



Liverpool Vision Limited

REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

Company Registration No. 06580889

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Liverpool Vision Limited

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Liverpool Vision Limited

DIRECTORS AND ADVISORS

DIRECTORS

Mayor J Anderson OBE
Cllr L Hinnigan
Cllr G Millar
Cllr W Simon

SECRETARY

I J McCarthy

REGISTERED OFFICE

Liverpool Vision Limited
10th Floor
The Capital
39 Old Hall Street
Liverpool
L3 9PP

Company no: 06580889

AUDITORS

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
Royal Liver Building
Liverpool
L3 1PS

BANKERS

NatWest
2-8 Church Street
Liverpool
L1 3BG

Liverpool Vision Limited

DIRECTORS' REPORT

Company Registration No. 06580889

The directors submit their report and the financial statements of Liverpool Vision Limited for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

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

REVIEW OF BUSINESS

During 2017/18 the company focused on the delivery of its business plan for the year, aiming to generate jobs and investment in Liverpool. Further information is included within the Strategic Report.

Liverpool Land Development Company Limited ("LLDC"), a subsidiary of Liverpool Vision Limited ("LV"), is now a dormant company with no activity undertaken in 2017/18.

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 Board of Directors now consists of Joe Anderson, Mayor of Liverpool (Chair), Councillor Gary Millar, Councillor Ann O'Byrne 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-Committee exists to scrutinise financial management, audit and risk management, and reports to the Board.

Liverpool City Council continues to scrutinise Liverpool Vision Limited and liaises on corporate and organisational matters where necessary. Liverpool Vision works closely with several Council departments, particularly the Chief Executive's Office and Regeneration.

FINANCIAL MANAGEMENT

Liverpool Vision's finance function seeks continual improvement. Finances and procurement are managed through financial regulations and an annually reviewed set of financial control procedures, developed with advice from Liverpool City Council. Standard contract terms and conditions are utilised to minimise the risk that the Company and its resources are exposed to.

A new reporting structure and suite of financial management reports was developed and implemented during 2015/16, to facilitate in-depth analysis of income and expenditure activity. 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 external audit. Formal oversight of finance, audit and risk management is through the Board, advised by the Finance Sub-Committee.

Liverpool Vision Limited

DIRECTORS' REPORT

DIRECTORS

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

Mayor J Anderson OBE
Cllr A O'Byrne (resigned 18 July 2018)
Cllr G Millar
Cllr W Simon

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

Cllr L Hinnigan (appointed 18 July 2018)

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 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 contributions during the year or the prior year.

AUDITOR

The Auditor, Grant Thornton UK LLP offer themselves for re-appointment in accordance with Section 485 of the Companies Act 2006

On behalf of the board



J Anderson
Chair of the Board
Mayor of Liverpool
5th September 2018

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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS's as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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 year saw a decline in operating results with a loss of £(1,590,000) compared to a loss of £(1,349,000) in the prior year. This was driven by revised stakeholder revenue in comparison to the previous year, as well as the re-phasing of Single Investment Fund (SIF) income available for International Business Festival purposes from 2017/18 into future financial periods. Furthermore, the decrease in operating results was compounded by past service costs and loss from settlements of £84,000 associated with the Company's defined benefit pension scheme. Liverpool Vision Limited is the Mayor of Liverpool's Economic Development Company and operates on a "not for profit" type basis. The operating costs of the company were met primarily through contributions by Liverpool City Council.

PERFORMANCE

During 2017/18 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 2017/18 was strong. Through the year the company succeeded in supporting the creation of 1,042 jobs and supported the attraction of more than £79 million in private sector investment.

This is a particularly noteworthy achievement alongside developing a renewed concept and design for the 2018 International Business Festival, which has played a major part of Liverpool Vision's activity in 2017/18.

Output

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

Key Direct Outputs

		Total
Jobs created (No.)	Target	1,037
	Achieved	1,042
Private sector investment (£)	Target	£38,250,000
	Achieved	£79,440,000

During 2017/18 Liverpool Vision achieved both of its key direct output targets, delivering 100% of the jobs created target and 202% of the private sector investment target. The achievement of the jobs created target was a result of Invest Liverpool's 47 successful projects and these accounted for a large proportion of the private sector investment generated but was also supplemented by private sector contributions supporting Marketing Liverpool activity.

The Marketing Liverpool revenue was received from a number of sources, including Liverpool Convention Bureau directory sales, digital placements, Seasonal Guide advertiser income and private sector partners for MIPIM 2018. This exemplifies Liverpool Vision's continuing move to a more commercial approach; a key priority for the company.

Further details of activity across the programme areas of Liverpool Vision are shown below.

International Festival for Business 2016 (IFB2016) and International Business Festival 2018

Developing the 2018 International Business Festival and identifying the impacts of IFB2016 have played an integral part of Liverpool Vision's activity in 2017/18. The IFB2016 One Year On Evaluation report was published in June 2017 and provides a more accurate reflection than the Interim Evaluation published in 2016 of the Festival's impacts. These include the creation of 2,260 net additional jobs, £37 million net additional export sales and £46 million of net additional UK sales.

Developing the concept and finalising the design of the 2018 International Business Festival has required substantial human resource from Liverpool Vision. To be hosted in June 2018, it will be one of the largest

Liverpool Vision Limited

STRATEGIC REPORT

business events of the year and will provide a platform for UK businesses to engage with global markets and secure international investment.

Marketing Liverpool

Marketing Liverpool has continued its impressive work in promoting the city region as a global destination for visitors, conventions and investment. Key projects have been delivered across all of the brands developed by Marketing Liverpool's to ensure another successful year. Marketing Liverpool has maintained positive and encouraging commercial momentum throughout 2017/18, with consistent member and project growth. Private sector revenue of nearly £1 million has been reinvested back into the business, supporting the city region's promotion.

Invest Liverpool

Invest Liverpool continues to be successful in attracting investment into the city and raising the profile of the city on the international stage. The Invest team have hosted numerous international business delegations, with a particular focus on those sectors in which Liverpool contains international expertise. Whilst North America and Europe remain pivotal targets for attracting investment, furthering Liverpool's relationship with China has been overwhelmingly positive.

Liverpool City Region Integrated Business Support Programme (LCRIBS) and the Growth Hub continues to develop and aid in lead generation and the creation of job opportunities.

THE FUTURE

Liverpool Vision's priorities for the 2018/19 period will continue to focus on the creation of jobs and the generation of investment in Liverpool. It will achieve this by focussing on three main areas:

- Marketing Liverpool, which aims to position Liverpool as a major international visitor and investment destination.
- Invest Liverpool, which will continue to raise the city region's international profile and secure new business investment, working within priority sectors to generate leads and develop intelligence regarding potential investors.
- The 2018 International Business Festival, which will provide a platform for UK and international companies to increase their international sales and demonstrate Liverpool's ability to host such a prestigious, large scale, international business event.

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 business plan. Risks are identified through open discussion at Senior Management Team (SMT) meetings, general manager level and by individual budget holders. 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 grouped to help establish relationships between them; the following categories are used: strategic, operational and financial. 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, managed and control measures identified via the Liverpool Vision risk register; grouped under the appropriate headings, the risks are as follows:

- Strategic/ Organisational:
 - Lack of good governance;
 - Loss of focus on business plan priorities;
 - Loss of Mayor/Liverpool City Council commitment to Liverpool Vision;
 - Failure to maintain good relations and clear roles with partners in the city/ city region;
 - Engagement of the private sector in the governance of Liverpool Vision; and
 - Liverpool City Region revised arrangements for economic development in the City Region.
- Operational:
 - Failure of major programme or project;
 - Programme management failure leading to clawback of external funding;
 - Breach of Data Protection Act or commercial/sensitive data;
 - Failure to follow regulations and procedures as a good employer;
 - Failure to secure and retain appropriately skilled human resource, especially in specialist and business critical functions;
 - Failure to build and maintain positive relationship with business;
 - Change to public procurement arrangements for economic development services;
 - Major loss of operational capability caused by force majeure; and
 - Organisational Culture and behaviour limits the performance of the company.
- Financial
 - Significant reduction in public and private funding – maintenance of “going concern” over the medium term;
 - Failure to maintain appropriate procurement arrangements;
 - Failure to manage project costs;
 - Failure to manage cash flow;
 - Failure to maintain appropriate financial protocols/ systems;
 - Fraudulent actions;
 - Visitor economy sector – commercial income;
 - Brexit; and
 - Expiry of property lease.

Liverpool Vision Limited

STRATEGIC REPORT

FINANCIAL RISK MANAGEMENT

All financial instruments (Note 12) held by the 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 company’s operations expose it to a variety of financial risks. The company has in place risk management policies that seek to limit the adverse effects on the financial performance of the company by using various instruments and techniques.

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

(a) **Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company’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 company maintains an active and ongoing dialogue with Liverpool City Council to ensure it has sufficient funds to meet its costs.

The company has the support of Liverpool City Council and has obtained confirmation that funding will be provided by the Liverpool City Council to support Liverpool Vision’s activities for the foreseeable future.

The company believes it has sufficient cash facilities and funding support from Liverpool City Council to meet its operational commitments. At the year end the company had no overdrawn balances.

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

(b) **Foreign exchange risk**

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

(c) **Interest rate risk**

The company 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 company considers that interest rates in the short to medium term will remain relatively stable. However, in terms of sensitivity analysis a 100 basis points rise in the interest rate above the current level could generate additional annual interest income of circa £3,460 based on year end cash reserves. Conversely, a 25 basis points fall could reduce annual interest income of circa £865 based on year end cash reserves. There would be an equivalent increase or decrease in equity, respectively.

Liverpool Vision Limited

STRATEGIC REPORT

(d) Credit risk

The company's financial assets are bank balances and trade and other receivables which represent the company'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 company's credit risk is primarily attributable to its trade receivables and accrued income. Management have a credit policy in place and exposure to credit risk is monitored on an on-going basis.

Management believe the company 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 company's capital is considered to be funding and support received from Liverpool City Council. 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 foreseeable future, having had agreement from Liverpool City Council, via Liverpool Vision Board meeting, that they will provide funding to support Liverpool Vision throughout 2018/19. Liverpool Vision has demonstrated its ability to manage its income position and that 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.

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 Company, 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 September 2018

Liverpool Vision Limited

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

Opinion

We have audited the financial statements of Liverpool Vision Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Liverpool Vision Limited

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Emma Stoddart
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
13 September 2018

Liverpool Vision Limited

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2018

	Note	2018 £000	2017 £000
REVENUE	2	5,534	10,293
TOTAL EXPENDITURE	2	(7,124)	(11,642)
(LOSS) FROM OPERATIONS		(1,590)	(1,349)
Finance income	4	-	1
Finance costs	5	(46)	(44)
TOTAL (LOSS) BEFORE TAX		(1,636)	(1,392)
Income tax expense	6	(70)	-
(LOSS) FOR THE FINANCIAL YEAR		(1,706)	(1,392)
OTHER COMPREHENSIVE INCOME:			
Actuarial gain / (loss) on pension scheme	14	844	(179)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(862)	(1,571)

All of the activities of the Company are classed as continuing.

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

Liverpool Vision Limited

STATEMENT OF FINANCIAL POSITION AT 31st MARCH 2018

	Note	2018 £000	2017 £000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	263	275
TOTAL NON-CURRENT ASSETS		263	275
CURRENT ASSETS			
Inventories	9	2	2
Trade and other receivables	10	2,094	1,138
Cash and cash equivalents	10	346	1,463
TOTAL CURRENT ASSETS		2,442	2,603
TOTAL ASSETS		2,705	2,878
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	(2,358)	(1,255)
Provisions	15	(200)	(86)
TOTAL CURRENT LIABILITIES		(2,558)	(1,341)
NON-CURRENT LIABILITIES			
Retirement benefit obligations	14	(639)	(967)
Provisions	15	-	(200)
TOTAL NON-CURRENT LIABILITIES		(639)	(1,167)
TOTAL LIABILITIES		(3,197)	(2,508)
NET (DEFICIT) / ASSETS		(492)	370
EQUITY			
Retained earnings		(492)	370

The accompanying accounting policies and notes form an integral part of these financial statements. The financial statements on pages 12 to 38 were approved by the Board of directors and authorised for issue on 5th September 2018 and were signed on its behalf by:

J Anderson
Chairman
Mayor of Liverpool



Company Number 06580889

Liverpool Vision Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

	Retained earnings 2018 £000	Retained earnings 2017 £000
At start of the year	370	1,941
(Loss) for the year	(1,706)	(1,392)
Other Comprehensive Income:		
Total actuarial gain / (loss) on the pension scheme	844	(179)
At end of the year	(492)	370

Retained earnings

The retained earnings reserve includes the loss arising from the Statement of Comprehensive Income and the actuarial (gain)/loss on the pension scheme.

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

Liverpool Vision Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2018

	2018		2017	
	£000	£000	£000	£000
Cash flows from operating activities				
(Loss) before taxation	(1,636)		(1,392)	
<i>Adjustments for:</i>				
Depreciation	12		95	
Finance income	-		(1)	
Finance costs	46		44	
(Increase)/decrease in trade and other receivables	(1,026)		1,696	
Increase/(decrease) in trade and other payables	1,103		(1,997)	
(Decrease)/increase in provisions	(86)		86	
Increase in retirement benefit obligation	470		420	
Cash (used) from operations	<u>(1,117)</u>		<u>(1,049)</u>	
Income taxes paid	-		(1)	
NET CASH (USED) FROM OPERATING ACTIVITIES		<u>(1,117)</u>		<u>(1,050)</u>
Cash flows from investing activities				
Finance income	-		1	
Purchases of property, plant and equipment	-		(370)	
NET CASH (USED) FROM INVESTING ACTIVITIES		<u>-</u>		<u>(369)</u>
Net (decrease) in cash and cash equivalents		<u>(1,117)</u>		<u>(1,419)</u>
Cash and cash equivalents at start of year		1,463		2,882
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>346</u>		<u>1,463</u>

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

Liverpool Vision Limited

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

GOING CONCERN

Notwithstanding the loss for the year and the net liability position the financial statements continue to be prepared on the going concern basis. Liverpool Vision has received confirmation from Liverpool City Council that it will provide financial support sufficient to underwrite the on-going commitments and liabilities of the company for a period not less than 12 months from the date of signing the accounts, to ensure that Liverpool Vision Ltd can continue to meet its liabilities as they fall due. Accordingly, the accounts have been prepared on a going-concern basis.

BASIS OF CONSOLIDATION

A subsidiary is an entity over which the group has the power to govern the financial and operating policies to obtain economic benefit from their activities. Liverpool Vision Limited is the sole member of Liverpool Land Development Company Limited ("LLDC") a company limited by guarantee having no share capital. Liverpool Vision became the sole member on 30 April 2008 at no cost. Its interest in LLDC was initially recognised at cost and subsequently measured at cost.

Liverpool Vision Limited has not prepared consolidated financial statements that includes LLDC on the grounds of materiality as LLDC is dormant in the current and the prior financial year. These financial statements reflect the company only and not its group.

REVENUE RECOGNITION

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

Programme Income

The company 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.

Liverpool Vision Limited

ACCOUNTING POLICIES

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 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 statement of financial position 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.

PROFIT FOR THE FINANCIAL YEAR

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

Liverpool Vision Limited

ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

Equipment is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the company's management. Leasehold improvement and other equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of other equipment. The following useful lives are applied:

- other equipment: 2-10 years.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

OPERATING LEASE POLICY

Leases are treated as operating leases in accordance with the conditions set under IAS17. Where the Company 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.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct, and where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling cost less costs incurred in marketing, selling and distribution.

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 company 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.

Liverpool Vision Limited

ACCOUNTING POLICIES

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.

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 (SOI) 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 company 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. A supplemental office property lease has been signed on the 21st July 2016 extending the lease to the 31st December 2018. 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 has been charged over three years to a break-clause.

Liverpool Vision Limited

ACCOUNTING POLICIES

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

Amendments to published standards effective for the year ended 31 March 2018

There are no amendments which were effective in the year ended 31 March 2018 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 Company's financial statements.

		Effective date:
		periods
		commencing
		on or after
Standard		
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 7	Disclosure Initiative	1 January 2017

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

		Effective date:
		periods
		commencing
		on or after
Standard		
IFRS 16	Leases	1 January 2019
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers including amendments to IFRS 15	1 January 2018
Amendments to IFRS 2014-2016 Cycle	Relating to IFRS 12 Disclosure of interest in other entities	1 January 2018

Liverpool Vision Limited

ACCOUNTING POLICIES

IFRS 9 'Financial Instruments'

The new IFRS 9 replaces IAS 39. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

Management has identified the following areas that are expected to be most impacted by the application of IFRS 9:

- the classification and measurement of the company's financial assets. Management holds most financial assets to hold and collect the associated cash flows and is currently assessing the underlying types of cash flows to classify financial assets correctly.
- The impairment of financial assets applying the expected credit loss model. This will apply to the company's trade receivables and investments in debt-type assets. For contract assets arising from IFRS 15 and trade receivables, the company will review whether a simplified model of recognising lifetime expected credit losses is applied as these items do not have a significant financing component.

Management is yet to fully assess the impact of the Standard however will be performing a full review to ascertain how the new requirements will impact on the classification and measurement of financial assets.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities.

Management has considered the impact of the new standard to ascertain how the new requirements will impact the identification of services and the allocation of consideration to them. In light of this review Management has established that there will be no material impact.

IFRS 16 'Leases'

IFRS 16 will replace IAS 17 and three related interpretations. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS16 is effective from periods beginning on or after 1 January 2019. Management is yet to fully assess the impact of the Standard however will be performing a full review of all agreements against the requirements of this new Standard.

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The company 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 company 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 company 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 based upon a dilapidations assessment undertaken by an independent commercial property and real estate services adviser in May 2015. The directors consider that this dilapidations assessment remains appropriate at 31 March 2018.

Doubtful debt provision

Management review the recoverable amount of trade and other receivables at each financial year end and provide against any debts that management believe are non-recoverable in part or in full.

Funding from government bodies

The company receives funding from a number of government bodies, which, as is usual with such funding is subject to ongoing monitoring and conditions which if not met could result in a request for the company to repay an element of the funding received. The directors review the performance against the conditions and include a provision in the financial statements for an estimate of grant funding that may be repayable.

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

2. TURNOVER AND (LOSS) BEFORE TAXATION

	2018 £000	2017 £000
All rendering of services:		
Funding from Government bodies	4,349	6,462
Funding from Non-Government bodies	1,185	3,831
	<u>5,534</u>	<u>10,293</u>

(Loss) before tax is stated after charging:

Audit services		
- statutory audit of financial statements	19	20
Other services		
- Accounting support services	1	4
- VAT advisory services	-	5
- Corporation tax compliance services	-	8
Operating lease costs		
- Land and buildings	224	238
	<u>250</u>	<u>275</u>

Liability Limitation Agreement

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

	2018 £000	2017 £000
The following table analyses the nature of expenses:		
Programme expenditure	3,428	7,481
Staff costs (see Note 3)	3,105	3,119
Premises costs	330	386
Professional fees	25	47
Other expenses	236	609
	<u>7,124</u>	<u>11,642</u>

Split of Staff costs between Operating and Programme expenditure:

	2018 £000	2017 £000
Programme	1,818	1,603
Operations	1,287	1,516
	<u>3,105</u>	<u>3,119</u>

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

3 DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration during the year or the prior year.

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

	2018 Number	2017 Number
Corporate Services	14	16
International Investment and Development	16	14
Marketing	20	22
International Festival for Business	22	15
	<u>72</u>	<u>67</u>

The aggregate payroll cost of employees was as follows:

	2018 £000	2017 £000
Wages and salaries	2,641	2,423
Social security costs	262	248
Pension costs	202	448
Total	<u>3,105</u>	<u>3,119</u>

Remuneration of key management personnel

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

	2018 £000	2017 £000
Short-term employee benefits	534	534
Post-employment benefits	44	222
	<u>578</u>	<u>756</u>

4. FINANCE INCOME

	2018 £000	2017 £000
Bank interest	-	<u>1</u>

5. FINANCE COSTS

	2018 £000	2017 £000
Expected return on defined benefit scheme assets	(476)	(504)
Interest on scheme liabilities	522	548
	<u>46</u>	<u>44</u>

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

6. TAXATION

	2018 £000	2017 £000
<i>Current tax</i>		
UK – current year	-	-
Deferred tax (see Note 16)	70	-
Income tax charge	70	-

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

	2018 £000	2017 £000
(Loss) before tax	(1,636)	(1,392)
Tax at the domestic income tax rate 19% (2017: 20%)	(311)	(279)
<i>Tax effects of:</i>		
Expenses not deductible	311	279
Change in recognised deferred tax assets	70	-
Total tax charge	70	-

Factors that may affect future tax charges

There was a reduction in the main rate of corporation tax to 19% from 1 April 2017, following budget announcements the rate will fall to 17% in 2020.

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

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. Liverpool Vision Limited has not prepared consolidated financial statements that includes LLDC on the grounds of materiality as LLDC is dormant in the current and the prior financial year. Liverpool Vision became the sole member on 30 April 2008 at no cost. LLDC is now a dormant company with no activity undertaken in 2017/18. At 31 March 2018 LLDC has capital and reserves amounting to £Nil (2017: £Nil).

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements £000	Other Equipment £000	Total £000
<i>Cost:</i>			
At 1 April 2017	100	370	470
Additions	-	-	-
At 31 March 2018	100	370	470
<i>Accumulated depreciation:</i>			
At 1 April 2017	100	95	195
Depreciation	-	12	12
At 31 March 2018	100	107	207
<i>Carrying value:</i>			
At 31 March 2018	-	263	263
At 31 March 2017	-	275	275

	Leasehold Improvements £000	Other Equipment £000	Total £000
<i>Cost:</i>			
At 1 April 2016	100	-	100
Additions	-	370	370
At 31 March 2017	100	370	470
<i>Accumulated depreciation:</i>			
At 1 April 2016	100	-	100
Depreciation	-	95	95
At 31 March 2017	100	95	195
<i>Carrying value:</i>			
At 31 March 2017	-	275	275
At 31 March 2016	-	-	-

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

9. INVENTORIES

Inventories consist of the following:

	2018 £000	2017 £000
Consumables	2	2

In 2018, a total of £Nil (2017: £15,084) of inventories was included in the loss for the year. This includes an amount of £Nil (2017: £15,084) resulting from a write-down of inventories.

10. TRADE AND OTHER RECEIVABLES

	2018 £000	2017 £000
<i>Current:</i>		
Trade and other receivables	2,094	1,138
Cash and cash equivalents	346	1,463
Maximum exposure to credit risk	2,440	2,601

Trade and other receivables are as follows:

	2018 £000	2017 £000
<i>Current:</i>		
Trade receivables	320	165
Amount due from related parties	18	30
Other taxation and social security costs	45	-
Deferred tax (see Note 16)	-	70
Prepayments and accrued income	1,711	873
	2,094	1,138

All of Liverpool Vision Limited's trade and other receivables have been reviewed for indicators of impairments. An impairment provision amounting to £221,783 (2017: £265,499) has been included in the financial statements.

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

11. TRADE AND OTHER PAYABLES

	2018 £000	2017 £000
<i>Current:</i>		
Trade payables	531	291
Other taxation and social security costs	70	195
Corporation tax payable	-	-
Accruals and deferred income	1,757	769
	<u>2,358</u>	<u>1,255</u>

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.

12. FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

	2018 £000	2017 £000
Financial assets		
<i>Loans and receivables (amortised cost)</i>		
Cash and cash equivalents	346	1,463
Trade and other receivables	1,166	987
	<u>1,512</u>	<u>2,450</u>
Financial liabilities		
<i>Other liabilities (amortised cost)</i>		
Trade and other payables	1,018	592
	<u>1,018</u>	<u>592</u>

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

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

The average credit period taken on current debtors is 138 days (2017: 47 days). The increase in debtor days is due to higher levels of prepayments included within trade and other receivables balances.

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

The company 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 company believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2018 £000	2017 £000
Up to three months	2	5
Between three and six months	-	-
Over 6 months	3	-
	<u>5</u>	<u>5</u>

There are no significant credit risks arising from financial assets that are neither past due nor impaired other than receivables included within the impairment provision detailed in note 10.

Cash and cash equivalents of £346,000 (2017: £1,463,000) comprise cash and short term deposits held by the company treasury function. The carrying amount of these assets approximates to their fair value.

At 31 March 2018, £346,000 of cash was denominated in sterling (2017: £1,463,000).

A description of the company's financial instrument risks, including risk management objectives and policies and its capital management policy is given on pages 8 & 9.

13. BORROWING FACILITIES

The Company has no bank borrowing facilities at 31 March 2018 and 31 March 2017.

14. 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 2018 are based on an actuarial valuation as at 31 March 2018.

Key assumptions used:	2018 %	2017 %
Discount rate	2.6	2.5
Investment return on plan assets	2.5	21.19
Rate of CPI inflation	2.1	2.3
Expected rate of salary increases	3.6	3.8
Future pension increases	2.2	2.3

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

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

	2018 Years	2017 Years
Male	22.0	21.9
Female	24.8	24.7

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

	2018	2017
Male	25.0	24.9
Female	27.8	27.7

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:

	2018 £000	2017 £000
Service cost:		
Current service cost	669	426
Past service costs and loss from settlements	84	261
	<u>753</u>	<u>687</u>

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

	2018 £000	2017 £000
Interest cost	522	548
Expected return on scheme assets	(476)	(504)
	<u>46</u>	<u>44</u>

Amounts recognised within other comprehensive income in respect of the defined benefit scheme are as follows:

	2018 £000	2017 £000
Actuarial gains on plan assets	-	4,242
Actuarial gains / (losses) on plan liabilities	844	(4,421)
	<u>844</u>	<u>(179)</u>

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

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 2018.

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

	2018 £000	2017 £000
At start of period	13,199	7,935
Current service cost	669	426
Interest cost	522	548
Actuarial (gains) / losses on liabilities	(844)	4,421
Contributions by plan participants	155	151
Curtailments	84	261
Benefits paid	(545)	(543)
At end of period	<u>13,240</u>	<u>13,199</u>

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

	2018 £000	2017 £000
At start of period	12,232	7,611
Expected return on scheme assets	476	504
Actuarial gains	-	4,242
Administration expenses	(10)	(10)
Employer contributions	293	277
Employee contributions	155	151
Benefits paid	(545)	(543)
At end of period	<u>12,601</u>	<u>12,232</u>

The actuarial gain on scheme assets was £Nil (2017: gain of £4,242,000).

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

The amount included in the Statement of Financial Position arising from the company's obligation in respect of defined benefit schemes is as follows:

	2018 £000	2017 £000
Fair value of scheme assets	12,601	12,232
Present value of defined benefit obligations	(13,240)	(13,199)
Deficit in scheme	(639)	(967)
Liability recognised in Statement of Financial Position	(639)	(967)

The figures included in the Statement of Financial Position do 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	%
	2018	2018	2017	2017
Equity instruments	10,260	52	10,239	54
Government bonds	699	4	764	4
Other bonds	2,421	12	2,176	11
Property	1,734	9	1,488	8
Cash / liquidity	520	3	649	3
Other assets	3,826	20	3,775	20
	19,460	100	19,091	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 2.5% (net of expenses) on the existing assets is anticipated for accounting purposes, although this can vary from year to year.

	2018 £000	2017 £000
Present value of defined benefit obligations	(21,191)	(21,150)
Fair value of scheme assets	19,460	19,091
Opening Deficit – Transfer of Staff	1,092	1,092
Deficit in scheme	(639)	(967)
Experience adjustments on scheme liabilities	844	(4,421)
Experience adjustments on scheme assets	-	4,242

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

The estimated amounts of contributions expected to be paid to the scheme during the financial period ending 31st March 2019 is £197,000.

A sensitivity analysis undertaken by Mercer on behalf of Merseyside Pension Fund – Liverpool Vision, as at 31st March 2018 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 (+0.1% p.a. pay growth)	Sensitivity 4 (1 year increase in life expectancy)
	£000	£000	£000	£000	£000
Liabilities	21,191	20,823	21,566	21,243	21,625
Assets	(19,460)	(19,460)	(19,460)	(19,460)	(19,460)
Deficit / (surplus)	1,731	1,363	2,106	1,783	2,165
Projected service cost for next year	617	597	637	617	631
Projected interest cost for next year	42	34	52	44	54

15. PROVISIONS

	Dilapidations provision £000	Other £000	Total £000
At 1 April 2017	200	86	286
Utilisation of provision	-	(86)	(86)
At 31 March 2018	200	-	200

	2018 £000
Current provision	200
Non – current provision	-
	<u>200</u>

Liverpool Vision have a lease for office accommodation that runs until 31st December 2018. Liverpool City Council have acted as a Guarantor on this lease. The company is now responsible for dilapidations

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

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.

Other provisions as at 31st March 2017 relate to costs associated with a restructuring programme carried out by management in 2016/17.

16. DEFERRED TAXATION

Deferred tax in the year is as follows:

	£000
At 1 April 2017	70
Charge to profit or loss	(70)
At 31 March 2018	-

Deferred tax relates to the temporary differences arising from the differences between the tax base and the accounting base of assets and liabilities. The deferred tax asset arises as a result of tax losses available for use in the future.

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

17. SHARE CAPITAL

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

Liverpool City Council is the sole member.

18. CAPITAL COMMITMENTS

There were no capital commitments at the end of the financial year (2017: £Nil).

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

19. OPERATING LEASE ARRANGEMENTS

	2018		2017	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Lease payments under operating leases recognised as an expense in the period	224	10	238	15

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

Amounts due:	2018		2017	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Within one year	168	6	211	10
Between one and five years	-	1	131	7
After five years	-	-	-	-
	168	7	342	17

Operating lease payments represent rentals payable by the Company for its office properties, photocopier and printers.

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

20. RELATED PARTY TRANSACTIONS

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

All amounts owed (to) / from the company are included within trade receivables or trade payables.

Related entity	Nature of relationship	Nature of transactions	2018		2017	
			Aggregate value for financial period	Net amount owed (to) / from the company	Aggregate value for financial period	Net amount owed (to) / from the company
			£000	£000	£000	£000
The ACC Liverpool Group Limited	Common director	Purchases	499	-	181	(8)
The ACC Liverpool Group Limited	Common director	Receivables	63	-	176	-
Bluecoat Arts Centre	Common director	Receivables	4	1	3	-
Council of the Liverpool chamber of commerce	Common director	Purchases	-	-	2	-
Council of the Liverpool chamber of commerce	Common director	Receivables	-	-	6	-
FACT	Common director	Purchases	1	-	-	-
FACT	Common director	Receivables	1	-	1	-
John Lennon Airport Board	Common director	Receivables	5	-	10	-
Liverpool BID Company	Board Member	Receivables	15	-	26	-
Liverpool Biennial	Common director	Purchases	-	-	17	-
Liverpool Biennial	Common director	Receivables	6	7	-	-
Liverpool City Region Combined Authority	Common director	Receivables	2,328	-	-	-
Liverpool City Region Local Enterprise Partnership	Common director	Purchases	38	-	22	-

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

Related entity	Nature of relationship	Nature of transactions	2018		2017	
			Aggregate value for financial period	Net amount owed (to) / from the company	Aggregate value for financial period	Net amount owed (to) / from the company
			£000	£000	£000	£000
Liverpool City Region Local Enterprise Partnership	Common director	Receivables	108	56	81	18
Liverpool and Sefton Chamber of Commerce	Board Member	Purchases	-	-	2	-
Liverpool and Sefton Chamber of Commerce	Board Member	Receivables	-	-	6	-
Liverpool Royal Court Theatre	Common director & trustee	Purchases	-	(1)	1	-
Liverpool Royal Court Theatre	Common director & trustee	Receivables	1	-	1	-
Liverpool City Council	Common director	Purchases	74	-	82	(1)
Liverpool City Council	Common director	Receivables	2,037	18	5,407	30
Royal Liverpool Philharmonic	Common director	Purchases	-	-	3	-
Royal Liverpool Philharmonic	Common director	Receivables	9	-	8	-
S. G. Lingard Ltd	Majority shareholder	Purchases	28	-	-	-
St. Georges Hall Charitable Trust	Trustee	Purchases	-	-	5	-
St. Georges Hall Charitable Trust	Trustee	Receivables	1	-	3	-
TATE Liverpool	Common director	Purchases	-	(2)	-	-
TATE Liverpool	Common director	Receivables	12	-	6	-

Liverpool Vision Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

21. 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 not consolidated into the financial statements of Liverpool City Council.

22. CONTINGENT LIABILITIES

During the year the company has received funding from a number of government bodies, which, as is usual with such funding, is subject to ongoing monitoring and conditions which if not met could result in a request for the company to repay an element of the funding received. The directors are not aware of any issues in relating to funding received during the year.

There were no other contingent liabilities at the end of the financial year (2017: £Nil).