HBD

Company Registration No. 05113671 (England and Wales)

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 JULY 2014

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | Mr David Attwooll<br>Mr Anthony Cond<br>Mr David McDonnell<br>Mrs Alison Welsby<br>Miss Jennifer Howard<br>Professor Fiona Beveridge<br>Ms Sue Corbett<br>Mrs Justine Greig |
| **Secretary** | Mrs Justine Greig |
| **Company number** | 05113671 |
| **Registered office** | 4 Cambridge Street<br>Liverpool<br>Merseyside<br>L69 7ZU |
| **Auditors** | HBD Accountancy Services LLP<br>Gladstone House<br>2 Church Road<br>Liverpool<br>L15 9EG |
| **Bankers** | Barclays Bank Plc<br>Barclays Corporate Business<br>6th Floor<br>1 Marsden Street<br>Manchester<br>M2 1HW |
| **Solicitors** | Brabners Chaffe Street<br>Horton House<br>Exchange Flags<br>Liverpool<br>L2 3YL |

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## CONTENTS

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## DIRECTORS' REPORT

### *FOR THE YEAR ENDED 31 JULY 2014*

The directors present their report and financial statements for the year ended 31 July 2014.

**Directors**
The following directors have held office since 1 August 2013:

Mr David Attwooll
Mr Anthony Cond
Mr David McDonnell
Mrs Alison Welsby
Miss Jennifer Howard
Professor Fiona Beveridge
Ms Sue Corbett
Mrs Justine Greig

**Auditors**
In accordance with the company's articles, a resolution proposing that HBD Accountancy Services LLP be reappointed as auditors of the company will be put at a General Meeting.

**Statement of directors' responsibilities**
The directors are responsible for preparing the Directors' 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

## LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

### DIRECTORS' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 JULY 2014*

**Statement of disclosure to auditors**
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Mr Anthony Cond
**Director**
25 February 2015

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

We have audited the financial statements of Liverpool University Press 2004 Limited for the year ended 31 July 2014 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation 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 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**
As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 July 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.

**Opinion on other matter prescribed by the Companies Act 2006**
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)
## TO THE MEMBERS OF LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

**Benjamin Russell BSc ACA (Senior Statutory Auditor)**
**for and on behalf of HBD Accountancy Services LLP**

25 February 2015

**Chartered Accountants**
**Statutory Auditor**

Gladstone House
2 Church Road
Liverpool
L15 9EG

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## PROFIT AND LOSS ACCOUNT

### *FOR THE YEAR ENDED 31 JULY 2014*

| | Notes | 2014<br>£ | 2013<br>£ |
|---|---|---|---|
| **Turnover** | | 1,478,951 | 1,284,062 |
| Cost of sales | | (459,337) | (418,057) |
| **Gross profit** | | 1,019,614 | 866,005 |
| Distribution costs | | (285,263) | (229,858) |
| Administrative expenses | | (654,926) | (560,246) |
| **Operating profit** | 2 | 79,425 | 75,901 |
| Other interest receivable and similar income | 3 | 56 | 123 |
| **Profit on ordinary activities before taxation** | | 79,481 | 76,024 |
| Tax on profit on ordinary activities | 4 | (11) | (25) |
| **Profit for the year** | 12 | 79,470 | 75,999 |

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

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

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## BALANCE SHEET

*AS AT 31 JULY 2014*

| | | 2014 | | 2013 | |
|---|---|---|---|---|---|
| | **Notes** | **£** | **£** | **£** | **£** |
| **Fixed assets** | | | | | |
| Intangible assets | **5** | | 128,037 | | 165,405 |
| Tangible assets | **6** | | 10,852 | | 12,975 |
| | | | 138,889 | | 178,380 |
| **Current assets** | | | | | |
| Stocks | | 208,733 | | 229,740 | |
| Debtors | **8** | 266,457 | | 313,006 | |
| Cash at bank and in hand | | 336,780 | | 149,550 | |
| | | 811,970 | | 692,296 | |
| **Creditors: amounts falling due within one year** | **9** | (595,079) | | (594,366) | |
| **Net current assets** | | | 216,891 | | 97,930 |
| **Total assets less current liabilities** | | | 355,780 | | 276,310 |
| **Capital and reserves** | | | | | |
| Called up share capital | **11** | | 720,100 | | 720,100 |
| Profit and loss account | **12** | | (364,320) | | (443,790) |
| **Shareholders' funds** | **13** | | 355,780 | | 276,310 |

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

Approved by the Board and authorised for issue on 25 February 2015

Mr Anthony Cond
**Director**

**Company Registration No. 05113671**

## 1 Accounting policies

### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

These accounts are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have assessed the financial position of the company and there are no material uncertainties that cast doubt on the company's ability to remain a going concern. In particular the company has remained profitable and the directors believe this will continue into the future.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Subscriptions to journals relate to a calendar year. Income received in respect of each journal is divided equally over the number of issues to be published in the calendar year. A proportion of the income received is deferred at the end of the accounting period as it is attributable to issues to be published between the following August and December.

### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

### 1.5 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated straight line over 5 years.

### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| Fixtures, fittings & equipment | Equally over 4 years |

### 1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 1.8 Stock and work in progress

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

Cost includes all costs of publishing a title net of grants received towards its publication.

### 1 Accounting policies **(Continued)**

**1.9 Pensions**

The company contibutes to the Universities Superannuation Scheme (USS) and the University of Liverpool Pension Fund (ULPF) for its academic and administrative staff respectively. Both schemes are defined benefit, externally funded and contracted out of the State Second Pension (S2P). The assets of the schemes are held in separate trustee administered funds.

The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by each fund's trustee on the advice of the actuary. In the intervening years the actuary reviews the progress of the scheme.

As the company is unable to identify the share of the underlying assets and liabilities pertaining to its employees on a reasonable and consistent basis, it has followed the provisions of Financial Reporting Standard No 17 by accounting for its contributions to the two schemes as though they were defined contribution schemes for the year. As a result, the amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

**1.10 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**1.11 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

**1.12 Related party transactions**

The company has claimed the exemption available under Financial Reporting Standard No 8 from the requirement to disclose transactions with its ultimate controlling party, The University of Liverpool, as the company's financial statements will be included in the publically available consolidated financial statements of the University.

### 2 Operating profit

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Amortisation of intangible assets | 37,368 | 21,434 |
| Depreciation of tangible assets | 6,040 | 4,967 |
| Loss on foreign exchange transactions | 16,544 | - |
| Operating lease rentals | 30,000 | 28,500 |
| Auditors' remuneration (including expenses and benefits in kind) | 3,600 | 3,400 |
| Directors' remuneration | 217,162 | 197,597 |
| and after crediting: | | |
| Profit on foreign exchange transactions | - | (4,857) |

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 4 (2013 - 4).

# LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 JULY 2014*

| 3 | **Investment income** | **2014** | **2013** |
|---|---|---|---|
| | | **£** | **£** |
| | Bank interest | 56 | 123 |
| | | 56 | 123 |

| 4 | **Taxation** | **2014** | **2013** |
|---|---|---|---|
| | | **£** | **£** |
| | **Domestic current year tax** | | |
| | U.K. corporation tax | 11 | 25 |
| | **Total current tax** | 11 | 25 |
| | **Factors affecting the tax charge for the year** | | |
| | Profit on ordinary activities before taxation | 79,481 | 76,024 |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2013 - 20.00%) | 15,896 | 15,205 |
| | Effects of: | | |
| | Non deductible expenses | 212 | - |
| | Depreciation add back | 1,208 | 595 |
| | Capital allowances | (826) | - |
| | Tax losses utilised | (16,479) | (15,775) |
| | | (15,885) | (15,180) |
| | **Current tax charge for the year** | 11 | 25 |

The company has estimated losses of £ 32,511 (2013 - £ 114,904) available for carry forward against future trading profits.

**5 Intangible fixed assets**

| | Goodwill | Other intangible assets | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 August 2013 & at 31 July 2014 | 159,339 | 27,500 | 186,839 |
| **Amortisation** | | | |
| At 1 August 2013 | 15,934 | 5,500 | 21,434 |
| Charge for the year | 31,868 | 5,500 | 37,368 |
| At 31 July 2014 | 47,802 | 11,000 | 58,802 |
| **Net book value** | | | |
| At 31 July 2014 | 111,537 | 16,500 | 128,037 |
| At 31 July 2013 | 143,405 | 22,000 | 165,405 |

**6 Tangible fixed assets**

| | Fixtures, fittings & equipment |
|---|---|
| | £ |
| **Cost** | |
| At 1 August 2013 | 21,876 |
| Additions | 3,917 |
| Disposals | (1,092) |
| At 31 July 2014 | 24,701 |
| **Depreciation** | |
| At 1 August 2013 | 8,901 |
| On disposals | (1,092) |
| Charge for the year | 6,040 |
| At 31 July 2014 | 13,849 |
| **Net book value** | |
| At 31 July 2014 | 10,852 |
| At 31 July 2013 | 12,975 |

## 6 Tangible fixed assets

| | Fixtures, fittings & equipment |
|---|---|
| | £ |
| **Cost** | |
| At 1 August 2013 | 21,876 |
| Additions | 3,917 |
| Disposals | (1,092) |
| At 31 July 2014 | 24,701 |
| **Depreciation** | |
| At 1 August 2013 | 8,901 |
| On disposals | (1,092) |
| Charge for the year | 6,040 |
| At 31 July 2014 | 13,849 |
| **Net book value** | |
| At 31 July 2014 | 10,852 |
| At 31 July 2013 | 12,975 |

## 8 Debtors

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Trade debtors | 102,270 | 168,651 |
| Other debtors | 164,187 | 144,355 |
| | 266,457 | 313,006 |

| 9 **Creditors: amounts falling due within one year** | **2014** | **2013** |
|---|---|---|
| | **£** | **£** |
| Trade creditors | 46,342 | 83,436 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 45,327 | 40,157 |
| Taxation and social security | 11 | 25 |
| Other creditors | 503,399 | 470,748 |
| | 595,079 | 594,366 |

The bank overdraft facility is secured by a Limited Guarantee given by University of Liverpool for £350,000.

Included in short term creditors is an amount totalling £45,327 (2013: £40,157) owed to The University of Liverpool, the parent company.

## 10 Retirement Benefits

### Defined contribution scheme

The company has accounted for its contributions to the two defined benefit schemes as though they were defined contribution schemes. The pension costs of £48,691 (2013: £40,137) was the employer's contribution payable to the Universities Superannuation Scheme (USS) and the University of Liverpool Pension Fund (ULPF) for the year. This treatment is in accordance with Financial Reporting Standard No 17.

The latest actuarial valuation of the USS was at 31 March 2014. At the valuation date, the market value of the assets of the scheme was £41.6 billion and the value of the past service liabilities was £48.8 billion indicating a deficit of £7.2 billion.

The last actuarial valuation of the ULPF was at 31 July 2009. The Fund's assets were valued at £180.47 million, whilst the liabilities were valued at £198.70 million, leaving an actuarial deficit of £18.23 million.

| | **2014** | **2013** |
|---|---|---|
| | **£** | **£** |
| Contributions payable by the company for the year | 48,691 | 40,137 |

| 11 **Share capital** | **2014** | **2013** |
|---|---|---|
| | **£** | **£** |
| **Allotted, called up and fully paid** | | |
| 720,100 Ordinary shares of £1 each | 720,100 | 720,100 |

## 12 Statement of movements on profit and loss account

| | Profit and loss account £ |
|---|---|
| Balance at 1 August 2013 | (443,790) |
| Profit for the year | 79,470 |
| Balance at 31 July 2014 | (364,320) |

## 13 Reconciliation of movements in Shareholders' funds

| | 2014 £ | 2013 £ |
|---|---|---|
| Profit for the financial year | 79,470 | 75,999 |
| Opening Shareholders' funds | 276,310 | 200,311 |
| Closing Shareholders' funds | 355,780 | 276,310 |

## 14 Financial commitments

At 31 July 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2015:

| | Land and buildings | |
|---|---|---|
| | 2014 £ | 2013 £ |
| Operating leases which expire: | | |
| Between two and five years | 31,500 | 16,500 |

## 15 Control

The ultimate controlling party is considered to be the University of Liverpool, which is the parent company of Liverpool University Press 2004 Limited.

## 16 Related party relationships and transactions

During the year the company incurred £9,600 (2013: £14,638) for consultancy fees and reimbursed expense from Attwooll Associates Limited, a company related by a common director, Mr David Attwooll. The balance outstanding at the year end was £800.

The company also incurred consultancy fees and reimbursed expenses totalling £2,344 (2013: £4,000) from Ms Sue Corbett, a director of the company. There was no balance outstanding at the year end.