

IPSERV Limited

Directors' Report
and
Audited Accounts

For the year ended 31 March 2019

Company No: 10633959



IPSERV Limited

Company No: 10633959

Accounts for the Year ended 31st March 2019

CONTENTS	Page
General information	3
Directors' Report	4
Statement of Directors' Responsibilities	5
Auditors' Report	7
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Accounts	12-21

IPSERV Limited

Company No: 10633959

Accounts for the Year ended 31st March 2019

GENERAL INFORMATION

Directors	A J Leeder (appointed 19 November 2018, resigned 13 June 2019) C J Kreidewolf J D Fairclough (appointment 21 May 2018) R S Williams C Spittlehouse E J Brightman (resigned 16 May 2018)
Secretary	J A Mitchell
Registered Office	Grafton House Russell Road Ipswich IP1 2DE
Auditors	Grant Thornton UK LLP Priory Place New London Road Chelmsford CM2 0PP
Bankers	Lloyds Bank Cornhill Ipswich Suffolk IP1 1DG



IPSERV Limited

Company No: 10633959

Accounts for the Year ended 31 March 2019

DIRECTORS REPORT

The directors present their report for the year ended 31 March 2019.

Directors

The directors who served during the year were as follows:

A J Leeder (appointed 19 November 2018, resigned 13 June 2019)

C J Kreidewolf

J D Fairclough (appointment 21 May 2018)

R S Williams

C Spittlehouse

E J Brightman (resigned 16 May 2018)

Business review

During the year, the company continued to provide services to the other companies within the group, and won a contract to operate car parks on behalf of a third party. The loss for the year before taxation is £574,819. The directors do not recommend that a dividend is paid for the year.

Going Concern

As the company is showing shareholder's deficit on the balance sheet, the directors have sought, and obtained a letter of comfort from the sole shareholder, Ipswich Borough Council confirming that the shareholder will provide financial support for a period at least until 31st March 2022. The directors are confident that the company will be profitable by this date.

Future Developments

The company has been awarded a contract to provide cleaning services, and will also begin providing car park enforcement services on the car parks that it operates. Other opportunities will be considered by the Board during the year as they arise.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement as to disclosure of information to auditors

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies Act 2006. The directors did not prepare a Strategic Report because they took advantage of the small companies exemption stipulated by the Companies Act 2006

IPSERV Limited

Company No: 10633959

Accounts for the Year ended 31 March 2019

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the accounts in accordance with applicable law and regulations.

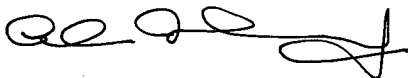
Company Law requires the directors to prepare accounts for each financial year.

Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

Signed on behalf of the board on 23.7.19 by:



Colin Kreidewolf
Director

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPSERV LIMITED

Opinion

We have audited the financial statements of IPSERV Limited (the 'company') for the year ended 31 March 2019, which comprise the Income Statement, the Statement of Other comprehensive Income, Balance Sheet, the Statement of Changes in Equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement 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.

Use of our report

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.

Grant Thornton UK LLP

Timothy Taylor FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Chelmsford

Date: 30 JULY 2019

IPSERV Limited

Company No: 10633959

Accounts for the year ended 31st March 2019

Income Statement

	Note	2019 £	2018 £
Turnover		1,068,713	206,146
Staffing Costs	4	(845,706)	(253,258)
Administrative expenses		(454,123)	(72,756)
Impairment of Investment in Stage Security Limited	5	(311,301)	-
Operating Loss		(542,417)	(119,868)
Interest payable		(34,521)	(1,936)
Interest receivable		2,119	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(574,819)	(121,804)
Corporation Tax	6	(22,917)	22,917
(LOSS) FOR THE FINANCIAL YEAR		(597,736)	(98,887)

STATEMENT OF OTHER COMPREHENSIVE INC

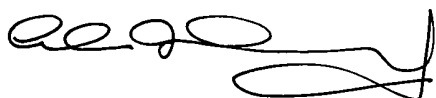
(LOSS) FOR THE FINANCIAL YEAR	(597,736)	(98,887)
Other Comprehensive Income		
Remeasurement loss recognised on defined benefit pension scheme	(27,000)	-
Total Comprehensive Loss for the year	(624,736)	(98,887)

IPSERV Limited**Company No: 10633959****Accounts for the Year ended 31 March 2019****Balance Sheet**

	Note	2019 £	2018 £
Non Current Assets			
Equipment	7	126,046	-
		<u>126,046</u>	<u>-</u>
Current Assets			
Debtors	8	371,024	230,864
Deferred Tax Asset	6	-	22,917
Cash at bank and in hand		154,420	77,567
Current Assets		<u>651,490</u>	<u>331,348</u>
Creditors: amounts falling due within one year	9	(457,103)	(392,225)
Net current assets / (liabilities)		<u>194,387</u>	<u>(60,877)</u>
Creditors: amounts falling due after more than one year	10	(825,000)	-
Defined benefit pension liability	14	(93,000)	(38,000)
Total Net Liabilities		<u>(723,613)</u>	<u>(98,877)</u>
Called up share capital		10	10
Profit and loss account		(723,623)	(98,887)
SHAREHOLDERS DEFICIT		<u>(723,613)</u>	<u>(98,877)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 relating to small companies.

The financial statements were approved by the board of directors on 22/07/19 and were signed on its behalf by:



Colin Kreidewolf
Director

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

Statement of Changes in Equity

	Called up share capital £	Retained Earnings £	Total Equity £
On incorporation - shares issued	10	-	10
Total comprehensive loss for the period	-	(98,887)	(98,887)
Balance at 31 March 2018	<u>10</u>	<u>(98,887)</u>	<u>(98,877)</u>
Total comprehensive loss for the year	-	(624,736)	(624,736)
Balance at 31 March 2019	<u><u>10</u></u>	<u><u>(723,623)</u></u>	<u><u>(723,613)</u></u>

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

Notes to the Accounts

1 Statutory Information

The company is a private company, limited by shares and registered in England. The registered number of the company is 10633959. The office is registered at Grafton House, Russell Road, Ipswich, Suffolk, IP1 2DE. Presentation Currency is GB pounds denoted by the sign £, the functional currency is also GB pounds.

The primary activities of the business in 2018/19 was the provision of services to other companies owned by Ipswich Borough Council, through the employment of staff and other contractors, and the provision of car parking management services.

2 Accounting Policies

Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with the accounting policies set out below. These financial statements have been prepared in accordance with FRS102, section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Taxation

Taxation represents the sum of tax currently payable and deferred tax. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial Assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

Notes to the Accounts

2 Accounting Policies (cont'd)

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 13.

Pension Costs & Other Post Retirement Benefits

As part of the terms and conditions of employment of its employees, the company offers retirement benefits. Although these benefits will not actually be payable until employees retire, the company has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The company participates in the Local Government Pension Scheme, which is administered by Sufflok County Council. This is a funded defined benefit final salary scheme, meaning that the company and employees pay contributions into a fund, calculated at a level to balance the liabilities with investment assets.

The principal risks to the company of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and performance of the equity investments held by the scheme.

The fair value of plan assets is measured in accordance with the FRS102 fair value hierarchy. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as "Remeasurement loss recognised on defined benefit scheme".

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

Notes to the Accounts (Cont'd)

2 Accounting Policies (cont'd)

Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Plant and Equipment 5 years

Office equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date

Going Concern

As the company is showing negative shareholder's funds on the balance sheet, the directors have sought, and obtained a letter of comfort from the sole shareholder, Ipswich Borough Council, confirming that the shareholder will provide financial support for a period at least until 31st March 2022. The directors are confident that the company will be profitable by this date.

Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in-hand and short term deposits with an original maturity date of three months or less.

3 Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements.

	2019	2018
	£	£
Audit of the financial statements	<u>7,000</u>	<u>9,183</u>
4 Staffing Cost	2019	2018
	£	£
Consultancy	189,626	97,817
Wages & salaries	449,216	63,699
Social security costs	51,242	7,289
Employers pension contribution	56,159	12,735
Defined pension scheme	26,000	38,000
Training	1,998	1,498
Subscriptions	7,930	519
Recruitment Costs	<u>63,535</u>	<u>31,700</u>
	<u><u>845,706</u></u>	<u><u>253,257</u></u>

IPSERV Limited**Company No: 10633959****Accounts for the Year ending 31 March 2019****Notes to the Accounts (cont'd)****5 Impairment of Investment in Stage Security Limited**

On 26th April 2018, IPSERV Limited purchased 100% of the share capital of Stage Event Security Limited for £311,301. The consideration paid for the share capital was based upon A) the carrying value of the net assets of Stage Event Security Ltd at 26th April 2018 of £11,301 the "net assets" and B) a further amount of £300,000 "the goodwill". During the period ended 31 March 2019, Stage Event Security Ltd made a pre-tax loss of £133,477. The directors have an expectation of delivering profits in future. However, after a review of the carrying value at year end, they considered it prudent to impair both the goodwill and net asset elements of the carrying value of the investment to nil.

6 Tax**(a) Tax charged in the income statement**

	2019	2018
	£	£
Current tax:		
UK corporation tax at 19%	-	-
Deferred tax:		
Origination and reversal of timing difference	<u>(22,917)</u>	<u>22,917</u>

(b) Provision for deferred tax

	2019	2018
	£	£
Deferred tax on pension liability	-	(6,460)
Tax losses carried forward and other deductions	<u>-</u>	<u>(16,457)</u>
Total deferred tax asset	-	(22,917)

Movement in provision:

Provision at start of period	(22,917)	-
Deferred tax credited in the Profit and Loss account for the period	<u>22,917</u>	<u>(22,917)</u>
Provision at end of the period	<u>-</u>	<u>(22,917)</u>

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

Notes to the Accounts (cont'd)

6 Tax /cont.

(c) Reconciliation of tax charge	2019	2018
	£	£
Loss on ordinary activities before tax	(574,819)	(121,804)
Tax on loss on ordinary activities at standard CT rate of 19%	(109,216)	(23,252)
<i>Effects of:</i>		
Fixed asset differences	527	-
Expenses not deductible for tax purposes	9,310	-
Other permanent differences	(9,310)	(2,482)
Amounts (charged)/credited directly to equity or otherwise transferred	(5,130)	-
Deferred tax (charged) / credited directly to equity	2,475	-
Adjust opening deferred tax to average rate of 19%	8,451	-
Adjust closing deferred tax to average rate of 19%	(2,696)	2,817
Deferred tax asset not recognised	46,441	-
Deferred tax credited in the Profit and Loss account for the period	22,917	-
Tax charge / (credit) for the period	<u>(36,231)</u>	<u>(22,917)</u>

7 Plant and equipment

	Plant and Equipment	Total
	£	
Cost		
Balance at 1 April 2018	-	-
Acquisitions	135,930	135,930
Disposals	-	-
Balance at 31 March 2019	<u>135,930</u>	<u>135,930</u>
Depreciation		
Balance at 1 April 2018	-	-
Charge for the year	9,884	9,884
Disposals	-	-
Balance at 31 March 2019	<u>9,884</u>	<u>9,884</u>
Net book value		
At 1 April 2018	-	-
At 31 March 2019	<u>126,046</u>	<u>126,046</u>

IPSERV Limited**Company No: 10633959****Accounts for the Year ending 31 March 2019****Notes to the Accounts (cont'd)**

8 Debtors	2019	2018
	£	£
Trade Debtors	31,356	160,829
Loan to Stage Event Security	50,000	-
Prepayments and accrued income	289,668	70,035
	<u>371,024</u>	<u>230,864</u>
9 Creditors: Amounts falling due within one year	2019	2018
	£	£
Trade Creditors	34,855	-
Accruals	391,474	189,095
Payroll Taxes	20,266	-
VAT	10,508	3,130
Loan from Ipswich Borough Council	-	200,000
	<u>457,103</u>	<u>392,225</u>
# Creditors: Amounts falling due after more than one year	2019	2018
	£	£
Loans	825,000	-
	<u>825,000</u>	<u>-</u>

The loans are from Ipswich Borough Council and Ipswich Borough Assets, and are fully detailed in note 15.

IPSERV Limited**Company No: 10633959****Accounts for the Year ending 31 March 2019****Notes to the Accounts (cont'd)****11 Authorised, issued and called up share capital**

	2019		2018	
	£	No.	£	No.
Authorised				
Ordinary shares of £1 each		10	10	10
Allotted, called up and fully paid Ordinary shares of £1 each				
Issued for cash	10	10	10	10
	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

12 Employee Numbers

	2019	2018
Average number of person employed	10.5	2
	<u>10.5</u>	<u>2</u>

13 Financial Instruments

The company has the following financial instruments:

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost		
- Cash at bank and in hand	154,420	77,567
- Trade receivables	31,356	160,829
- Accrued Income	289,668	70,035
- Loans	50,000	-
	<u>525,444</u>	<u>308,431</u>
Financial liabilities measured at amortised cost		
- Trade creditors	34,855	-
- Accruals	391,474	189,095
- Amounts owed to group undertakings	825,000	200,000
	<u>1,251,329</u>	<u>389,095</u>

IPSERV Limited**Company No: 10633959****Accounts for the Year ending 31 March 2019****Notes to the Accounts (Cont'd)****# Post Employment Benefits**

The company operates a defined benefit pension scheme for its employees. The amount recognised in the Balance Sheet is as follows:

	2019	2018
	£	£
Fair Value of Plan Assets	243,000	156,000
Present Value of Funded Liabilities	(336,000)	(194,000)
Net Liabilities arising from Defined Benefit Obligation	<u>(93,000)</u>	<u>(38,000)</u>

The amount recognised in the Income Statement is as follows:

	2019	2018
	£	£
Current Service Cost	<u>(73,000)</u>	<u>(22,000)</u>

Reconciliation of scheme assets and liabilities

	Assets	Liabilities	Total
	£000s	£000s	£000s
At 1 April 2018	156	(194)	(38)
Participant contributions	28	(28)	
Employer contributions	47		47
Current Service Cost		(73)	(73)
Past Service Cost			-
Interest Income / (Expense)	5	(7)	(2)
Remeasurement gains / (losses)			
- Actuarial losses		(34)	(34)
- Return on plan assets excluding interest income	7		7
At 31 March 2019	<u>243</u>	<u>(336)</u>	<u>(93)</u>

The expected return in scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The company's underlying assets and liabilities for retirement benefits at 31 March 2019 are shown above. These Liabilities represent the long-term underlying commitment that the company has to pay retirement benefits.

Liabilities have been assessed using the projected unit method, an estimate of the pensions that will be payable in future years, based on assumptions about mortality rates and salary levels. The actuary determines the rate of employer contribution over the remaining working life of the employees necessary to meet all liabilities. The main assumptions used in their calculation are;

IPSERV Limited**Company No: 10633959****Accounts for the Year ending 31 March 2019****Notes to the Accounts (Cont'd)****# Post Employment Benefits**

Local Government Pension Scheme	2019	2018
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	21.9 years	21.9 years
Women	24.4 years	24.4 years
Longevity at 65 for future pensioners:		
Men	23.9 years	23.9 years
Women	26.4 years	26.4 years
Rate of increase in salaries	2.70%	2.60%
Rate of increase in pensions	2.40%	2.30%
Rate for discounting scheme liabilities	2.50%	2.70%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Changes in Assumptions as at 31 March 2019	Approximate % Increase To Employer Liability	Approximate Monetary Amount
0.5% decrease in Real Discount Rate	20%	66,000
0.5% increase in the salary increase rate	3%	12,000
0.5% increase in the pension increase rate (CPI)	16%	53,000

The assets of the scheme are held separately from those of the company, being managed by an independent investment manager. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting year.

The approximation involved in the roll forward model means that the split of scheme liabilities between the three classes of member may not be reliable for certain types of employer. However, the Actuary is satisfied that the approach used leads to reasonable estimates for the aggregate liability figure.

It is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

IPSERV Limited

Company No: 10633959

Accounts for the Year ending 31 March 2019

Notes to the Accounts (cont'd)

14 Post Employment Benefits

The Fund Actuary, using information provided by the scheme and assumptions determined by the Council in conjunction with the actuary, has provided the above figures. Actuarial calculations involve estimates based on assumptions about events and circumstances in the future, which may mean that the result of the actuarial calculations may be affected by uncertainties within a range of possible values.

Further information can be found in Suffolk County Council's Pension <https://www.suffolk.gov.uk> Fund Annual Report, which is available upon request from the Director of Finance.

15 Related party transactions

During the year, Ipswich Borough Council, the sole shareholder in the company, provided loans amounting to £625,000 (200,000 2017/18). £475,000 of the loans were outstanding at the year end. In addition, interest of £6,257 as been accrued at 31 March 2019.

During 2018/19 Ipserv Ltd incurred expenditure of £241,307 and received Income of £165,250 in dealings with Ipswich Borough Council.

During the year Ipswich Borough Assets Ltd provided a loan amounting to £350,000 (2017/18 Nil). All the loan was outstanding at the year end. In addition interest of £4,219 as been accrued at 31 March 2019.

During the year Ipserv Ltd received Income of £201,031 in dealings with Ipswich Borough Assets Ltd.

During 2018/19 Ipserv Limited incurred expenditure of £2,340 and received Income of £156,494 in dealings with Ipswich Buses Ltd.

During 2018/19 Ipserv Limited received Income of £231,573 in dealings with Handford Homes Ltd.

During 2018/19 Ipserv Limited, the sole shareholder of Stage Event Security Limited received Income of £69,210 in dealings with Stage Event Security Limited.

16 Ultimate Group Undertaking

The Company's immediate and ultimate parent undertaking is Ipswich Borough Council. The company is included within these group accounts which are publicly available.