



Liverpool Vision Limited

GROUP FINANCIAL STATEMENTS

For the Year Ended 31 March 2015

Company Registration No. 06580889



Liverpool Vision Limited

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Liverpool Vision Limited

DIRECTORS AND ADVISORS

DIRECTORS

Mayor J Anderson OBE
Cllr G Millar
Cllr W Simon
Cllr A O'Byrne

SECRETARY

I J McCarthy

REGISTERED OFFICE

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Company no: 06580889

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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 2015.

PRINCIPAL ACTIVITIES

Liverpool Vision is the Mayor of Liverpool's Economic Development Company. The principal activity of the group is to promote and facilitate the economic development of Liverpool.

REVIEW OF BUSINESS

During 2014/15 the company focused on the delivery of its business plan for the year, aiming to generate jobs and investment in Liverpool.

Liverpool Land Development Company Limited ("LLDC"), a subsidiary of Liverpool Vision Limited ("LV"), is now a dormant company with no activity undertaken in 2014/15.

GOVERNANCE

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

The Articles were further updated in 2013 to provide for a third Director. The Board of Directors now consists of Joe Anderson, Mayor of Liverpool (Chair), Councillor Gary Miller, Councillor Nick Small and Councillor Wendy Simon. The Board is supported by an Advisory Group consisting of the Chief Executives of Liverpool City Council and Liverpool Vision, David Wade-Smith (the Mayor's business advisor) and Ian McCarthy (Company Secretary). The Finance Sub-Group exists to scrutinise financial management, audit and risk management, and reports to the Board.

The City Council continues to scrutinise Liverpool Vision Limited mostly through its Regeneration Select Committee, and liaises frequently on a range of corporate and organisational matters. Vision works closely with several Council departments, particularly the Chief Executive's Office and Regeneration.

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 Liverpool City Council's Internal Audit service. Standard contract 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 are now being realised.

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.

Liverpool Vision Limited

DIRECTORS' REPORT

DIRECTORS

The directors who have held office during the year are as follows:

Mayor J Anderson OBE
Cllr N Small (resigned 22nd July 2015)
Cllr R M Kennedy (resigned 2nd February 2015)
Cllr G Millar (appointed 2nd February 2015)
Cllr W Simon (appointed 2nd February 2015)

The directors who have been appointed since the year end are as follows:

Cllr A O'Byrne (appointed 22nd July 2015)

EMPLOYEE INVOLVEMENT

The Company remains 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 all staff focusing on core purpose, performance and resources, a staff appraisal system and a current, reasonable set of HR policies. Management and staff will continue to work together to identify opportunities for further improvement, aiming to secure a diverse workforce and equality of opportunity.

POLITICAL AND CHARITABLE CONTRIBUTIONS

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

On behalf of the board



J Anderson
Chair of the Board
Mayor of Liverpool
5th

October

2015

Liverpool Vision Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report, the Strategic 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 company's auditor is 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

STRATEGIC REPORT

FINANCING

The Operating costs of the company were met primarily through contributions by Liverpool City Council.

PERFORMANCE

During 2014/15 the Company focused on the delivery of its business plan for the year, aiming to generate jobs and investment in Liverpool. The performance of Liverpool Vision in 2014/15 was strong. Through the year the company succeeded in creating 2,218 jobs, delivered 500 business assists and attracted more than £70 million in private sector investment. This is a particularly noteworthy achievement alongside the UK's first International Festival for Business 2014 (IFB 2014), which was developed, co-ordinated and delivered by Liverpool Vision.

Outputs

A summary of the total key direct outputs achieved in the year is below.

Key Direct Outputs		Total
Jobs created (No.)	<i>Business Plan</i>	1,800
	<i>Actual</i>	2,218
Private sector investment (£)	<i>Business Plan</i>	£120,000,000
	<i>Actual</i>	£78,000,000
Businesses assists (No.)	<i>Actual</i>	500

In addition, during 2014/15 the company undertook a significant programme of organisational development, reducing costs to contribute to the reductions in public sector budgets in the city and to confirm the revised purpose of the company as focused on the attraction of investment, the development and delivery of the International Festival for Business in 2016 (IFB 2016), and the marketing of the city.

The IFB 2014 outlines the scale of ambition in Liverpool. The festival was the first event of its kind; with the support of Government, it was staged in Liverpool on behalf of the UK, to showcase Britain as an international business destination. Developed from an initial recommendation by Lord Heseltine and Sir Terry Leahy into a practical scheme, it assembled public and private sector partners working together to bring 68,000 attendees to 415 business events. The initial evaluation indicates an outcome of some £300m of new trade and investment deals and creation of an estimated 10,000 jobs over the next three years.

International Festival for Business 2014

The delivery of the IFB 2014 and preparations for the IFB 2016 provided the major and increasing part of Vision's work through the year, with almost £6m raised in sponsorship and investment to deliver the 2014 event. A considerable achievement for a first time event.

Work has commenced in preparation for the IFB 2016, following a successful launch at Lancaster House in February. IFB 2016, now branded within the UK Government's GREAT campaign is being developed in close partnership with government and business across the UK and internationally.

Marketing Liverpool

Marketing Liverpool has made significant progress in the past year. It successfully led the delivery of a range of projects, an increasing proportion of these on a commercial basis. Liverpool's presence at MIPIM, the world's leading property expo, provides a good example of this. Marketing Liverpool project managed the venture, working with a group of private sector partners and the Mayor of Liverpool, with the private sector providing the funding to meet the operational costs.

Liverpool Vision Limited

STRATEGIC REPORT

Invest Liverpool

Liverpool Vision has focused significant time and effort engaging with international business markets in the year, largely in support of developing and promoting the IFB. These activities engaged key targets in priority markets of China, India, the United States of America and Germany. This has developed relationships that should bear fruit in the next two years. The IFB brought many potential overseas investors to Liverpool for the first time; given that visiting a location is in many cases a precursor to choosing to invest in it, this is a very important step. The appointment of a new Director of Investment will further enhance the function and maximise the international positioning of Liverpool as a key investment destination. Vision led the delivery of the Liverpool element of the Merseyside Business Support Programme throughout the financial year, delivering 140 jobs and 500 business assists. This represents a good success for the programme that ends in October 2015 despite the management issues at programme level, which placed risks on delivery.

THE FUTURE

Liverpool Vision's priorities for the 2015-18 period will focus on the creation of jobs and the generation of investment in Liverpool. The 2015-18 business plan is in its final draft stages and sets out how Vision will continue to help create a more prosperous future for Liverpool over the next three years. It will achieve this by focussing on three main areas:

- Marketing Liverpool, which aims to position Liverpool as a as a major international visitor and investment destination.
- Invest Liverpool, which will continue the progress made throughout 2014-15 with a mandate to secure new company investment, working within priority sectors to generate leads and draw intelligence regarding potential investors.
- The International Festival for Business 2016, which will build on the success of IFB 2014 and provide a platform for companies to increase their international sales. That the city is now considered a natural home for such a large and prestigious business event is testimony to how far it has progressed in recent years. Liverpool Vision has been vital to this journey, and following the direction of the Board, will continue to be so over the next three years.

KEY PERFORMANCE INDICATORS

The targets for 2015-18 are set out below.

<i>Liverpool Vision Output Targets 2015/18</i>				
	2015/16	2016/17	2017/18	TOTAL
Performance Indicator				
Jobs created	2,100	2,340	2,600	7,040
Private sector investment (of all types)	£64,900,000	£78,000,000	£85,100,000	£228,000,000

Liverpool Vision Limited

STRATEGIC REPORT

RISK MANAGEMENT

Liverpool Vision's approach to risk management is designed to minimise the Company's exposure to risk as far as possible, whilst delivering the objectives set out in its annual business plan. Risks are identified through open discussion at Senior and General Management Team level (SMT, GMT) 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 Senior Management Team (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.

An extract from the risk register, summarising key risks and control measures, is given below.

Risk	Summary and Control
Failure of major programme or project	<ul style="list-style-type: none">• All major programmes and projects are monitored regularly by SMT and progress is reported to the Board.• Those with external funding undergo thorough appraisal and regular monitoring.• Appropriately skilled and experienced teams are put in place to manage projects.• The operational phase of the latest large project – the IFB 2014 – was delivered successfully.
Lack of good governance	<ul style="list-style-type: none">• Business Plan direction for 2015/16 was agreed by the Board on 2 Feb 2015. It provides up to date, strategic direction for Vision and partners.• The Board structure provides for close collaboration with the Mayor and City Council CEO.• SMT reviews governance and ongoing work programmes on regular basis to ensure leadership and guidance is given to the team.• GMT meetings are held, to ensure full management cadre well informed.• Auditors attend Finance Sub-Group meetings.
Loss of focus on business plan priorities	<ul style="list-style-type: none">• The IFB 2014 impacted on day-to-day operations, despite additional dedicated resources. Vision has refocused, clarifying the company's purpose and functions, and implemented a restructure. IFB 2016 has clearer demarcation from balance of company activity.

Liverpool Vision Limited

STRATEGIC REPORT

	<ul style="list-style-type: none"> • SMT reviews core activities regularly and matches staff resources to priority areas • Regular reviews of project and programme performance are provided to the Board.
Loss of Liverpool City Council commitment to Liverpool Vision	<ul style="list-style-type: none"> • Business planning process ensures that company activities are focused on Mayoral priorities. • Regular communication between Vision and LCC (Board and Finance Sub Group, LCC Chief Executive/Leader and key officers) • Regular presentations to City Council Select Committees. • Performance monitoring process with LCC is monitored regularly.
Significant reduction in funding – going concern test over the medium term.	<ul style="list-style-type: none"> • Vision presented a balanced budget to 2017/18 at the Board meeting on 29th July 2015. • Vision maintains close dialogue with LCC, which faces significant and ongoing funding reductions; the latest government announcements on local authority funding may have an impact. • Finance Sub Group reviews the funding outlook regularly. • Reserves position supports going concern status, subject to pension's provision treatment, which LCC has noted. • Potential to earn commercial income and broaden the funding base of the company is included in service plans and targets are set for commercial income.
Programme management failure leading to clawback of external funding	<ul style="list-style-type: none"> • Financial and administrative control procedures are stringent to ensure compliance and there is regular dialogue with accountable body. • Financial and project / programme control is a key element of internal and external audit programme. • Comprehensive finance manual for staff is in place. Policies reviewed early 2013. • Internal Audit have concluded an audit of IFB. • An ERDF Article 16 audit visit to take place during April / May 2015. • Regular monthly reviews of expenditure and outputs is undertaken and reported to SMT. • Provision created in the accounts to handle an element of clawback. • Regular dialogue with LCC and funding bodies.

Liverpool Vision Limited

STRATEGIC REPORT

Failure to maintain appropriate procurement arrangements	<ul style="list-style-type: none"> • Specialist procurement manager is in place. Staff have been given procurement training. • Financial regulations, policies, and declaration of interest policy and register in place. • Gifts and hospitality register maintained. • All delegated decisions and contracts reported to the Board.
Failing to manage project costs	<ul style="list-style-type: none"> • Where Vision acts as Accountable Body liability, it is limited to the extent of the grant. • Lessons learnt from GEC 2012 and ACCELERATE 2013 informed IFB 2014 delivery. • Projects managed to individual project plans. • Established principle with externally funded projects. No commitment to spend without confirmed source of funding. • Monthly management accounts presented to SMT, with updates to the Finance Sub Group and the Board.
Office relocation incurs significant unexpected costs / unduly disrupts core businesses	<ul style="list-style-type: none"> • Relocation to Cunard Building is being considered. • The project team is in place and the implementation plan is in development.
Office relocation compromises operational independence and credibility with private sector	<ul style="list-style-type: none"> • Failure to maintain operational independence (in terms of financial management, business planning, performance management, HR & IT) would materially inhibit ability to respond quickly to the opportunities and challenges inherent to Vision's role on behalf of the Mayor and City Council; discussions are ongoing between Vision and LCC CEOs. • The new office space with LCC in the Cunard building risks damaging the private sector's perception of Vision as semi-independent from LCC; providing a particular risk to the ability to secure commercial income, ways of mitigating this are being explored.
Failure to manage cash flow	<ul style="list-style-type: none"> • The Finance Sub Group oversees medium term financial outlook (1 to 3 years) • SMT receives monthly management accounts. • The Finance Sub Group receives quarterly management accounts. • SMT maintains close control of operational and programme spend.
Failure to maintain appropriate financial protocols /systems	<ul style="list-style-type: none"> • Staff Finance Manual updated and agreed by the Finance Sub Group and regular briefings in place. • All staff have signed declaration about internal control procedures. • Internal Audit programme re-instated in 2012/13, just concluding year three of three year Internal Audit plan. New plan being put in place.

Liverpool Vision Limited

STRATEGIC REPORT

Breach of Data Protection Act/managing commercial/sensitive data	<ul style="list-style-type: none"> Vision holds limited data which is covered by the Data Protection Act, although the IFB increased the volume significantly. Data issues are being considered as part of the refresh of the IFB Business Club.
Failure to follow regulations and procedures as a good employer.	<ul style="list-style-type: none"> Vision employs / retains qualified and experienced staff and secures external advice as required. Good practice operational and HR policies are in place. Health and Safety review completed, and Vision now has qualified Health & Safety Officer. The post holder is due to leave the company during 2015/16. SMT receives a regular update on working hours, sickness etc. quarterly, and reviews any issues.
Organisational culture and behaviour limits the performance of the company	<ul style="list-style-type: none"> Clarity about Vision's future priorities has increased following the restructure; clarity on the office location and confirmation of three year funding outlook would reduce staff concerns. Terms and conditions of employment are reasonable. Vision is a good employer.
Failure to maintain good relations and clear roles with partners in the city / city region	<ul style="list-style-type: none"> Vision retains a clear focus on delivery for the City of Liverpool, and a regular dialogue with other partners. Marketing Liverpool has an agreement in place with the Liverpool City Region Local Enterprise Partnership to provide services to the LCR; this expires at the end of June 2015. Confirming the new agreement is an urgent priority.
Failure to secure and retain appropriately skilled human resource, especially in specialist and business critical functions	<ul style="list-style-type: none"> The new Head of Finance has settled in. SMT is aware of the demands put on staff and encourages flexible working to help manage significant peaks of work, as well as taking regular opportunities to thank staff for the very strong commitment shown by staff. Many staff are still working very, extended hours. Good conditions of service. Workloads are reviewed regularly and resources redeployed to high priority areas.
Major loss of operational capability caused by force majeure	<ul style="list-style-type: none"> Company has a Business Continuity Plan. This focuses on implications of loss of staff, IT and premises. IT / Remote Office Backup is in place and is being reviewed as part of the relocation.
Failure to build and maintain positive relationship with business	<ul style="list-style-type: none"> Vision needs to build on existing relationships to create more extensive and systematic engagement business networks, and proactive engagement with larger SMEs and key corporates. The reshaping of the investment function is helping address this.

Liverpool Vision Limited

STRATEGIC REPORT

Failure to secure the Government funding for IFB 2016

- A business case has been submitted to Her Majesty's Government, informed by the IFB 2014 Interim Evaluation Report and the emerging IFB 2016 conceptual framework. Response awaited.

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 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 costs.

The group believes it has sufficient cash facilities to meet its operational commitments. At the year end the group had no overdrawn balances.

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 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 100 basis points above their current level. An interest rate increase of 1% would generate additional annual interest income of circa £21,300 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.

Liverpool Vision Limited

STRATEGIC REPORT

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.

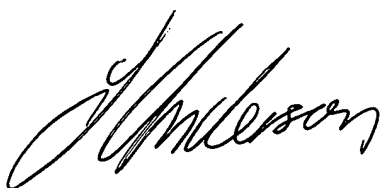
The commitment from Liverpool City Council is disclosed within Note 19; Related Party Transactions; confirmation of continued support up to 2016/17, has been received.

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
5th

October

2015

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 2015 which comprise the consolidated and company statements of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statement of cash flows, 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 page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of the group's and the parent company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 Strategic Report and 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.



Emma Stoddart
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool

6th

October

2015

Liverpool Vision Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2015

	Note	2015 £000	2014 £000
REVENUE	2	9,982	9,184
TOTAL EXPENDITURE	2	(9,197)	(8,724)
PROFIT FROM OPERATIONS		785	460
Finance income	4	8	22
Finance costs	5	(12)	(74)
TOTAL PROFIT BEFORE TAX		781	408
Income tax expense	6	(2)	(40)
PROFIT FOR THE FINANCIAL YEAR		779	368
Other comprehensive income:			
Actuarial (loss) / gain on pension scheme	13	(519)	691
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		260	1,059

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 31ST MARCH 2015

	Note	2015 £000	2014 £000
REVENUE	2	9,982	9,022
EXPENDITURE	2	(9,197)	(8,562)
PROFIT FROM OPERATIONS		785	460
Finance income	4	8	22
Finance costs	5	(12)	(74)
TOTAL PROFIT BEFORE TAX		781	408
Income tax expense	6	(2)	(40)
PROFIT FOR THE FINANCIAL YEAR		779	368
Other comprehensive income:			
Actuarial (loss) / gain on pension scheme	13	(519)	691
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		260	1,059

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

Liverpool Vision Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2015

	Note	Group 2015	Group 2014
		£000	£000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	-
TOTAL NON-CURRENT ASSETS		-	-
CURRENT ASSETS			
Trade and other receivables		1,875	2,652
Cash and cash equivalents		2,130	4,245
TOTAL CURRENT ASSETS	9	4,005	6,897
TOTAL ASSETS		4,005	6,897
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	(1,694)	(5,547)
TOTAL CURRENT LIABILITIES		(1,694)	(5,547)
NON-CURRENT LIABILITIES			
Retirement benefit obligations	13	(600)	-
Provisions	14	(200)	(99)
TOTAL NON-CURRENT LIABILITIES		(800)	(99)
TOTAL LIABILITIES		(2,494)	(5,646)
NET ASSETS		1,511	1,251
EQUITY			
Retained earnings		1,511	1,251

The accompanying accounting policies and notes form an integral part of these financial statements.
The financial statements on pages 14 to 41 were approved by the Board of directors and authorised for issue on 5th October 2015 and were signed on its behalf by:

J Anderson
Chairman
Mayor of Liverpool



Company Number 06580889

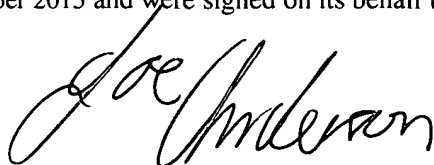
Liverpool Vision Limited

COMPANY STATEMENT OF FINANCIAL POSITION AT 31st MARCH 2015

	Note	Company 2015		Company 2014	
		£000	£000	£000	£000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	8	-	-	-	-
TOTAL NON-CURRENT ASSETS			-		-
CURRENT ASSETS					
Trade and other receivables		1,875		2,652	
Cash and cash equivalents		2,130		4,245	
TOTAL CURRENT ASSETS	9		4,005		6,897
TOTAL ASSETS			4,005		6,897
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	(1,694)		(5,547)	
TOTAL CURRENT LIABILITIES			(1,694)		(5,547)
NON-CURRENT LIABILITIES					
Retirement benefit obligations	13	(600)		-	
Provisions	14	(200)		(99)	
TOTAL NON-CURRENT LIABILITIES			(800)		(99)
TOTAL LIABILITIES			(2,494)		(5,646)
NET ASSETS			1,511		1,251
EQUITY					
Retained earnings			1,511		1,251

The accompanying accounting policies and notes form an integral part of these financial statements.
The financial statements on pages 14 to 41 were approved by the Board of directors and authorised for issue on 5th October 2015 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 31st MARCH 2015

	Retained earnings 2015 £000	Retained earnings 2014 £000
At start of the year	1,251	192
Profit for the year	779	368
Other Comprehensive Income:		
Total actuarial (loss) / gain on the pension scheme	(519)	691
At end of the year	<u>1,511</u>	<u>1,251</u>

Retained earnings

The retained earnings reserve includes the surplus arising from the Statement of Comprehensive Income and the actuarial (loss)/gain 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 31st MARCH 2015

	2015	2014
	£000	£000
Cash flows from operating activities		
Profit before taxation	781	408
<i>Adjustments for:</i>		
Finance income	(8)	(22)
Finance costs	12	74
Decrease / (increase) in trade and other receivables	776	(624)
(Decrease) / increase in trade and other payables	(3,850)	1,806
Increase in provisions	101	-
Increase / (decrease) in retirement benefit obligation	69	(479)
Cash (used) / generated from operations	(2,119)	1,163
Income taxes paid	(4)	(40)
NET CASH (USED) / GENERATED FROM OPERATING ACTIVITIES	(2,123)	1,123
Cash flows from investing activities		
Finance income	8	22
NET CASH GENERATED FROM INVESTING ACTIVITIES	8	22
Net (decrease) / increase in cash and cash equivalents	(2,115)	1,145
Cash and cash equivalents at start of period	4,245	3,100
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,130	4,245

Liverpool Vision Limited

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2015

	2015		2014	
	£000	£000	£000	£000
Cash flows from operating activities				
Profit before taxation	781		408	
<i>Adjustments for:</i>				
Finance income	(8)		(22)	
Finance costs	12		74	
Decrease / (increase) in trade and other receivables	776		(624)	
(Decrease) / increase in trade and other payables	(3,850)		1,985	
Increase in provisions	101		-	
Increase / (decrease) in retirement benefit obligation	69		(479)	
Cash (used) / generated from operations	<u>(2,119)</u>		<u>1,342</u>	
Income taxes paid	(4)		(40)	
NET CASH (USED) / GENERATED FROM OPERATING ACTIVITIES		<u>(2,123)</u>		<u>1,302</u>
Cash flows from investing activities				
Finance income	8		22	
NET CASH GENERATED FROM INVESTING ACTIVITIES		<u>8</u>		<u>22</u>
Net (decrease) / increase in cash and cash equivalents		<u>(2,115)</u>		<u>1,324</u>
Cash and cash equivalents at start of year		4,245		2,921
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>2,130</u></u>		<u><u>4,245</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 the next two financial years, having had agreement with Liverpool City Council that they will provide funding to support Liverpool Vision throughout 2015/16 and 2016/17. Liverpool Vision has 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.

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.

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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. 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, private sector income generation through mainly sponsorship of certain projects and a 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.

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.

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.

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

PROFIT FOR THE FINANCIAL YEAR

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

PROPERTY, PLANT, EQUIPMENT AND DILAPIDATIONS

Liverpool Vision entered into a lease that runs until October 2015, 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.

OPERATING LEASE POLICY

Leases are treated as operating leases in accordance with the conditions set under IAS17. 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 lease was extended to the 20th October 2015 on 17th April 2015. 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.

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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

Amendments to published standards effective for the year ended 31 March 2015

There are no amendments which were effective in the year ended 31 March 2015 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

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.

		Effective date: periods commencing on or after
Standard		
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other entities	1 January 2014
IFRS 27 (Revised)	Separate Financial Statements	1 January 2014
IFRS 28 (Revised)	Investments in Associates and Joint Venture	1 January 2014
Amendments to IFRS 10, IFRS 11 and IFRS 12	Transition Guidance - Amendments to IFRS 10, IFRS 11 and IFRS 12	1 January 2014
Amendments to IFRS 10, IFRS 12 and IAS 27	Investments entities – Amendments to IFRS 10, IFRS 12 and IAS 27	1 January 2014
Amendments to IAS 32	Offsetting financial assets and financial liabilities	1 January 2014
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets	1 January 2014
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting	1 January 2014
IFRIC 21	Levies	1 January 2014

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

Liverpool Vision Limited

GROUP AND COMPANY FINANCIAL STATEMENTS

ACCOUNTING POLICIES

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:

		Effective date: periods commencing on or after
Standard		
IAS 19	Defined benefit plans: Employee contributions (amendments to IAS 19)	1 July 2014
Various	Annual improvements to IFRSs 2010-2012 cycle	1 July 2014
Various	Annual improvements to IFRSs 2011-2013 cycle	1 July 2014
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 41)	1 January 2016

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 31st MARCH 2015

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 13.

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 based upon a dilapidations assessment undertaken by an independent commercial property and real estate services adviser in May 2014.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

2. PROFIT BEFORE TAXATION

	2015 £000	2014 £000
Profit before tax is stated after charging:		
Funding from Government bodies	7,765	7,642
Funding from Non-Government bodies	2,217	1,542
	<u>9,982</u>	<u>9,184</u>
Audit services		
- statutory audit of parent and consolidated accounts	18	21
Other services		
- Accounting support services	2	14
- VAT advisory services	2	2
- Corporation tax compliance services	4	4
Operating lease costs		
- Land and buildings	314	312
	<u>340</u>	<u>353</u>

Liability Limitation Agreement

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

	2015 £000	2014 £000
The following table analyses the nature of expenses:		
Programme expenditure	5,576	5,341
Staff costs (see note 3)	2,769	2,888
Premises costs	527	433
Marketing	-	38
Professional fees	14	24
Other expenses	311	-
	<u>9,197</u>	<u>8,724</u>

Split of Staff costs between Operating and Programme expenditure:

	2015 £000	2014 £000
Programme	789	926
Operations	1,980	1,962
	<u>2,769</u>	<u>2,888</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

3. DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration during the year.

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

	2015 Number	2014 Number
Corporate Services	18	17
Business Support	6	13
International Investment and Development	14	16
Marketing	10	7
International Festival for Business	9	7
	<u>57</u>	<u>60</u>

The aggregate payroll cost of employees was as follows:

	2015 £000	2014 £000
Wages and salaries	2,381	2,470
Social security costs	191	217
Pension costs	197	201
Total	<u>2,769</u>	<u>2,888</u>

Remuneration of key management personnel

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

	2015 £000	2014 £000
Short-term employee benefits	375	455
Post-employment benefits	24	39
	<u>399</u>	<u>494</u>

4. FINANCE INCOME

	2015 £000	2014 £000
Bank interest	<u>8</u>	<u>22</u>

5. FINANCE COSTS

	2015 £000	2014 £000
Expected return on defined benefit scheme assets	(578)	(506)
Interest on scheme liabilities	590	580
	<u>12</u>	<u>74</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

6. TAXATION

	2015 £000	2014 £000
<i>Current tax</i>		
UK – current year	2	4
	<u>2</u>	<u>4</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	-	36
	<u>-</u>	<u>36</u>
Income tax charge	<u>2</u>	<u>40</u>

The charge for the year can be reconciled to the surplus per the statement of comprehensive income as follows:

	2015 £000	2014 £000
Surplus before tax	<u>781</u>	<u>408</u>
Tax at the domestic income tax rate 20% (2014: 20%)	156	82
<i>Tax effects of:</i>		
Income not taxable	(154)	(58)
Losses and other deductions	-	21
Effect of change of tax rate on opening balances	-	15
Utilisation of tax losses and other deductions	-	(21)
Expenses not deductible	-	1
Total tax charge	<u>2</u>	<u>40</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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. LLDC is now a dormant company with no activity undertaken in 2014/15.

8. PROPERTY, PLANT AND EQUIPMENT

Group and Company

	Leasehold Improvements £000
<i>Cost:</i>	
At 31 March 2015 and 31 March 2014	<u>100</u>
<i>Accumulated depreciation:</i>	
At 31 March 2015 and 31 March 2014	<u>100</u>
<i>Carrying amount:</i>	
At 31 March 2015 and 31 March 2014	<u>-</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

9. TRADE AND OTHER RECEIVABLES

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
<i>Current:</i>				
Trade and other receivables	1,875	1,875	2,652	2,652
Cash and cash equivalents	2,130	2,130	4,245	4,245
Maximum exposure to credit risk	4,005	4,005	6,897	6,897

Trade and other receivables are as follows:

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
<i>Current:</i>				
Trade receivables	1,064	1,064	2,226	2,226
Corporation tax recoverable	-	-	-	-
Deferred tax	78	78	78	78
Prepayments and accrued income	733	733	348	348
	1,875	1,875	2,652	2,652

10. TRADE AND OTHER PAYABLES

	Group 2015 £000	Compan 2015 £000	Group 2014 £000	Company 2014 £000
<i>Current:</i>				
Trade payables	307	307	361	361
Other taxation and social security costs	126	126	540	540
Corporation tax payable	2	2	4	4
Accruals and deferred income	1,259	1,259	4,642	4,642
	1,694	1,694	5,547	5,547

All payables are denominated in Sterling.

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs.

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

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

11. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Group 2015 £000	Company 2015 £000	Group 2014 £000	Company 2014 £000
Financial assets				
Cash and cash equivalents	2,130	2,130	4,245	4,245
Receivables	1,064	1,064	2,226	2,226
	<u>3,194</u>	<u>3,194</u>	<u>6,471</u>	<u>6,471</u>
Financial liabilities				
Trade payables	307	307	361	361
Accruals	371	371	619	619
	<u>678</u>	<u>678</u>	<u>980</u>	<u>980</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.

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 60 days (2014: 131 days). The decrease in debtor days is due to prior year trade receivables including a significant amount of current receivables.

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.

	2015 £000	2014 £000
Up to three months	994	2,233
Between three and six months	54	27
Over 6 months	84	173
	<u>1,132</u>	<u>2,433</u>

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

Cash and cash equivalents of £2,130,000 (2014: £4,245,000) 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 2015, £2,130,000 of cash was denominated in sterling (2014: £4,245,000).

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

12. BORROWING FACILITIES

The Group has no bank borrowing facilities.

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.

The disclosures as at 2015 are based on an actuarial valuation as at 31 March 2015.

Key assumptions used:	2015 %	2014 %
Discount rate	3.2	4.4
Investment return on plan assets	12.37	5.14
Rate of RPI inflation	-	-
Rate of CPI inflation	2.0	2.4
Expected rate of salary increases	3.5	3.9
Future pension increases	2.0	2.4

The average life expectancy for a pensioner retiring at 65 on the balance sheet date is:

	2015 Years	2014 Years
Male	22.4	22.3
Female	25.3	25.2

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

Male	24.8	24.7
Female	28.1	28.0

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:

	2015 £000	2014 £000
Service cost:		
Current service cost	291	391
Past service cost and loss from settlements	213	-
	<u>504</u>	<u>391</u>

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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

	2015 £000	2014 £000
Interest cost	590	580
Expected return on scheme assets	(578)	(506)
	<u>12</u>	<u>74</u>

Liverpool City Council has given a Bond and Indemnity in order to meet the opening deficit on the 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. Liverpool City Council have committed this reserve to fund the Liverpool Vision element of the deficit as at 31st March 2015.

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

	2015 £000	2014 £000
At start of period	5,881	6,084
Current service cost	291	391
Interest cost	590	580
Actuarial losses / (gains) on liabilities	2,145	(806)
Contributions by plan participants	110	117
Past service cost	56	-
Curtailments	157	127
Benefits paid	(1,005)	(612)
At end of period	<u>8,225</u>	<u>5,881</u>

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

	2015 £000	2014 £000
At start of period	6,500	4,989
Expected return on scheme assets	578	506
Actuarial gains	1,007	622
Administration expenses	(7)	-
Employer contributions	442	878
Employee contributions	110	117
Benefits paid	(1,005)	(612)
At end of period	<u>7,625</u>	<u>6,500</u>

The actuarial loss on scheme assets was £519,000.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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

	2015 £000	2014 £000
Fair value of scheme assets	7,625	6,500
Present value of defined benefit obligations	(8,225)	(5,881)
(Deficit) / surplus in scheme	(600)	619
(Liability) / asset recognised in statement of financial position	(600)	-

In accordance with IAS19 the asset as at 31st March 2014 was not recognised in the financial statements as future economic benefits will not flow to the entity.

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.

	Fair value of assets £000	%	Fair value of assets £000	%
	2015	2015	2014	2014
Equity instruments	7,819	55	7,601	57
Government bonds	724	5	564	4
Other bonds	1,789	12	1,623	12
Property	1,197	8	1,070	8
Cash /liquidity	439	3	355	3
Other assets	2,516	17	2,146	16
	<u>14,484</u>	<u>100</u>	<u>13,359</u>	<u>100</u>

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 7.0% (net of expenses) on the existing assets is anticipated for accounting purposes, although this can vary from year to year.

	2015 £000	2014 £000
Present value of defined benefit obligations	(16,176)	(13,832)
Fair value of scheme assets	14,484	13,359
Opening Deficit – Transfer of Staff	1,092	1,092
(Deficit) / surplus in scheme	<u>(600)</u>	<u>619</u>
Experience adjustments on scheme liabilities	2,145	(806)
Experience adjustments on scheme assets	<u>1,007</u>	<u>630</u>

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NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

The estimated amounts of contributions expected to be paid to the scheme during the financial period ending 31st March 2016 is £184,000.

A sensitivity analysis undertaken by Mercer on behalf of Merseyside Pension Fund – Liverpool Vision, as at 31st March 2015 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)	Sensitivity 4 (1 year increase in life expectancy)
	£000	£000	£000	£000	£000
Liabilities	16,176	15,891	16,467	16,241	16,491
Assets	(14,484)	(14,484)	(14,484)	(14,484)	(14,484)
Deficit / (surplus)	1,692	1,407	1,983	1,757	2,007
Projected service cost for next year	349	342	357	349	357
Projected interest cost for next year	51	43	61	53	61

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

14. PROVISIONS

	Group Dilapidations provision £000	Company Dilapidations provision £000
At 1 April 2014	99	99
Addition in the year	101	101
At 31 March 2015	<u>200</u>	<u>200</u>
	2015 £000	2014 £000
Current provision	200	99
Non – current provision	-	-
	<u>200</u>	<u>99</u>

Liverpool Vision entered into a lease that runs until October 2015, Liverpool City Council have acted as a Guarantor on this lease. 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.

15. DEFERRED TAXATION

Deferred tax in the period is as follows:

	£000
At 31 March 2015 and 31 March 2014	<u>78</u>

Deferred tax relates to the temporary differences arising from the differences between the tax base and the accounting base of assets and liabilities.

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 (2014: £nil).

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

18. OPERATING LEASE ARRANGEMENTS

Group	2015		2014	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Lease payments under operating leases recognised as an expense in the period	234	19	232	18

Company	2015		2014	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Lease payments under operating leases recognised as an expense in the period	234	19	232	18

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

Amounts due:	2015		2014	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Within one year	86	13	153	16
Between one and five years	59	6	-	13
After five years	-	-	-	-
	145	19	153	29

Operating lease payments represent rentals payable by the group for its office properties, photocopier and printers. The original office property lease ended on the 18th April 2015 and a supplemental lease has been signed on the 17th April 2015 extending the lease to the 20th October 2015 at an annual rental of £160,000 per annum.

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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	2015		2014	
			Aggregate value for financial period	Net amount owed (to) / from the related entity	Aggregate value for financial period	Net amount owed (to) / from the related entity
			£000	£000	£000	£000
Liverpool City Council	Member	Funding Receivable	4,345	379	9,294	1,116
Liverpool City Council	Member	Purchases	314	(1)	239	(1)
Council of the Liverpool chamber of commerce	Member	Purchases	23	-	-	-
Council of the Liverpool chamber of commerce	Member	Receivables	12	8	-	-
City of Liverpool College	Member	Receivables	1	1	-	-
City of Liverpool College	Member	Purchases	3	-	-	-
Arena and Convention Centre Liverpool Limited	Common director	Purchases	92	(1)	9	-
Arena and Convention Centre Liverpool Limited	Common director	Receivables	75	0	11	1
Liverpool Hope University	Common director	Receivables	1	-	2	-
Liverpool Hope University	Common director	Purchases	-	-	2	-

Liverpool Vision Limited

NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

Related entity	Nature of relationship	Nature of transactions	2015		2014	
			Aggregate value for financial period	Net amount owed (to) / from the related entity	Aggregate value for financial period	Net amount owed (to) / from the related entity
			£000	£000	£000	£000
Liverpool Bid Company	Member	Purchases	2	-	-	-
Liverpool Bid Company	Member	Receivables	36	6	-	-
Dot Art CIC	Member	Purchases	1	-	-	-
LEP	Member	Purchases	161	-	161	-
LEP	Member	Funding Receivable	358	401	147	107
Bluecoat Arts Centre	Member	Receivables	1	-	-	-
FACT	Member	Purchases	13	-	-	-
FACT	Member	Receivables	2	-	-	-

20. CONTROLLING PARTIES

This company is controlled by Liverpool City Council ("LCC"), an entity based in England and Wales. The financial statements of Liverpool Vision Limited are consolidated into the financial statements of Liverpool City Council.

21. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the financial year (2014: £nil).