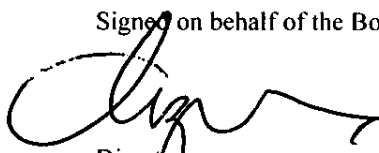
## BALANCE SHEET 31 March 2008

	Note	31 March 2008	31 March 2007
		£	£
<b>CURRENT ASSETS</b>			
Stocks	8	554,536	595,403
Debtors	9	8,979,338	8,789,677
Cash at bank and in hand		4,366,004	7,574,997
		<u>13,899,878</u>	<u>16,960,077</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(13,814,435)</u>	<u>(16,815,424)</u>
<b>NET CURRENT ASSETS</b>		<u>85,443</u>	<u>144,653</u>
<b>NET ASSETS</b>		<u>85,443</u>	<u>144,653</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	12	100,000	100,000
Profit and loss account		<u>(14,557)</u>	<u>44,653</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	14	<u>85,443</u>	<u>144,653</u>

These financial statements were approved by the Board of Directors on

2009.

Signed on behalf of the Board of Directors



Director

**CASH FLOW STATEMENT**

**Year ended 31 March 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>Net cash outflow from operating activities</b>	15	(3,942,649)	(1,367,641)
<b>Returns on investments and servicing of finance</b>			
Interest received		427,022	403,469
Taxation received/(paid)		<u>(11,855)</u>	<u>13,225</u>
<b>Decrease in cash</b>	16	<u><u>(3,527,482)</u></u>	<u><u>(950,947)</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

## 1. ACCOUNTING POLICIES

### Accounting convention and basis of preparation

The financial statements are prepared under the historical cost convention and using applicable law and United Kingdom accounting standards. The particular accounting policies are described below and have been consistently applied throughout the current and preceding year.

Due to the nature of the contract with Liverpool City Council and the associated payment terms, credit and liquidity risk are not considered significant.

### Stocks

Stock and work in progress is valued at the lower of cost and net realisable value.

### Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities have not been discounted.

### Pensions

The company contributes to the defined benefit plan of Liverpool City Council. However as the company is unable to identify its share of the assets and liabilities of the plan it is treated as a defined contribution scheme in the accounts in accordance with FRS 17. Pension costs are charged to the profit and loss account as incurred.

### Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that these benefits can be measured reliably. It is measured at the fair value of the consideration received or receivable for goods and services provided, net of value added tax and discounts.

## 2. TURNOVER

The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the one principal activity of the company.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The company paid no emoluments to directors in the current or prior year. Directors' emoluments are borne by another group company.

	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
<b>Average number of persons employed</b>		
Administration	276	264
Production	504	476
	<u>780</u>	<u>740</u>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year</b>		
Wages and salaries	17,742,538	16,820,221
Social security costs	1,361,309	1,385,019
Pension costs	1,735,822	1,441,261
	<u>20,839,669</u>	<u>19,646,501</u>

**4. OPERATING LOSS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Operating loss is after charging:</b>		
Auditors' remuneration - audit of the company's annual accounts	<u>15,000</u>	<u>5,000</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank interest	<u>427,022</u>	<u>403,469</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax at 30% based on the profit for the year	-	(12,162)
Prior period adjustment	<u>8,537</u>	<u>(1,858)</u>
	8,537	(14,020)
Deferred tax	4,347	15,203
Timing differences origination and reversal	45,864	
Prior period adjustment	<u>50,211</u>	<u>15,203</u>
	58,748	1,183
<b>Total tax charge for the year</b>	<u><u>58,748</u></u>	<u><u>1,183</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

**6. TAX ON (LOSS) PROFIT ON ORDINARY ACTIVITIES (continued)**

The current tax (credit)/charge for the year is different than that which would be shown by applying the standard rate of taxation (30%) to the result for the year. The reasons are set out below:

	2008 £	2007 £
(Loss) profit on ordinary activities before taxation	(463)	43
Tax at 30%	(139)	13
Expenses not deductible for tax	2,140	2,700
Capital allowances in excess of depreciation	(4,347)	(5,796)
Movement in short term timing differences	-	(54,943)
Increase in tax losses carried forward	2,346	45,864
Prior period adjustment	8,537	(1,858)
Current tax (credit)/charge for the year	8,537	(14,020)

**7. TANGIBLE FIXED ASSETS**

	Plant & equipment, computer equipment £
<b>Cost</b>	
At 1 April 2007 and at 31 March 2008	14,040
<b>Accumulated depreciation</b>	
At 1 April 2007 and at 31 March 2008	14,040
<b>Net book value</b>	
At 31 March 2008 and 31 March 2007	-

**8. STOCKS**

	2008 £	2007 £
Raw materials and consumables	292,464	266,923
Work in progress	262,072	328,480
	554,536	595,403

There is no material difference between the balance sheet value of stocks and their replacement cost.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2008**

**9. DEBTORS**

Amounts due within one year

	2008 £	2007 £
Trade debtors	1,730,936	5,718,801
Amounts owed by group undertakings	4,886,986	2,127,124
Corporation tax debtor	12,162	8,844
Prepayments and accrued income	2,317,398	852,841
Deferred tax asset (see note 11)	31,856	82,067
	<u>8,979,338</u>	<u>8,789,677</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Overdraft	318,489	-
Trade creditors	1,144,244	7,496,868
Other creditors including taxation and social security:		
Taxation and social security	1,389,694	259,199
Other creditors	1,353,860	1,534,308
Amounts owed to group undertakings	52,053	46,657
Accruals and deferred income	9,556,095	7,478,392
	<u>13,814,435</u>	<u>16,815,424</u>

**11. DEFERRED TAXATION**

Deferred taxation asset (see note 9)

	£
At 1 April 2007	82,067
Charge for the year	(50,211)
At 31 March 2008	<u>31,856</u>

The deferred tax asset is analysed as follows:

	2008 £	2007 £
Depreciation in excess of capital allowances	13,041	17,389
Other short term timing differences	18,815	18,814
Tax losses	-	45,864
	<u>31,856</u>	<u>82,067</u>

The deferred tax asset has been recognised because in the opinion of the directors, future taxable profits will be generated against which it can be relieved.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

12. CALLED UP SHARE CAPITAL

	2008 No of shares	2008 £	2007 No of shares	2007 £
Authorised, called-up, allotted and fully paid				
Ordinary B shares of £1 each	80,001	80,001	80,001	80,001
Ordinary A shares of £1 each	19,999	19,999	19,999	19,999
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The shares rank pari passu.

13. PENSION COMMITMENTS

Enterprise-Liverpool Limited contributes to a defined benefit scheme run by the Merseyside pension fund of Liverpool City Council. As one of many contributors to this scheme it is not possible to separately identify the assets and liabilities relating to the Enterprise Liverpool employees. In accordance with FRS 17, it is therefore treated as a defined contribution scheme for disclosure purposes.

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2008 £	2007 £
Loss for the financial year	(59,210)	(1,140)
Net reduction in shareholders' funds	(59,210)	(1,140)
Opening shareholders' funds	144,653	145,793
Closing shareholders' funds	<u>85,443</u>	<u>144,653</u>

15. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating loss	(427,484)	(403,426)
Decrease in stocks	40,867	388,063
Increase in debtors	(236,623)	(5,027,883)
(Decrease)/Increase in creditors	(3,319,409)	3,675,605
Net cash (outflow)/inflow from operating activities	<u>(3,942,649)</u>	<u>(1,367,641)</u>

16. ANALYSIS OF NET FUNDS

	At 1 April 2007 £	Cash flow £	At 31 March 2008 £
Cash in hand and at bank	7,574,997	(3,208,993)	4,366,004
Overdrafts	-	(318,489)	(318,489)
Net Funds	<u>7,574,997</u>	<u>(3,527,482)</u>	<u>4,047,515</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

**17. RELATED PARTY TRANSACTIONS**

The company is owned 80% by Enterprise Public Services Limited and 20% by Liverpool City Council and its sole purpose is to provide street scene and social housing maintenance services to Liverpool City Council.

In arriving at the operating loss for the year, the company incurred charges in respect of services and resources supplied by Enterprise Limited. These totalled £12,843,646 (2007 - £12,671,491).

The balances owed from and to the group members of Enterprise Group Holdings Ltd are disclosed within the debtors and creditors notes 9 and 10 under balances with group undertakings.

The balance owed by Liverpool City Council at the year end is £1,022,338 (2007 - £4,724,256). This amount is included within trade debtors in note 9.

**18. ULTIMATE PARENT UNDERTAKING**

The immediate parent company of Enterprise-Liverpool Limited is Enterprise Public Services Limited.

At 31 March 2008, the company's ultimate parent company and controlling party was Enterprise Group Holdings Ltd, a company registered in England and Wales, whose financial statements may be obtained from the Secretary, Lancaster House, Centurion Way, Leyland, Lancashire PR26 6TX.