

Company Registration No. 04633666 (England and Wales)

LIVERPOOL MARKETS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
PAGES FOR FILING WITH REGISTRAR



LIVERPOOL MARKETS LIMITED

COMPANY INFORMATION

Director	Darren Hardy	(Appointed 5 August 2017)
Company number	04633666	
Registered office	Cunard Building Water Street Liverpool L3 1DS	
Auditor	Royce Peeling Green Limited The Copper Room Deva Centre Trinity Way Manchester M3 7BG	

LIVERPOOL MARKETS LIMITED

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LIVERPOOL MARKETS LIMITED

BALANCE SHEET

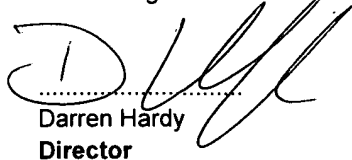
AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4		39,000		28,875
Current assets					
Debtors	5	347,811		86,813	
Cash at bank and in hand		100		260,235	
		<u>347,911</u>		<u>347,048</u>	
Creditors: amounts falling due within one year	6	<u>(3,473,685)</u>		<u>(2,003,910)</u>	
Net current liabilities			<u>(3,125,774)</u>		<u>(1,656,862)</u>
Total assets less current liabilities			<u>(3,086,774)</u>		<u>(1,627,987)</u>
Provisions for liabilities	7		<u>(693,140)</u>		<u>(770,090)</u>
Net liabilities			<u><u>(3,779,914)</u></u>		<u><u>(2,398,077)</u></u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss reserves			<u>(3,780,014)</u>		<u>(2,398,177)</u>
Total equity			<u><u>(3,779,914)</u></u>		<u><u>(2,398,077)</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 5/12/2018 and are signed on its behalf by:


Darren Hardy
Director

Company Registration No. 04633666

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Liverpool Markets Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cunard Building, Water Street, Liverpool, L3 1DS.

The principal activity of the company is the operation of markets in the Liverpool area.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

In the year ended 31 March 2018 the company reported a total comprehensive loss of £1.4 million and there is a deficit in shareholders' funds of £3.8 million at the period end, although this includes the defined benefit pension scheme liability of £0.7 million (net of deferred tax).

The ability of the company to operate as a going concern is wholly dependent on the support of its shareholder and principal creditor, Liverpool City Council, which is currently reviewing the operations of the company with a view to restructuring to create a viable business capable of supporting its plans for this important aspect of the City's retail environment.

Liverpool City Council has provided an undertaking to the directors that it will provide adequate financial assistance to enable the company to continue its business operations as a going concern for the foreseeable future, being a minimum of twelve months from the date of approval of the financial statements.

On this basis, the director considers there to be a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and has adopted the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Furniture, fittings and equipment	10%, 25% and 33.33% straight line
Motor vehicles	25% and 33.33% straight line

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company runs two pension schemes:

- a) A defined contribution scheme available to all employees
- b) A defined benefit scheme for some long serving employees no longer open to new members.

In respect of the defined contribution scheme, contributions payable are charged to the profit and loss account in the year they are payable.

Certain employees are members of a defined benefit pension scheme. The cost of providing benefits under defined benefit plans is determined separately using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Exceptional items

	2018 £	2017 £
Exceptional charges	-	783,570

Exceptional charges represent the costs incurred by the company at the time of its acquisition by Liverpool City Council; being principally the write off of net amounts owed by the former shareholder and its related parties, the write off of uncollectable trade debtors and other unsupported assets and the recognition of liabilities not accounted for previously.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2017 - 15).

The directors receive no remuneration (2017 - £Nil) from the company.

4 Tangible fixed assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 2017	24,875	26,011	50,886
Additions	24,875	-	24,875
At 31 March 2018	49,750	26,011	75,761
Depreciation and impairment			
At 1 April 2017	-	22,011	22,011
Depreciation charged in the year	10,750	4,000	14,750
At 31 March 2018	10,750	26,011	36,761
Carrying amount			
At 31 March 2018	39,000	-	39,000
At 31 March 2017	24,875	4,000	28,875

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	122,531	84,345
Other debtors	225,280	2,468
	<u>347,811</u>	<u>86,813</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	7,581	4,753
Amounts due to group undertakings	2,899,627	1,330,562
Other taxation and social security	7,024	10,471
Other creditors	559,453	658,124
	<u>3,473,685</u>	<u>2,003,910</u>

7 Provisions for liabilities

	Mar, 31 2018 £	Dec, 30 2017 £
Pension deficit	861,000	956,000
Deferred tax assets	(167,860)	(185,910)
	<u>693,140</u>	<u>770,090</u>

Deferred tax assets comprise decelerated capital allowances of £4,270 (2017: £4,270) and the timing difference associated with the defined benefit pension scheme of £163,590 (2017: £181,640).

No deferred tax asset has been recognised in respect of the accumulated taxable losses of the company due to uncertainty regarding the timing of their utilisation.

8 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>4,071</u>	<u>1,399</u>

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Retirement benefit schemes

(Continued)

Defined benefit scheme

The company operates a pension scheme for certain employees via the Merseyside Pension Fund. This scheme provides benefits in line with those provided to local authority staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund which are now based on 15.9% (2017: 15.9%) of the employees' pensionable earnings plus deficit contributions of £26,600 per annum (2017: £26,600). The contributions payable by the company may be altered in accordance with the calculations of the scheme actuary from time to time.

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	31/03/18	31/03/2017
	£	£
Present value of funded obligations	(2,819,000)	(2,882,000)
Fair value of plan assets	1,958,000	1,926,000
Total deficit recognised	(861,000)	(956,000)
Related deferred tax asset	163,590	181,640
Net liability recognised	(697,410)	(774,360)
Amounts recognised in profit or loss are:		
Current service cost	(22,000)	(18,000)
Net interest cost (on net defined benefit liability)	(24,000)	(27,000)
Total recognised in profit and loss	(46,000)	(45,000)
Remeasurements recognised in Other Comprehensive Income :		
Actuarial gain/ (loss) on the assets	-	514,000
Actuarial gain/ (loss) on the liabilities	104,000	(704,000)
Total recognised in Other Comprehensive Income	104,000	(190,000)
Total credit/ (cost) relating to defined benefit scheme	58,000	(235,000)

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Retirement benefit schemes

(Continued)

Principal actuarial assumptions as at the end of the accounting period:

CPI inflation rate - 2.1% (2017: 2.3%)
 Increase in salaries - 3.6% (2017: 3.8%)
 Increase in pensions in payment - 2.2% (2017: 2.3%)
 Discount rate - 2.6% (2017: 2.5%)

Life expectancy assumptions

Members not yet retired

Life expectancy at 65 of a male member(non-pensioner) currently aged 45 24.9 years

Life expectancy at 65 of a female member(non-pensioner) currently aged 45 27.7 years

Current pensioners

Life expectancy of a male member(pensioner) currently aged 65 21.9 years

Life expectancy of a female member(pensioner) currently aged 65 24.7 years

	31/03/2018	31/03/2017
	£	£
Reconciliation of change in defined benefit obligation		
Opening defined benefit obligation	2,882,000	2,137,000
Current service cost (including admin expenses)	22,000	18,000
Interest cost	72,000	75,000
Actuarial (gains)/ losses on obligation	(104,000)	704,000
Benefits paid	(57,000)	(56,000)
Member contributions	4,000	4,000
Closing defined benefit obligation	2,819,000	2,882,000
	31/03/2018	31/03/2017
	£	£
Reconciliation of change in plan assets		
Fair value of plan assets at start of period	1,926,000	1,393,000
Interest on plan assets	48,000	48,000
Actuarial gains/(losses) on assets	-	514,000
Contributions paid by the employer	37,000	23,000
Member contributions	4,000	4,000
Benefits paid	(57,000)	(56,000)
Fair value of plan assets at end of period	1,958,000	1,926,000

LIVERPOOL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

9 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
81 A Ordinary shares of £1 each	81	81
19 B Ordinary shares of £1 each	19	19
	<u>100</u>	<u>100</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified
The senior statutory auditor was Martin Chatten.
The auditor was Royce Peeling Green Limited.

11 Financial commitments, guarantees and contingent liabilities

The Company is currently involved in legal proceedings with a former supplier. The outcome of these proceedings may have a significant effect on the financial position of the Company but due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, which may arise from the proceedings can be made at this time.

12 Parent company

At 31 March 2018 the immediate and ultimate parent undertaking was Liverpool City Council.

13 Related party transactions

The company entered into transactions with the following related parties during the year:

Liverpool City Council (LCC) is the sole shareholder in the company. As part of its ongoing activities the company incurs costs from LCC in relation to rent, rates and service charges for each site from which it operates plus monthly and annual management fees. Included within other creditors is an amount of £2,899,627 (2017: £1,330,562) owed to LCC.

Geraud Markets (UK) Limited was the parent undertaking until 27 September 2016. The exceptional charge in the prior period included in the statement of total comprehensive income includes £515,073 in respect of balances owed by the Geraud group which were written off by the company as a condition of the purchase of the shares held by Geraud Markets (UK) Limited.