LIVERPOOL FOUNDATION HOMES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

Company Registration No. 11240116 (England and Wales)

LIVERPOOL FOUNDATION HOMES LIMITED

CONTENTS

	Page
Balance sheet	1
Statement of changes in equity	2
Notes to the financial statements	3 - 8

LIVERPOOL FOUNDATION HOMES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2018 £	2018 £
Fixed assets					
Tangible assets	3		1,862,000		-
Current assets					
Debtors	4	184,393		1	
Cash at bank and in hand		36,843		-	
		221,236		1	
Creditors: amounts falling due within one year	5	(379,156)		-	
Net current (liabilities)/assets			(157,920)		1
Total assets less current liabilities			1,704,080		1
Creditors: amounts falling due after more than one year	6		(1,235,359)		-
Provisions for liabilities			(30,166)		-
Net assets			438,555		1
Capital and reserves					
Called up share capital			1		1
Revaluation reserve			128,599		-
Other reserves			1,276,315		-
Profit and loss reserves			(966,360)		-
Total equity			438,555		1

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 14 December 2020 and are signed on its behalf by:

Mr M Kitts
Director

Company Registration No. 11240116

LIVERPOOL FOUNDATION HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2020

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 November 2017	-	-	-	-	-
Year ended 31 October 2018:					
Profit and total comprehensive income for the year	-	-	-	-	-
Issue of share capital	1	-	-	-	1
Balance at 31 October 2018	1	-	-	-	1
Period ended 31 March 2020:					
Loss for the period	-	-	-	(966,360)	(966,360)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	158,765	-	-	158,765
Tax relating to other comprehensive income	-	(30,166)	-	-	(30,166)
Total comprehensive income for the period	-	128,599	-	(966,360)	(837,761)
Capital contribution from parent	-	-	1,276,315	-	1,276,315
Balance at 31 March 2020	1	128,599	1,276,315	(966,360)	438,555

1 Accounting policies

Company information
Liverpool Foundation Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cunard Building, Water Street, Liverpool, L3 1AH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 March 2020 the company has net current liabilities of £157,920. Included within liabilities due greater than one year is an amount of £1,235,359 owed to the parent company. The directors of the parent company have undertaken, via a written confirmation, to continue to provide adequate financial assistance to enable the company to continue its business operations for the foreseeable future. As a result of this the accounts have been prepared on the going concern basis.

Notwithstanding the loss for the period ended 31 March 2020, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis. The Directors are satisfied that the Company has adequate resources having received confirmation of support of its parent entity, Liverpool City Council. for a period of at least 12 months from the date of approval of these financial statements to enable it to continue trading for the foreseeable future.

1.3 Turnover

Income is recognised and measured in the financial statements at the fair value i.e. the point at which it is received or receivable. Rental income for properties under development or sale is recognised from the point of practical completion and letting.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number	2018 Number
Total	4	-

3 Tangible fixed assets

	Land and buildings £
Cost or valuation	
At 1 November 2018	-
Additions	1,703,235
Revaluation	158,765
At 31 March 2020	1,862,000
Depreciation and impairment	
At 1 November 2018 and 31 March 2020	-
Carrying amount	
At 31 March 2020	1,862,000
At 31 October 2018	-

Land and buildings with a carrying amount of £1,862,000 were valued at 6 June 2019 by Avison Young, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The directors have undertaken an internal exercise at the 31st March 2020 and feel that this valuation is still appropriate.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2020 £	2018 £
Cost	1,703,235	-
Accumulated depreciation	-	-
Carrying value	1,703,235	-

4 Debtors

	2020	2018
Amounts falling due within one year:	**£**	**£**
Trade debtors	32,902	-
Other debtors	151,491	1
	184,393	1

5 Creditors: amounts falling due within one year

	2020	2018
	£	£
Trade creditors	347,259	-
Other creditors	31,897	-
	379,156	-

6 Creditors: amounts falling due after more than one year

	2020	2018
	£	£
Other creditors	1,235,359	-

Included in other creditors is a loan balance of £1,235,359 (2019: £nil) due to the parent undertaking. This loan currently has no set repayment date. Repayments will be made on this loan as and when the properties owned by Liverpool Foundation Homes Limited are sold. Interest is charged on the loan at 1.53% per month. The facility is secured against the properties owned by the company.

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jean Ellis BA FCA CTA.
The auditor was DSG.

8 Events after the reporting date

Since the year-end date, but prior to signing these financial statements, there has been a global pandemic outbreak of Covid-19. The directors continue to assess and react to the unprecedented impact of Covid-19.

9 Related party transactions

Transactions with related parties
During the period the company entered into the following transactions with related parties:

Included within creditors falling due greater than one is a balance of £1,235,359 (2018: £nil) which is due to the parent company.