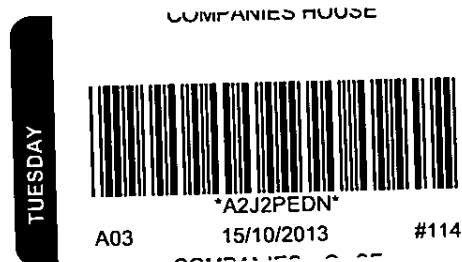


Liverpool Vision Limited

GROUP FINANCIAL STATEMENTS

For the Year Ended 31 March 2013

Company Registration No 06580889



Liverpool Vision Limited

CONTENTS

DIRECTORS AND ADVISORS	1
DIRECTORS' REPORT	2
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	12
INDEPENDENT AUDITOR'S REPORT	13
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	14
COMPANY STATEMENT OF COMPREHENSIVE INCOME	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	16
COMPANY STATEMENT OF FINANCIAL POSITION	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
CONSOLIDATED STATEMENT OF CASH FLOWS	19
COMPANY STATEMENT OF CASH FLOWS	20
ACCOUNTING POLICIES	21
NOTES TO THE GROUP FINANCIAL STATEMENTS	26

Liverpool Vision Limited

DIRECTORS AND ADVISORS

DIRECTORS

Cllr J Anderson
Cllr R M Kennedy

SECRETARY

I J McCarthy

REGISTERED OFFICE

Liverpool Vision Ltd
10th Floor
The Capital
39 Old Hall Street
Liverpool
L3 9PP
Tel +44 151 600 2900
Fax +44 151 600 2970

Company no 06580889

AUDITORS

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

TAX ADVISORS

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

TAX ADVISORS (VAT)

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

BANKERS

NatWest
Liverpool City Office
22 Castle Street
Liverpool
L2 0UP

Liverpool Vision Limited

DIRECTORS' REPORT

Company Registration No 06580889

The directors submit their report and the consolidated financial statements of Liverpool Vision Limited for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the group is to promote and facilitate the economic development of Liverpool

REVIEW OF BUSINESS

During the year the company focused on the delivery of its business plan for 2012-15, aiming to generate jobs and investment in the Liverpool economy

Liverpool Land Development Company Limited ("LLDC"), a subsidiary of Liverpool Vision Limited ("LV"), continued to promote the physical and economic regeneration of the Strategic Investment Areas (SIAs) Speke, Halewood, Atlantic Gateway, Approach A580 and Eastern Approaches

Governance

In May 2012 Liverpool Vision adopted new Articles of Association. These reflect the single Membership of the Company, the requirements of the Companies Act (2006) and provide a clear set of matters which are reserved to Liverpool City Council ("LCC")

Liverpool adopted the elected mayor model of governance in early 2012. The new Mayor of Liverpool was elected in May and a Mayoral Development Corporation established shortly afterwards, with a Board structure. Liverpool Vision's governance arrangements were then amended to ensure a streamlined relationship with the new Mayoral arrangements. The revised Articles provide for a Board of two Directors, currently the Mayor of Liverpool (Chair) and Councillor Malcolm Kennedy. The Board is supported by an Advisory Group consisting of the Cabinet Members for Employment & Skills and Culture & Tourism, and the Chief Executives of Liverpool City Council and Liverpool Vision. The Cabinet Member for Employment & Skills chairs the Finance Sub-Group, scrutinising financial management, audit and risk management, reporting to the Board.

The City Council continues to scrutinise Liverpool Vision Limited through its Regeneration Select Committee, and liaises frequently on a range of corporate and organisational matters. Vision works closely with several Council departments, in particular Regeneration, and the ongoing co-location of Culture Liverpool in the Vision offices has strengthened the collective ability to improve Liverpool's business and cultural offer.

Operating Environment

Economic conditions remained difficult and public sector funding availability continued to reduce. The city's performance against some key indicators began to improve again, however the Liverpool economy is now larger than ever and the business formation rate is growing. Work in key international markets over the past two years has generated a very significant pipeline of inward investment projects. Structural economic challenges remain, however unemployment and worklessness remain very high and the city's performance is worse than the Core Cities average on many indicators.

City Council Funding

Liverpool City Council committed both operational and programme funding support for 2012/13. Liverpool Vision's Board fully understands how tight the funding environment is and manages operational and programme costs very carefully. The Board is clear that the ongoing difficult economic conditions and reductions in the level of public funding reinforce the need for Vision to generate an increasing impact on the Liverpool economy.

Liverpool Vision Limited

DIRECTORS' REPORT

Performance Summary

Key Direct Outputs		2012-13
Jobs created	<i>Business Plan</i>	531
	<i>Actual</i>	616
Businesses created	<i>Business Plan</i>	120
	<i>Actual</i>	135
Private sector investment (£millions)	<i>Business Plan</i>	56.9
	<i>Actual</i>	30.3

AMBITION 1: Liverpool is recognised as a global capital of entrepreneurship and growth

2012/13 was an important year for Vision's business growth and enterprise services, seeing the launch of its remodelled team and services following the closure of the Northwest Development Agency. The team began delivery of the Liverpool element of the Merseyside Business Support Programme, part funded by the European Regional Development Fund (ERDF), in quarter two. Vision as a whole created more than 600 jobs and 135 businesses in the year – an increase of 200 and 30 on the previous year, respectively. It also safeguarded hundreds of other jobs and supported many businesses through the challenges posed by the ongoing economic stress the national economy is experiencing. Vision also secured the International Festival for Business 2014 (IFB 2014) for Liverpool and its city region. This will be the biggest business festival in the country since 1951.

AMBITION 2: Liverpool is an international investment location

Vision's work on delivering the Liverpool International Strategy gathered significant momentum in the last year. Securing government support for the International Festival of Business 2014 was a major milestone, as set out in the special feature later in the document. Vision's engagement with the key markets of London, the United States, China, India and Germany has progressed substantially, helping develop a pipeline of 86 foreign direct investment projects representing a total of more than 7,000 potential jobs. Handling these cases is a major priority for the team. Liverpool in London generated £20m in investment and £2.8m of sales for Liverpool companies. It also achieved almost £60k in membership fees and is well on track to achieve financial self-sustainability. Vision also worked with hundreds of businesses interested in trading overseas, through the 'It's Liverpool in China' network and ACME Merseyside. This should be reflected in increased exports over time.

AMBITION 3: Liverpool is the number one visitor and culture destination in England, outside London

Vision has continued to work increasingly closely with the City Council's Culture and Tourism teams, which are based in the Vision offices. This enhances their capacity to deliver and promote the city's cultural events programme, boosting visitor numbers and spending. This is reflected in Liverpool having now climbed to third place city in England outside London, in terms of overseas visitor numbers. Securing IFB 2014 will provide a significant long term boost to Vision's work on this agenda, and help expand Liverpool's reputation for major events further into the business world. The team's work with creative and digital businesses also supports this agenda, helping them grow and to become more international. For example, Vision's support has helped Liverpool Sound City expanding to run festivals in New York and Athens (Georgia), gaining work for Liverpool companies and promoting the city in the key market of the USA.

AMBITION 4: Liverpool City Centre is thriving

Vision completed and launched the City Centre Strategic Investment Framework, working closely with the business community. The document lays the foundations for the next stage of the city centre's transformation and has been extremely well received. The Area Investment team worked with businesses in the city centre neighbourhoods to help them overcome barriers to growth, and including continuing to play a key role in the

Liverpool Vision Limited

DIRECTORS' REPORT

development of the Baltic Triangle, where many of the jobs Vision has helped generate in the creative and digital sector are based

AMBITION 5: North Liverpool is fulfilling its potential

Vision has continued to make good progress in delivering the North Liverpool and South Sefton Strategic Regeneration Framework, working with Liverpool City Council, Sefton Metropolitan Borough Council and the Homes and Communities Agency. A number of significant milestones have been passed in the last year. For example, Harcourt Developments have commenced work on site in the £30m redevelopment at Stanley Dock, a design competition has resulted in Broadway Malyan being appointed to design the Destination Hub at Everton Park, generating lots of community and media interest, and work is progressing to acquire sites for development to provide commercial floor space for current and anticipated requirements.

Supporting delivery

Internally, Vision has continued to increase efficiency through reviewing its contracts, internal structures and use of information technology. For example, a new client relationship management system has been implemented to streamline engagement with businesses and improve the capturing of performance management and reporting data. This is alongside a new, online, staff performance management system.

THE FUTURE

Liverpool Vision has published a business plan for 2013-16. It examines the operating environment, sets objectives and targets, and a programme of prioritised activities.

KEY PERFORMANCE INDICATORS (KPIs)

The business plan sets three year targets for 'key direct outputs', from which the KPIs are derived.

Indicator	Target	Source
Jobs created	1,500	Liverpool Vision Business Plan 2013-16
Businesses created	150	" "
Business assists (12 hour)	500	" "
Private sector investment	£120m	" "

Performance can also be assessed by the achievement of the following 'key deliverables' during the year.

- Marketing Liverpool starting to fund its activities using a commercial approach, including by attracting significant private sector investment into the Liverpool Plan
- Delivering Accelerate 2013 in June, as a staging post to the IFB 2014
- Making good progress with the preparations for the IFB 2014, including by working with the event partner to generate the planned levels of sponsorship
- Making continued progress with delivering the Liverpool International Strategy, prioritising key markets, and measuring success in terms of investment secured
- Managing the Liverpool element of the ERDF funded MBSP effectively, ensuring that targets are met and resources are invested on time
- The City Fringe Regional Growth Fund programme beginning to deliver significant outputs (counted as part of the overall targets)
- Establishing the appropriate deliver plans and arrangements for the CCSIF
- Achieving the major programme milestones in the delivery of the North Liverpool and South Sefton

Liverpool Vision Limited

DIRECTORS' REPORT

Strategic Regeneration Framework

- Substantial and active contributions to the development and management of bids for public sector growth funding
- Working increasingly closely with the Mayor and his delivery arrangements
- Vision's staff will work increasingly flexibly, supporting the delivery of the Company's activities across team and organisational structures
- Performance management and reporting arrangements will be further improved, though the full implementation of new client relationship management and staff performance management systems

FINANCIAL MANAGEMENT

Vision's finance function seeks continual improvement. Finances and procurement are managed through financial regulations that were refreshed in 2011/12 and an up-to date set of financial control procedures, developed with advice from Internal Audit. Standard terms and conditions were implemented in late 2011/12 to minimise the risk that the Company and its resources are exposed to. The positive effects of this will begin to be realised during 2012/13.

A new reporting structure and suite of financial management reports was developed and implemented at the start of 2011/12. This ensures that budget holders, management and governance structures have up to date and accessible information to inform decision making. The Company is subject to an annual internal and external audit. Formal oversight of finance, audit and risk management is through the Board, advised by a finance sub-group chaired by Councillor Nick Small.

RISKS MANAGEMENT

Liverpool Vision's approach to risk management is designed to minimise the Company's exposure to risk as far as possible, as consistent with delivering the objectives set out in its annual business plan. Risks are identified through open discussion at Senior and General Management Team level, and by individual budget holders. This is built into the annual business plan during the development phase, in consideration of the operating environment and assumptions, the nature and balance of activities, targets and budget setting, all staff are engaged in this, at the level of detail appropriate to their management responsibility. Risks are also identified in the early stages of planning and appraising individual projects (which can occur at any time in the business year).

Risks are then grouped to help establish relationships between them, the following categories are used: strategic, operational and technical. Risks are then assessed according to their likelihood of occurring and their impact should they occur, using a scoring system. Action is prioritised according to seriousness.

All risks are logged on the Vision risk register. This is monitored and managed during the year through:

- Monthly performance meetings with all budget holders
- The risk register is reported to the SMT each month
- The risk register is reported to the Chair of the Finance Sub-Group at each meeting, the Chair provides an update to the Board, which meets quarterly

PRINCIPAL RISKS AND UNCERTAINTIES

RISK	MITIGATION / CONTROL	POTENTIAL IMPACTS
- Significant Reduction of operational funding	<ul style="list-style-type: none">• Board/Chief Executive maintains close dialogue with Liverpool City Council• Finance Sub-Committee maintains a regular review of forward funding outlook, and ability to control scale and viability	<ul style="list-style-type: none">• Reduces the ability of the Company to deliver the agreed outputs of its Business Plan• Could compromise the Company's 'Going Concern' status• The Company has reached a

Liverpool Vision Limited

DIRECTORS' REPORT

	<ul style="list-style-type: none"> • Reserves position supports Liverpool Vision as going concern • LCC confirmed operational and programme budget for 2013/14 • Private and other income availability ongoing • A Business Development Manager was appointed in May 2012 with the responsibility for taking forward an income generation plan on behalf of the Company and is supporting all bids including ERDF • Robust monitoring system in place to ensure we achieve outputs for ERDF and other income funded projects • We have one major ERDF scheme in place and need to ensure we reach outputs required 	viable minimum size, given the scale of the ongoing business plan It will be difficult to manage significant reductions in operational funding from Liverpool City Council, without first generating income from other sources
- Reduced programme funding	<ul style="list-style-type: none"> • Company is investigating new funding sources/mechanisms • Developed quality proposition to the Regional Growth Fund, Round 3, with LCC • Maximise resources from current and future ERDF programmes 	<ul style="list-style-type: none"> • May reduce the ability of the Company to deliver the agreed outputs of its Business Plan
- Major Events Failure	<ul style="list-style-type: none"> • All major projects/programmes have Activity profiles and where projects are externally funded they undergo thorough independent appraisal • Progress on major projects is reported to the Board and in the case of IFB to a Partnership Steering Group • Appropriate and experienced teams put in place to manage projects • Legal advice sought in contracting • Insurance in place for public liability 	<ul style="list-style-type: none"> • Impact on Company's reputation • Could impact on the Company's reserves if leads to an overspend
- Loss of capable and experienced staff in key positions	<ul style="list-style-type: none"> • Staff structure and management processes designed to encourage sharing of knowledge to prevent overdependence on single individuals • Clear communication through 1-2-1s and management structures to keep staff 	<ul style="list-style-type: none"> • Will impact on the company's ability to react quickly to the ever changing environment

Liverpool Vision Limited

DIRECTORS' REPORT

	<ul style="list-style-type: none"> informed and management aware of any emerging issues Staff development systems in place to help ensure job satisfaction and clear ongoing objectives and review 	
<ul style="list-style-type: none"> Loss of Company Member Commitment 	<ul style="list-style-type: none"> Maintain high level of communication between LV and LCC (Board and Committees, Chief Executive/Leader and key officers) Regular presentation to City Council Select Committees Service Level Agreement (SLA) and monitor process with LCC has been refreshed SLA between LV and LCC is in place Ensure Company activity is focused on Mayoral priorities 	<ul style="list-style-type: none"> Could impact on the Company's 'Going Concern' status Could impact on the structure of the Company
<p>International Festival for Business</p> <p>Inability to fund activity in Festival Business Plan</p> <p>Need to raise additional funding for IFB</p>	<ul style="list-style-type: none"> Government funding secured Financial commitment from partner secured through contract Applications for additional funding submitted to ERDF Ongoing research to identify other funding and income sources Sponsorship company retained to work on private sector sponsorship 	<ul style="list-style-type: none"> Reputational issue with Government and Stakeholders Reduction in outputs and impacts of the IFB
<ul style="list-style-type: none"> Expenditure exceeding income on the project 	<ul style="list-style-type: none"> Expenditure budget limited to total income received or legally committed Strong financial controls in place to ensure no commitments are made outside income received SMT, Partnership and delivery steering group review budget on a regular basis Financial sub group receives budget updates and reviews the risk register regularly 	<ul style="list-style-type: none"> This would affect the viability of the company and require additional financial support from LCC

Liverpool Vision Limited

DIRECTORS' REPORT

<ul style="list-style-type: none"> - Having the staffing resources to deliver the IFB alongside LV Business Plan priorities 	<ul style="list-style-type: none"> • Additional staff (5) have been employed funded from the project and thematic leads to support events • Partner local authorities and UK TI have seconded staff to support the event • EEP, our partner in IFB has a large team working on the event • We are using third parties to produce events for IFB with our support e.g. fringe events, at no cost to project • SMT regularly review delivery of LV Business Plan and IFB Business Plan to ensure both are on course • Pressures on key staff begin to affect performance. Therefore meetings 1-2-1 and team meetings take place as well as ongoing performance reviews to support staff and pick up issues • Good HR and welfare support in place in LV 	<ul style="list-style-type: none"> • Lack of resources would affect IFB delivery and outputs/outcomes • None delivery of LV Business Plan and outputs • Staff illness increases or we lose key staff
<ul style="list-style-type: none"> - Clawback of Funding 	<ul style="list-style-type: none"> • Rigorous systems in place for procurement and contract management including new member of staff • Management of claim in place with good record keeping and output/outcome monitoring 	<ul style="list-style-type: none"> • Funders could claw back funding if we do not comply with conditions and this would affect the income received and the bottom line
<ul style="list-style-type: none"> - Contractual issues with EEP our partner in IFB 	<ul style="list-style-type: none"> • Contract document specific on roles, responsibilities and duties • Regular meetings on strategy, marketing, operations and finance held • Ongoing daily dialogue • SRO's for EEP and LV in place • Good project management in place 	<ul style="list-style-type: none"> • Contract breach could lead to issue on deliveries and possible litigation and threaten delivery

FINANCING

The Operating costs of the company were met primarily through contributions by Liverpool City Council under a Services Agreement

Liverpool Vision Limited

DIRECTORS' REPORT

DIRECTORS

The directors who have held office during the period are as follows

Cllr J Anderson	
D G Bundred	(resigned 29 th November 2012)
J A Corner	(resigned 29 th November 2012)
J Kehoe Perkinson	(resigned 29 th November 2012)
Cllr P Keaveney	(resigned 29 th November 2012)
J H Kelly	(resigned 29 th November 2012)
Cllr R M Kennedy	
Sir Terry P Leahy	(resigned 29 th November 2012)
M D Parker (Chair)	(resigned 29 th November 2012)
Cllr W Simon	(resigned 29 th November 2012)
T Slack	(resigned 29 th November 2012)
Cllr N Small	(resigned 29 th November 2012)
AE Wilson	(resigned 29 th November 2012)
Cllr R C Kemp	(resigned 29 th November 2012)

Mayor Anderson announced in July that he was making Liverpool Vision part of his key delivery team and through his Mayoral Development Corporation (MDC), would take over the governance of the organisation. As a result of this decision, the governance arrangements of the Company have been streamlined to work within the MDC structure.

EMPLOYEE INVOLVEMENT

The Company is committed to involving its employees in the business and providing the opportunity to contribute to its development. Information is shared and views sought through a number of feedback mechanisms including regular meetings with the employee elected Staff Consultative Committee, focusing on key matters likely to affect staff.

During 2012/13 Vision achieved a Workplace Wellbeing Charter, reflecting the active focus placed on providing a positive and supportive working environment. Management and staff will continue to work together to identify opportunities for further improvement, whilst ensuring a diverse workforce and equality of opportunity.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable contributions during the year.

FINANCIAL RISK MANAGEMENT

All financial instruments (Note 11) held by the group and company, are classified as "Loans and Receivables" (trade and other receivables and cash and cash equivalents) and "Financial Liabilities Measured at Amortised Cost" (trade and other payables) under IAS 39 'Financial Instruments Recognition and Measurement'.

Financial risk factors

The group's operations expose it to a variety of financial risks. The group has in place risk management policies that seek to limit the adverse effects on the financial performance of the group by using various instruments and techniques.

Risk management policies have been set by the Board and applied by the group.

(a) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due with surplus facilities to cope with any

Liverpool Vision Limited

DIRECTORS' REPORT

unexpected variances in timing of cash flows. The group maintains an active and ongoing dialogue with Liverpool City Council to ensure it has sufficient funds to meet its operational expense and programme costs.

The group believes it has sufficient cash facilities to meet its operational commitments. At the year end the group had no un-drawn committed facilities.

All of the group's financial assets and financial liabilities fall due within one year and all are denominated in Sterling (£).

(b) Foreign exchange risk

The group does not trade in overseas countries. There are few transactions in foreign currencies and therefore the group's exposure to foreign exchange risk is considered to be low.

(c) Interest rate risk

The group holds cash or cash equivalents with its bank and whilst exposed to interest rate risk and the recession it monitors and considers the risk of holding that cash.

Cash and cash equivalents are subject to floating rates of interest. Trade and other receivables and trade and other payables are non interest bearing.

Sensitivity analysis

The group considers that interest rates in the short to medium term will rise by up to 2 basis points above their current level. An interest rate increase of 2% would generate additional annual interest income of circa £43,000 based on year end cash reserves. There would be an equivalent increase in equity.

(d) Credit risk

The group's financial assets are bank balances and trade and other receivables which represent the group's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

The group's credit risk is primarily attributable to its trade receivables. Management have a credit policy in place and exposure to credit risk is monitored on an on-going basis. Management believe the group has a wide trade receivable profile and therefore does not have any significant concentration of risk. The credit quality of trade receivables that are neither past due nor impaired is considered to be good. Liverpool Vision's main 'customer' is Liverpool City Council, who provides funding to Liverpool Vision in line with an agreed Service Level Agreement, such payments are made well within the Company's payment terms.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a 'going concern'.

The group considers its capital to include retained earnings. The group does not have any externally imposed capital requirements.

The commitment from Liverpool City Council is disclosed within Note 18, Related Party Transactions, confirmation of continued support up to 2014/15, has been received.

Liverpool Vision Limited

DIRECTORS' REPORT

AUDITORS

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

CREDITOR POLICY

Liverpool Vision values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all invoices within 30 days.

Creditor payment days are carefully monitored in the Group, using the systems which record the actual purchases and payments.

On behalf of the board



J Anderson
Chair of the Board
Mayor of Liverpool
27th August 2013

Liverpool Vision Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable IFRS's have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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.

The directors confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all 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 auditors are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Liverpool Vision Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVERPOOL VISION LIMITED

Independent auditor's report to the members of Liverpool Vision Limited

We have audited the financial statements of Liverpool Vision Limited for the year ended 31 March 2013 which comprise of the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Statements of Cash Flow, the Consolidated and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 set out on page 12, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's and the company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the financial statements 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.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Liverpool
Date 27th August 2013

Liverpool Vision Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Note	2013 £000	2012 £000
REVENUE – Programme Income	2	5,322	3,390
REVENUE – Operating Income		3,139	3,220
TOTAL REVENUE		8,461	6,610
Programme Expenditure	2	(5,699)	(4,328)
Operating Expenditure		(3,100)	(3,045)
TOTAL EXPENDITURE		(8,799)	(7,373)
Programme Loss		(377)	(938)
Operating Surplus		39	175
LOSS FROM OPERATIONS		(338)	(763)
Finance Income	4	21	80
Finance Costs	5	(62)	-
TOTAL LOSS BEFORE TAX		(379)	(683)
Income tax credit / (expense)	6	29	87
LOSS FOR THE FINANCIAL YEAR		(350)	(596)
Other comprehensive income			
Actuarial loss on pension scheme	13	(666)	(801)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,016)	(1,397)

The accompanying accounting policies and notes form an integral part of these financial statements

Liverpool Vision Limited
COMPANY STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2013

	Note	2013 £000	2012 £000
REVENUE – Programme Income	2	5,249	3,368
REVENUE – Operating Income		3,139	3,216
TOTAL REVENUE		8,388	6,584
Programme Expenditure	2	(5,626)	(4,306)
Operating Expenditure		(3,100)	(3,041)
TOTAL EXPENDITURE		(8,726)	(7,347)
Programme Loss		(377)	(938)
Operating Surplus		39	175
LOSS FROM OPERATIONS		(338)	(763)
Finance Income	4	21	80
Finance Costs	5	(62)	-
TOTAL LOSS BEFORE TAX		(379)	(683)
Income tax credit / (expense)	6	29	87
LOSS FOR THE FINANCIAL YEAR		(350)	(596)
Other comprehensive income			
Actuarial loss on pension scheme	13	(666)	(801)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,016)	(1,397)

Liverpool Vision Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

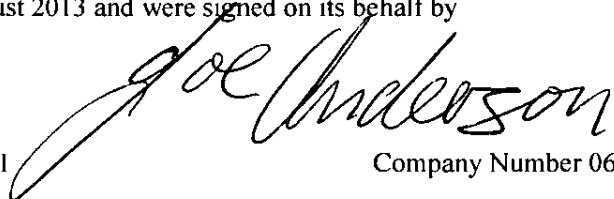
At 31 March 2013

	Note	Group 2013 £000	£000	Group 2012 £000	£000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	8	-		33	
TOTAL NON-CURRENT ASSETS			-		33
CURRENT ASSETS					
Trade and other receivables	9	2,028		919	
Cash and cash equivalents		3,100		2,140	
TOTAL CURRENT ASSETS			5,128		3,059
TOTAL ASSETS			5,128		3,092
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	(3,741)		(1,513)	
TOTAL CURRENT LIABILITIES			(3,741)		(1,513)
NON-CURRENT LIABILITIES					
Retirement benefit obligations	13	(1,095)		(271)	
Provisions	14	(100)		(100)	
TOTAL NON-CURRENT LIABILITIES			(1,195)		(371)
TOTAL LIABILITIES			(4,936)		(1,884)
NET ASSETS			192		1,208
EQUITY					
Retained earnings			192		1,208

The accompanying accounting policies and notes form an integral part of these financial statements

The financial statements on pages 13 to 38 were approved by the Board of directors and authorised for issue on 27th August 2013 and were signed on its behalf by

J Anderson
Chairman
Mayor of Liverpool



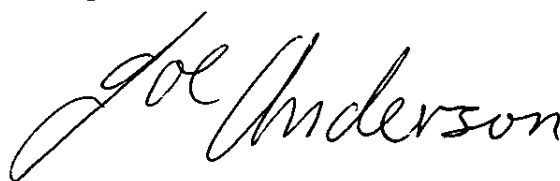
Company Number 06580889

Liverpool Vision Limited
COMPANY STATEMENT OF FINANCIAL POSITION
At 31 March 2013

	Note	Company 2013 £000	£000	Company 2012 £000	£000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	8	-		33	
TOTAL NON-CURRENT ASSETS			-		33
CURRENT ASSETS					
Trade and other receivables	9	2,028		919	
Cash and cash equivalents		2,921		1,892	
TOTAL CURRENT ASSETS			4,949		2,811
TOTAL ASSETS			4,949		2,844
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	(3,562)		(1,265)	
TOTAL CURRENT LIABILITIES			(3,562)		(1,265)
NON-CURRENT LIABILITIES					
Retirement benefit obligations	13	(1,095)		(271)	
Provisions	14	(100)		(100)	
TOTAL NON-CURRENT LIABILITIES			(1,195)		(371)
TOTAL LIABILITIES			(4,757)		(1,636)
NET ASSETS			192		1,208
EQUITY					
Retained earnings			192		1,208

The financial statements on pages 13 to 38 were approved by the Board of directors and authorised for issue on 27th August 2013 and were signed on its behalf by

J Anderson
Chairman
Mayor of Liverpool



Company Number 06580889

Liverpool Vision Limited

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2013

	Retained earnings 2013 £000	Retained earnings 2012 £000
As previously stated	1,208	1,513
Prior Year Adjustment (Note 13)	-	1,092
At start of the year, restated	1,208	2,605
Loss for the year	(350)	(596)
Other Comprehensive Income		
Total actuarial loss on the pension scheme	(666)	(801)
At end of the year	192	1,208

Retained earnings

The retained earnings reserve includes the deficit arising from the Statement of Comprehensive Income and the actuarial loss on the pension scheme

The accompanying accounting policies and notes form an integral part of these financial statements

Liverpool Vision Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2013

	2013		2012	
	£000	£000	£000	£000
Cash flows from operating activities				
Deficit before taxation	(379)		(683)	
<i>Adjustments for</i>				
Finance income	(21)		(14)	
Finance costs	62		(66)	
(Increase) / decrease in trade and other receivables	(1,097)		(242)	
Increase / (decrease) in trade and other payables	2,229		(107)	
Depreciation on property, plant and equipment	33		33	
Increase in retirement benefit obligation	83		63	
Cash used in operations	910		(1,016)	
Income taxes paid	29		88	
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		939		(928)
Cash flows from investing activities				
Finance income received	21		14	
NET CASH GENERATED FROM INVESTING ACTIVITIES		21		14
Net increase / (decrease) in cash and cash equivalents		960		(914)
Cash and cash equivalents at start of period		2,140		3,054
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,100		2,140

Liverpool Vision Limited
COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 March 2013

	2013		2012	
	£000	£000	£000	£000
Cash flows from operating activities				
Deficit before taxation	(379)		(683)	
<i>Adjustments for</i>				
Finance income	(21)		(14)	
Finance costs	62		(66)	
(Increase) / decrease in trade and other receivables	(1,096)		69	
Increase / (decrease) in trade and other payables	2,297		(70)	
Depreciation on property, plant and equipment	33		33	
Increase in retirement benefit obligation	83		63	
	<u>979</u>		<u>(668)</u>	
Cash generated from operations	29		87	
Income taxes paid				
	<u> </u>		<u> </u>	
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		1,008		(581)
Cash flows from investing activities				
Finance income received	21		14	
	<u> </u>		<u> </u>	
NET CASH GENERATED FROM INVESTING ACTIVITIES		21		14
		<u> </u>		<u> </u>
Net increase / (decrease) in cash and cash equivalents		1,029		(567)
Cash and cash equivalents at start of year		1,892		2,459
		<u> </u>		<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,921		1,892
		<u> </u>		<u> </u>

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL INFORMATION

Liverpool Vision Limited is a company limited by guarantee incorporated and domiciled in England & Wales (registration number 06580889). The company's registered office address is given on page 1.

The principal activity of the group and company is to promote and facilitate economic development and regeneration in Liverpool.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as endorsed by the EU ("IFRS") and the requirements of the Companies Act applicable to companies under IFRS.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies set out below.

The accounting policies set out below have, unless otherwise stated, been applied consistently to the financial statements.

The individual financial statements for each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the company, and the presentational currency for the consolidated financial statements.

GOING CONCERN

Liverpool Vision has worked with Liverpool City Council to restructure and meet the challenge of reduced income from its sole operational funder. The company has the support and confidence of Liverpool City Council and its income and expenditure position is stable for 2013/14. The position for 2014/15 is anticipated to be determined in January 2014, however Liverpool City Council have confirmed that they will ensure that Liverpool Vision has sufficient funding to meet the funding requirement of the company and to ensure that it continues to operate as a Going Concern. Liverpool Vision has, however, demonstrated its ability to manage its income position and any liabilities or obligations can be met from existing reserves for the next financial year. Accordingly, the accounts have been prepared on a going-concern basis.

BASIS OF CONSOLIDATION

The consolidated financial statements of the group incorporate the financial statements of the company and entity controlled by the company (its subsidiary) made up to 31 March each year.

Subsidiary

The subsidiary is an entity over which the group has the power to govern the financial and operating policies to obtain economic benefits from their activities. The subsidiary is fully consolidated from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Liverpool Vision Limited is the sole member of Liverpool Land Development Company Limited ("LLDC") a company limited by guarantee having no share capital. LLDC has been consolidated into the financial statements. Liverpool Vision became the sole member on 30 April 2008 at no cost. Initially recognised at cost and subsequently measured at cost.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the group.

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided by the group excluding inter-company transactions and Value Added Tax.

Programme income

The group recognises programme income in the Statement of Comprehensive Income as the associated costs are incurred. Unspent programme income received in advance is deferred until the associated costs have been incurred. Certain costs are classified as programme costs, but are funded out of operating income, so programme income does not always equal programme costs. Programme income is a combination of funding provided by Liverpool City Council, payable on a monthly basis in line with an agreed Service Level Agreement, private sector income generation through mainly sponsorship of certain projects and a small number of public sector grants.

Operating income

Operating income is credited in the period in which it is received, this is funded by Liverpool City Council and is payable on a monthly basis in line with an agreed Service Level Agreement.

FUNCTIONAL CURRENCY

The presentational and functional currency of the group and company is pounds sterling (£).

FINANCE INCOME

Finance income relates to interest earned on cash and cash equivalents. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

FINANCE COSTS

Finance costs relate to interest on the defined benefit pension liabilities less the expected return on the defined benefit pension assets.

TAXATION

Taxation expense includes the amount of current income tax payable and the charge for the year in respect of deferred taxation.

The income tax payable is based on an estimation of the amount due on the taxable profit / loss for the year. Taxable profit is different from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expenditure which are not taxable or deductible in the year as a result of either the nature of the item or the fact that it is taxable or deductible in another period. The company's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for on the basis of temporary differences arising from the differences between the tax base and accounting base of assets and liabilities.

Deferred tax is not discounted in its treatment.

Deferred tax is recognised for all taxable temporary differences, except to the extent where it arises from the initial recognition of an asset or liability in a transaction that is not a business combination. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS ACCOUNTING POLICIES

TAXATION - continued

Changes in deferred tax assets or liabilities are recognised as a component of tax income or tax expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income, or equity, respectively. It is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

SURPLUS FOR THE FINANCIAL YEAR

Any surplus generated is carried forward in retained earnings to be used towards achieving the strategic ambitions.

PROPERTY, PLANT, EQUIPMENT AND DILAPIDATIONS

Liverpool Vision has entered into a lease that runs until 2020, with a lease break that can be enacted in 2014, Liverpool City Council have acted as a Guarantor on this lease. The Company is, responsible for dilapidations upon exit and has created, a provision for their capitalisation and depreciation. Depreciation is charged straight line over 3 years to a break clause.

OPERATING LEASE POLICY

Leases are treated as operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

EQUITY POLICY

Retained earnings represents the retained profits of the company.

FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments.

Recognition and valuation of financial assets

Cash and equivalents

Cash and cash equivalents comprise cash in hand and cash deposits which are readily convertible to a known amount of cash within three months.

Trade receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method as reduced by allowances for impairment when there is objective evidence of impairment. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss or other comprehensive income in the Statement of Comprehensive Income. The group does not charge interest on outstanding receivable balances.

Investments

Investments in subsidiaries are stated at cost less any provision for impairment. Any impairment losses are recognised in profit or loss in the period they occur.

Recognition and valuation of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

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

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

RETIREMENT BENEFITS

Defined benefit schemes

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the Statement of Comprehensive Income (SOCI) in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Liverpool City Council has set down a bond with Merseyside Pension Fund to cover any unfunded liabilities upon termination of Liverpool Vision's contract with the Merseyside Pension Fund. This allows for 50% saving in the event of active members under the age of 50 becoming deferred benefits upon termination of the admission agreement. The bond amount is determined by the periodical actuarial reviews undertaken by Merseyside Pension Fund and in itself has no maximum limit and remains in force indefinitely, until the pension fund certifies that no further payments are due. No asset has been recognised in respect of this bond within the financial statements.

PROVISIONS AND DILAPIDATIONS

Provisions are recognised when the group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discounted at the pre-tax discount rate that reflects the risks specific to the liability.

During 2010/2011 Liverpool Vision Limited entered into a lease, with Liverpool City Council acting as guarantor. The company is responsible for dilapidations upon surrender or expiry of the lease so a dilapidation provision has been made to account for this and amortisation is charged over three years to a break-clause. No decision has been made to surrender the lease at this time.

STANDARDS ISSUED BUT NOT YET EFFECTIVE - ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

Amendments to published standards effective for the year ended 31 March 2013

There are no amendments which were effective in the year ended 31 March 2013 which are relevant to the company.

Standards adopted early by the company

The company has not adopted any standards or interpretations early in either the current or the preceding financial year.

Interpretations and standards effective in the current period

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The following new standards, amendments to standards or interpretations became effective for the first time. The adoption of these interpretations, standards or amendments to standards were either not relevant for the company or have not led to any significant impact on the Group's and Company's financial statements

Standard		Effective date
		periods commencing on or after
IFRS 7	Financial Instruments Disclosures – Amendments, Disclosures – Transfers of Financial Assets	01 July 11
IAS 12	Amendment to IAS 12 Deferred tax - Recovery of Underlying Assets	01 January 2013

Interpretations to existing standards and new standards that are not yet effective and have not been adopted early by the Group and Company

At the date of the authorisation of the financial information, the following standards and interpretations, which have not been applied in the financial information, were in issue but not yet effective

Standard		Effective date
		periods commencing on or after
IFRS 9	Financial Instruments	01 January 15
IFRS10	Consolidated Financial Statements	01 January 14
IFRS 11	Joint Arrangements	01 January 14
IFRS 12	Disclosure of Interests in Other Entities	01 January 14
IFRS 13	Fair Value Measurement	01 January 13
IAS 27	Separate Financial Statements (as amended 2011)	01 January 13
IAS 28	Investments in Associates and Joint Ventures (as amended 2011)	01 January 13
IAS 1	Presentation of financial statements – Amendment, Presentation of items of other comprehensive income	01 July 12
IAS 19	Employee Benefits – Amendments	01 January 13
IFRS 7	Financial Instruments – Disclosure – Amendment, Offsetting Financial Assets and Financial Liabilities	01 January 13
IAS 32	Financial Instruments – Presentation – Amendment, Offsetting Financial Assets and Financial Liabilities	01 January 14
IFRS 9 and IFRS 7	Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7	1 January 2015
	Annual Improvements 2009-2011 Cycle	1 January 2013
	Transition Guidance - Amendments to IFRS 10, IFRS 11 & IFRS 12	1 January 2013
	Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27	1 January 2014

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information when the relevant standards and interpretations come into effect

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Pension benefits

The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 14.

Dilapidations provision

The Company has made an estimate of the likely cost of dilapidations upon exit from its leasehold offices. This has been based on the costs of fit-out of the premises and has been calculated by senior officers to include any inflationary costs at exit.

2. LOSS BEFORE TAXATION

	2013 £000	2012 £000
Loss before tax is stated after charging		
Funding from Government bodies	7,597	6,610
Funding from Non-Government bodies	864	-
	<u>8,461</u>	<u>-</u>
Audit services		
- statutory audit of parent and consolidated accounts	27	24
Other services		
- audit of subsidiary	-	-
- Accounting support services	11	4
- Corporation tax compliance services	4	3
	<u>42</u>	<u>31</u>

Liability Limitation Agreement

The company has not entered into a liability limitation agreement for either the current or preceding year.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

2. LOSS BEFORE TAXATION - continued

	2013 £000	2012 £000
The following table analyses the nature of expenses		
Programme expenditure	5,699	4,246
Staff costs (see note 3)	2,477	2,040
Depreciation	33	33
Premises costs	282	323
Marketing	30	49
Professional fees	27	16
Other expenses	251	666
	<u>8,799</u>	<u>7,373</u>

Split of Staff costs between Operating and Programme expenditure

	2013 £000	2012 £000
Programme	509	82
Operations	1,968	1,958
	<u>2,477</u>	<u>2,040</u>

3. DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration during the year

The average number of persons employed by the company during the year, analysed by category, was as follows

	2013 Number	2012 Number
Corporate Services	21	16
Development	8	9
Investment and Enterprise	24	18
	<u>53</u>	<u>43</u>

The aggregate payroll cost of employees was as follows

	2013 £000	2012 £000
Wages and salaries	2,089	1,700
Social security costs	200	157
Pension costs	188	183
Total	<u>2,477</u>	<u>2,040</u>

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate

	2013 £000	2012 £000
Short-term employee benefits	354	406
Post-employment benefits	29	42
	<u>383</u>	<u>448</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

4. FINANCE INCOME

	2013 £000	2012 £000
Bank interest	21	14

5. FINANCE COSTS

	2013 £000	2012 £000
Expected return on defined benefit scheme assets	(513)	(631)
Interest on scheme liabilities	575	565
	62	(66)

6. TAXATION

	2013 £000	2012 £000
<i>Current tax</i>		
UK – current year	-	(2)
UK – adjustments in respect of prior periods	-	-
	-	(2)
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(29)	(85)
Income tax credit	(29)	(87)

The charge for the year can be reconciled to the (deficit) / surplus per the statement of comprehensive income as follows

	2013 £000	2012 £000
(Deficit) / Surplus before tax	(379)	(683)
Tax at the domestic income tax rate 24% (2012 26%)	(91)	(178)
<i>Tax effects of</i>		
Income not taxable	57	86
Unrelieved tax losses arising in the period	34	92
Adjustments in respect of prior periods	-	(2)
Losses and other deductions	(33)	(85)
Effect of change of tax rate on opening balances	4	-
Total tax (income) / charge	(29)	(87)

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

7. SUBSIDIARY

Liverpool Vision Limited is the sole member of Liverpool Land Development Company Limited ("LLDC") a company limited by guarantee having no share capital. LLDC has been consolidated into these financial statements. Liverpool Vision became the sole member on 30 April 2008 at no cost. The principal activity of LLDC is to deliver comprehensive physical and economic regeneration in the Speke Halewood, Atlantic Gateway, Approach 580 and Eastern Approaches Strategic Investment Areas (SIAs) of Liverpool by creating new development sites and premises and attracting investment and jobs.

8. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold Improvements £000
<i>Cost</i>	
At 1 April 2012	100
At 31 March 2013	100
<i>Accumulated depreciation</i>	
As at 31 March 2012	66
Depreciation charge in year	34
At 31 March 2013	100
<i>Net Book Value</i>	
At 31 March 2013	-
At 31 March 2012	34

9. TRADE AND OTHER RECEIVABLES

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
<i>Current</i>				
Trade and other receivables	2,028	2,028	919	919
Cash and cash equivalents	3,100	2,921	2,140	1,892
Maximum exposure to credit risk	5,128	4,949	3,059	2,811

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

9. TRADE AND OTHER RECEIVABLES (continued)

Trade and other receivables are as follows

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
<i>Current</i>				
Trade receivables	1,848	1,848	765	765
Amounts due from group undertakings	-	-	-	-
Corporation tax recoverable	3	3	3	3
Deferred tax	114	114	85	85
Prepayments and accrued income	63	63	66	66
	<u>2,028</u>	<u>2,028</u>	<u>919</u>	<u>919</u>

10. TRADE AND OTHER PAYABLES

	Group 2013 £000	Company 2013 £000	Group 2012 £000	Company 2012 £000
<i>Current</i>				
Trade payables	553	539	80	78
Other taxation and social security costs	546	543	387	382
Other payables	-	-	-	-
Accruals and deferred income	2,642	2,480	1,046	805
	<u>3,741</u>	<u>3,562</u>	<u>1,513</u>	<u>1,265</u>

All payables are denominated in Sterling

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 32 days (2012: 4 days).

The directors consider that the carrying amount of trade payables approximates to their fair value.

11. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Financial assets				
Cash and cash equivalents	3,100	2,140	919	919
Receivables	1,848	765	2,140	1,892
	<u>4,948</u>	<u>2,905</u>	<u>3,059</u>	<u>2,811</u>
Financial liabilities				
Trade payables	553	539	80	78
Accruals	499	499	453	453
	<u>1,052</u>	<u>1,038</u>	<u>533</u>	<u>531</u>

The directors are of the opinion that despite the high concentration of trade receivables, the credit risk is deemed low. This is due to the high level of Liverpool City Council receivables within trade receivables, hence reducing the credit risk exposure.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

The directors consider that the carrying amount of trade and other receivables approximates to their fair value

All trade and other receivables are denominated in sterling (£)

The average credit period taken on current debtors is 84 days (2012 48 days), the increase in debtor days relates to an increase in commercial income generation activity within the year that has not been carried out previously

The group holds no collateral against receivables at the balance sheet date

The following table provides analysis of trade and other receivables that were past due at 31 March, but not impaired. The group believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers

	2013 £000	2012 £000
Up to three months	1,922	821
Up to six months	1	29
Over 6 months	-	5
	<u>1,923</u>	<u>855</u>

There are no significant credit risks arising from financial assets that are neither past due nor impaired

Cash and cash equivalents of £3,100,000 (2012 £2,140,000) comprise cash and short term deposits held by the group treasury function. The carrying amount of these assets approximates to their fair value

At 31 March 2013, £3,100,000 of cash was denominated in sterling (2012 £2,140,000)

12. BORROWING FACILITIES

The Group has no bank borrowing facilities

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

13. RETIREMENT BENEFITS

Defined Benefit Plan

Liverpool Vision contributes to a pension scheme providing benefits based on final pensionable pay, contributions being charged to the surplus or deficit so as to spread the cost of the pensions over employees' working lives with the company. Liverpool Vision was granted Admitted Body Status within the Merseyside Pension Fund with effect from 1 May 2008 and the scheme for the company was operational from this date. The contributions to the Merseyside Pension Fund are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Prior Year Adjustment 2012

A prior year adjustment has been made through the accounts during 2011/12, in order to remove the liability of £1,092,000, which reflected the transfer of the opening liability in 2008 when Liverpool Vision was created.

Merseyside Pension Fund has confirmed that the scheme was an "open fully funded transfer" so there were no opening deficits to should have been provided for. The only deficit to be accounted for should be the ongoing contributions advised on an annual basis.

The £1,092,000 refers to the opening deficit which was topped up from the "Liverpool Vision 1999" company fund plus others and funded by Liverpool City Council, and therefore should be excluded from the accounts of Liverpool Vision.

The disclosures as at 2013 are based on an actuarial valuation as at 31 March 2010 updated to 31 March 2013.

Key assumptions used	2013 %	2012 %
Discount rate	4.2	4.9
Investment return on plan assets	13.10	2.39
Rate of RPI inflation	-	-
Rate of CPI inflation	2.4	2.5
Expected rate of salary increases	3.9	4.0
Future pension increases	2.4	2.5

The average life expectancy for a pensioner retiring at 65 on the balance sheet date is	2013 Years	2012 Years
Male	21.8	21.5
Female	24.7	24.2

The average life expectancy for a pensioner retiring at 65, aged 45 at the balance sheet date

Male	23.7	22.8
Female	26.6	25.8

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Amounts recognised within operating surplus in the Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

	2013 £000	2012 £000
Current service cost	276	256
Past service (gain)	-	-
	<u>276</u>	<u>256</u>

Amounts recognised within finance (income)/costs in the Statement of Comprehensive Income in respect of the defined benefit scheme are as follows

	2013 £000	2012 £000
Interest cost	582	565
Expected return on scheme assets	(606)	(631)
	<u>(24)</u>	<u>(66)</u>

Liverpool City Council has given a Bond and Indemnity in order to meet the opening deficit on pension scheme transferred to Liverpool Vision Limited as and when it crystallises. This appears as a reserve in their accounts. The amount is determined by periodical actuarial reviews completed by Merseyside Pension Fund and in itself has no maximum limit and remains in force indefinitely until the pension fund certifies that no further payments are due. No assets have been recognised in relation to this bond within the financial statements.

Movements in the present value of defined benefit obligations in the current period were as follows

	2013 £000	2012 £000
At start of period	3,880	1,728
Current service cost	276	256
Past service cost / (gain)	-	-
Interest cost	582	565
Actuarial losses / (gains) on liabilities	1,531	401
Contributions by plan participants	113	109
Curtailments	-	2
Benefits / transfers paid	(298)	819
At end of period	<u>6,084</u>	<u>3,880</u>

Movements in the fair value of scheme assets in the current period were as follows

	2013 £000	2012 £000
At start of period	3,609	2,257
Expected return on scheme assets	606	631
Actuarial (losses) / gains	766	(400)
Employer contributions	193	193
Employee contributions	113	109
Benefits paid	(298)	819
At end of period	<u>4,989</u>	<u>3,609</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

The actual loss on scheme assets was £666,000

The amount included in the statement of financial position arising from the Group's obligation in respect of defined benefit schemes is as follows

	2013 £000	2012 £000
Fair value of scheme assets	4,989	3,609
Present value of defined benefit obligations	6,084	(3,880)
Deficit in scheme	(1,095)	(271)
Liability recognised in statement of financial position	(1,095)	(271)

The figures included in the statement of financial position does not include the opening deficit of £1,092,000 from the transfer of staff into Liverpool Vision in 2008. This opening deficit has been funded by Liverpool City Council.

Major categories of plan assets as a percentage of fair value of total plan assets and the expected rate of return at the reporting date were as follows

	Fair value of assets £000 2013	% 2013	Expected Return % 2013	Fair value of assets £000 2012	% 2012	Expected Return % 2012
Equity instruments	7,179	61	7.0	6,187	59	7.0
Government bonds	1,860	16	2.8	1,643	16	3.1
Other bonds	427	4	3.9	419	4	4.1
Property	983	8	5.7	974	9	6.0
Cash /liquidity	273	2	0.5	230	2	0.5
Other assets	1,126	9	7.0	1,015	10	7.0
	11,848	100		10,468	100	

The expected return on assets represents the allowance made, calculated at the start of the accounting year for the anticipated investment return to be earned on the assets during the year.

Typically an investment return of about 5.72% (net of expenses) on the existing assets is anticipated for accounting purposes, although this can vary from year to year.

	2013 £000	2012 £000
Present value of defined benefit obligations	(14,035)	(11,831)
Fair value of scheme assets	11,848	10,468
Opening Deficit – Transfer of Staff	1,092	1,092
Deficit in scheme	(1,095)	(271)
Experience adjustments on scheme liabilities	-	-
Experience adjustments on scheme assets	865	(400)

The estimated amounts of contributions expected to be paid to the scheme during the financial period ending 31 March 2014 is £194,000.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

A sensitivity analysis undertaken by Mercer on behalf of Merseyside Pension Fund – Liverpool Vision, as at 31st March 2013 is detailed in the table below -

Disclosure Item	Central	Sensitivity 1 (+0.1% p.a. discount rate)	Sensitivity 2 (+0.1% p.a. inflation)	Sensitivity 3 (1 year increase in life expectancy)
	£000s	£000s	£000s	£000s
Liabilities	14,035	13,796	14,279	14,300
Assets	(11,848)	(11,848)	(11,848)	(11,848)
Deficit / (Surplus)	2,187	1,948	2,431	2,452
Projected Service Cost for next year	346	335	356	354
Projected Expected Return on Assets for next year	(678)	(678)	(678)	(678)
Projected Interest Cost for next year	593	596	603	604

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

14. PROVISIONS

Dilapidations provision £000	Group Dilapidations provision £000	Company Dilapidations provision £000
At 1 April 2012	100	100
Additional provision in the year	-	-
At 31 March 2013	<u>100</u>	<u>100</u>

	2013 £000	2012 £000	2013 £000	2012 £000
Current provision	-	-	-	-
Non – current provision	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

During 2010/2011 Liverpool Vision Limited entered into a lease, with Liverpool City Council acting as guarantor. The company is now responsible for dilapidations upon surrender or expiry of the lease so a provision has been made for this, with an estimate of the likely cost of dilapidations upon exit from its leasehold offices based on the costs of fit-out of the premises and has been calculated by senior officers to include any inflationary costs at exit. Amortisation is charged over three years to a break-clause. No decision has been made to surrender the lease at this time.

15. DEFERRED TAXATION

Deferred tax in the period is as follows

	£000
As at 1 April 2012	85
Increased in the year	29
At 31 March 2013	<u>114</u>

Timing differences

A deferred tax asset has been recognised as it is considered that the company and the group will have a number of commercially profitable projects in the future.

16. SHARE CAPITAL

The Company is limited by guarantee and has no share capital.

Liverpool City Council is the sole member.

17. CAPITAL COMMITMENTS

There were no capital commitments at the end of the financial year (2012: £nil).

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

18. OPERATING LEASE ARRANGEMENTS

Group	2013		2012	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Lease payments under operating leases recognised as an expense in the period	238	18	189	24

Company	2013		2012	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Lease payments under operating leases recognised as an expense in the period	238	18	189	24

The minimum lease payments under non-cancellable operating lease rentals are in aggregate as follows

Amounts due	2013		2012	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Within one year	209	16	238	18
Between one and five years	267	23	396	39
After five years	297	-	377	-
	773	39	1,011	57

Operating lease payments represent rentals payable by the group for its office properties, photocopier and printers. The office property lease is negotiated for a term of ten years and two months and there is a review date after six years and two months.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

19 RELATED PARTY TRANSACTIONS

During the financial period the company had the following transactions with related parties as defined by IAS 24 'Related Party Disclosures'

Related entity	Nature of relationship	Nature of transactions	2013		2012	
			Aggregate value for financial period £000	Net amount owed (to) / from the company £000	Aggregate value for financial period £000	Net amount owed (to) / from the company £000
Liverpool City Council	Member	Funding Receivable	11,267	1,641	5,318	155
Liverpool City Council	Member	Purchases	436	1	(113)	(5)
Northwest Regional Development Agency	Retiring Member	Funding Receivable	-	-	10	-
Homes and Communities Agency	Retiring Member	Funding Receivable	14	-	43	4
Appreciating People Limited	Common director	Purchases	6	-	(6)	-
River-Digital (UK) Limited	Common director	Purchases	2	-	(1)	-
Arena and Convention Centre	Common director	Purchases	322	90	(98)	-
Arena and Convention Centre	Common director	Receivables	23	4	-	-
2020 Liverpool Ltd	Common director	Purchases	15	-	(32)	-
Liverpool Hope University	Common director	Receivables	13	-	12	12
Liverpool Hope University	Common director	Purchases	9	-	-	-
LEP (Previously The Mersey Partnership)	Common director	Purchases	107	-	(128)	-

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For the year ended 31 March 2013

LEP (Previously The Mersey Partnership)	Common director	Receivables	63	62	-	-
The Liverpool Shanghai Partnership	Common director	Purchases	-	-	(24)	-

20. CONTROLLING PARTIES

This company is controlled by Liverpool City Council ("LCC")

21. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the financial year (2012: £nil)