Company Registration No. 4161448

ENTERPRISE-LIVERPOOL LIMITED

Annual report and Financial Statements

For the year ended 31 March 2014

REPORT AND FINANCIAL STATEMENTS 2014

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J J Flood	(resigned 19 July 2013)
D N Foster	(resigned 8 April 2013)
M R Hynes	(resigned 12 July 2013)
R J McBride	
M Jenks	
T F Moore	
S P Chaston	(resigned 8 April 2013)
D Atherton	
A L Nelson	(appointed 8 April 2013)
J E Noakes	

COMPANY SECRETARY

Paul Birch

REGISTERED OFFICE

Newton Road
Liverpool
L13 3HS

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

STRATEGIC REPORT

ACTIVITIES

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

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Revenue in the year ended 31 March 2014 of £25.9m was £21.6m lower than the previous year. The reduction is primarily as a result of the completion of the highways and street cleaning contracts in July 2013 and subsequent re-award to a sister entity within the Ferrovial group. The loss of these contracts has had a similar effect on the costs of the business with margins remaining at near to nil in line with contract mechanisms adopted by the entity.

The company now provides grounds maintenance and refuse collection services for Liverpool City Council under long term contracts.

PRINCIPAL RISKS AND UNCERTAINTIES

Enterprise-Liverpool's business model is based around operating long term partnering contracts with Liverpool City Council which are delivered by a business unit with sufficient managerial and entrepreneurial strength to sustain its long term viability.

The Company works closely with the Council to identify areas of saving within a reduced budget whilst still maintaining a high level of service with both parties committed to working together to identify savings or potentially provide additional funding to bridge any funding shortfalls.

The principal risk affecting the business is:

Liquidity risk

The company operates with an overdraft facility and therefore control over cashflows is vital. Management maintain tight control over cashflow forecasts enabling the company to operate within its available resources.

The added pressures of budget constraints within the Council place additional pressures on the company in managing its cash position whilst delivering the services required by the council.

The Directors wish to draw attention to the statement of accounting policies regarding the basis of preparation of the accounts which can be found in note 1. The financial statements have been prepared on the going concern basis.

By order of the Board

Paul Birch
Company Secretary

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2014.

CHANGE IN OWNERSHIP

On 8 April 2013, the whole of the issued share capital of Enterprise Limited (formerly Enterprise plc), of which this company is a subsidiary, was acquired by Ferrovial Servicios SA.

GOING CONCERN

After making enquiries, and based on the assumptions attached in note 1 to the financial statements, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS AND TRANSFERS TO/FROM RESERVES

The directors are unable to recommend a final dividend (2013: same). No dividends were paid during the year (2013: same).

The profit after taxation for the year ended 31 March 2014 is £1,127 (2013: £25,532) which has been transferred to reserves.

DIRECTORS

The directors who served during the year and thereafter 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.

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

AUDITOR

Deloitte LLP have expressed their willingness to continue as the company's auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

Paul Birch
Company Secretary

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERPRISE-LIVERPOOL LIMITED

We have audited the financial statements of Enterprise-Liverpool Limited for the year ended 31 March 2014 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 21. The financial reporting framework that has been applied in their reparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, we have considered the adequacy of the disclosure made in Note 1 of the financial statements concerning the company's ability to continue as a going concern. Significant cost savings/additional funding are required to ensure the company can provide the ongoing services within the budget set by the Council. These conditions, along with other matters mentioned in Note 1 of the financial statements, indicate the material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Additionally we draw attention to the estimation made by the directors in relation to the receivables of £2.3 million included within Amounts Recoverable on Contracts (within Debtors due within one year) which has not been provided for. Currently, discussions are ongoing with Liverpool City Council in relation to this amount and, at the time of signing these accounts, there is significant uncertainty about the full recovery of the balances.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENTERPRISE-LIVERPOOL LIMITED (continued)

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

Emma Cox BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

30 January 2015

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2014

	Note	2014 £	2013 £
TURNOVER	2	25,862,556	47,535,836
Cost of sales		(24,671,228)	(43,924,025)
GROSS PROFIT		1,191,328	3,611,811
Administrative expenses		(1,218,748)	(3,597,184)
OPERATING (LOSS)/PROFIT	4	(27,420)	14,627
Interest receivable and similar income	5	9,700	14,815
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(17,720)	29,442
Tax on (loss)/profit on ordinary activities	6	18,847	(3,910)
PROFIT FOR THE FINANCIAL YEAR	13	1,127	25,532

All results are derived from continuing activities.

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

BALANCE SHEET
As at 31 March 2014

	Note	2014 £	2014 £	2013 £	2013 £
FIXED ASSETS					
Tangible assets	7		414,760		592,423
CURRENT ASSETS					
Stocks	8	89,634		263,236	
Debtors	9	5,936,421		9,608,189	
Cash at bank and in hand		1,349,537		1,358,184	
		7,375,592		11,229,609	
CREDITORS: amounts falling due within one year	10	(7,718,518)		(11,735,150)	
NET CURRENT LIABILITIES			(342,926)		(505,541)
TOTAL ASSETS LESS CURRENT LIABILITIES			71,834		86,882
PROVISIONS FOR LIABILITIES AND CHARGES	11		-		(16,175)
NET ASSETS			71,834		70,707
CAPITAL AND RESERVES					
Called up equity share capital	12		100,000		100,000
Profit and loss account	13		(28,166)		(29,293)
TOTAL SHAREHOLDERS' FUNDS			71,834		70,707

These financial statements were approved by the Board of Directors on 27 January 2015

Signed on behalf of the Board of Directors

Director

DAVID ATHERTON

CASH FLOW STATEMENT
Year ended 31 March 2014

	Note	2014 £	2013 £
Net cash (outflow)/inflow from operating activities	15	(18,347)	595,180
Returns on investments and servicing of finance			
Interest received		9,700	14,815
(Decrease)/increase in cash in the year	16	(8,647)	609,995

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2014

1. ACCOUNTING POLICIES

Accounting convention

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.

Basis of preparation

Going concern

The company's business activities, together with the factors likely to affect is future development, performance and position are set out in the Strategic Report on page 2. This includes the key risks and uncertainties affecting the Company.

As described in the Strategic Report on page 2, the current economic environment is difficult and can impact on both the financial performance and liquidity of the Company. Significant cost savings/additional funding are required to ensure the company can provide the ongoing services within the budget set by the Council. Without adequate control over cash flows this could have a significant impact on the liquidity of the company.

Taking into account the factors described above, the directors' consider that the outlook presents significant challenges in terms of both service delivery within budget, as well as cash management. In making their going concern assessment, the directors have prepared cashflow forecasts, including sensitivities which reflect known risks and have considered the mitigating actions available to the Company. Whilst both the Company and the Council are using best endeavours to deliver savings and identify additional funding opportunities and have instituted various measures to manage working capital and preserve cash, the above circumstances present material challenges over future trading results and cashflows.

The directors have concluded that the above circumstances represent a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern, and that the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the challenges noted above, the directors have a reasonable expectation, based on a review of their current forecasts, that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Stocks

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

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.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of the Creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives on a straight-line basis as follows:

Plant & equipment, computer equipment - 10% to 33% per annum

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2014

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.

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 and are not recharged. It is not practicable to split the remuneration between companies within the group.

	2014 No.	2013 No.
Average number of persons employed		
Administration	47	102
Production	342	513
	389	615

	£	£
Staff costs during the year		
Wages and salaries	8,818,872	14,918,840
Social security costs	786,261	1,327,803
Pension costs	476,955	1,081,248
	10,082,088	17,327,891

4. OPERATING LOSS

	2014 £	2013 £
Operating loss is after charging:		
Auditor's remuneration - audit of the company's annual accounts	15,000	15,000
Depreciation	177,663	178,301

There were no non-audit fees in either year.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Bank interest	9,700	14,815

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
Deferred tax		
Timing differences origination and reversal	(19,248)	3,910
Change in rate	401	-
	(18,847)	3,910
Total tax (credit)/charge for the year	(18,847)	3,910

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The current tax charge for the year is different than that which would be shown by applying the standard rate of taxation 23% (2013: 24%) to the result for the year. The reasons are set out below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	(17,720)	29,422
Tax at 23% (2013: 24%)	(4,076)	7,066
Capital allowances less than depreciation	19,248	11,467
Group relief	(15,172)	(18,533)
Current tax charge for the year	-	-

7. TANGIBLE FIXED ASSETS

	Plant & equipment, computer equipment £
Cost	
At 1 April 2013 and 31 March 2014	1,186,920
Accumulated depreciation	
At 1 April 2013	594,497
Charge for the year	177,663
At 31 March 2014	772,160
Net book value	
At 31 March 2014	414,760
At 31 March 2013	592,423

8. STOCKS

	2014 £	2013 £
Raw materials and consumables	89,634	263,236

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2014

9. DEBTORS

	2014 £	2013 £
Amounts due within one year		
Trade debtors	1,084,721	4,098,023
Amounts recoverable on contracts	4,372,449	4,583,743
Prepayments and accrued income	476,579	926,423
Deferred tax - asset (see note 11)	2,672	-
	5,936,421	9,608,189

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	2,259,984	2,254,883
Taxation and social security	157,133	1,036,489
Other creditors	1,215,465	2,423,673
Amounts owed to group undertakings	2,692,065	3,288,289
Accruals and deferred income	1,393,871	2,731,816
	7,718,518	11,735,150

11. DEFERRED TAXATION

	£
At 1 April 2013 - liability	(16,175)
Credit for the year	18,847
At 31 March 2014 – asset (note 9)	2,672

The deferred tax asset/(liability) is analysed as follows:

	2014 £	2013 £
Depreciation in excess of capital allowances	2,672	(16,175)

12. CALLED UP SHARE CAPITAL

	2014 No of shares	2014 £	2013 No of shares	2013 £
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
	100,000	100,000	100,000	100,000

The shares rank pari passu.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2014

13. PROFIT AND LOSS ACCOUNT

	£
Brought forward at 1 April 2013	(29,293)
Profit for the year	1,127
Carried forward at 31 March 2014	(28,166)

14. 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. The pension cost charge for the period represents contributions payable by the company to the Scheme and amounted to £476,955 (2013: £1,081,248).

15. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating (loss)/profit	(27,420)	14,627
Depreciation charge	177,663	178,301
Decrease in stocks	173,602	81,804
Decrease/(increase) in debtors	3,674,440	(2,224,688)
(Decrease)/increase in creditors	(4,016,632)	2,545,136
Net cash (outflow)/inflow from operating activities	(18,347)	595,180

16. ANALYSIS OF NET FUNDS

	At 1 April 2013 £	Cash flow £	At 31 March 2014 £
Cash in hand and at bank	1,358,184	(8,647)	1,349,537

17. RELATED PARTY TRANSACTIONS

During the year, the company was owned 80% by Enterprise Public Services Limited and 20% by Liverpool City Council and its sole purpose is to provide streetscene services to Liverpool City Council.

In arriving at the operating result for the year, the company incurred charges in respect of services and resources supplied by members of the Enterprise Group. These totalled £12,037,847 (2013: £12,492,849).

The balances owed from and to Enterprise Managed Services 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 £754,718 (2013: £1,613,033). This amount is included within trade debtors in note 9.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 March 2014

18. ULTIMATE PARENT UNDERTAKING

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

Until 8 April 2013, the Company's ultimate parent Company and controlling party was Enterprise Group Holdings Limited, a Company registered in England and Wales.

As noted in the Directors report, on 8 April 2013 the whole of the issued share capital of Enterprise plc, of which this Company is an indirect subsidiary, was acquired by Ferrovial Servicios S.A. Enterprise Limited (formerly Enterprise plc) was a wholly owned subsidiary of Enterprise Group Holdings Limited until this point. Following the acquisition, Ferrovial, S.A. is the ultimate parent Company, a Company incorporated in Spain.

Copies of the group financial statements of Ferrovial, S.A., which is the parent of the largest group of which the Company is a member, can be obtained from:

Ferrovial, S.A.
Principe de Vergara, 135
28002 Madrid
Spain

Copies of the group financial statements of Amey UK plc, the ultimate holding company in the UK and the parent of the smallest group for which group financial statements are prepared and of which the Company is a member, can be obtained from:

Head Office
The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ