Company Registration No. 05113671 (England and Wales)

LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

COMPANY INFORMATION

Directors	Mr Anthony Cond	
	Mrs Alison Welsby	
	Professor Charles Richard Allerton Forsdick	(Appointed 21 November 2017)
	Professor Fiona Beveridge	
	Mrs Justine Greig	
	Mr Toby Faber	
	Mr Richard Charkin	
Secretary	Mrs Justine Greig	
Company number	05113671	
Registered office	4 Cambridge Street Liverpool Merseyside L69 7ZU	
Auditor	HBD Accountancy Services LLP Gladstone House 2 Church Road Liverpool L15 9EG	
Bankers	Barclays Bank Plc Barclays Corporate Business 6th Floor 1 Marsden Street Manchester M2 1HW	
Solicitors	Brabners Chaffe Street Horton House Exchange Flags Liverpool L2 3YL	

LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

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LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

The directors present their annual report and financial statements for the year ended 31 July 2018.

Principal activities
The principal activity of the company continued to be that of the publication and sale of academic books and journals.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Anthony Cond
Mrs Alison Welsby
Professor Charles Richard Allerton Forsdick (Appointed 21 November 2017)
Professor Fiona Beveridge
Mrs Justine Greig
Mr Toby Faber
Mr Richard Charkin

Auditor
In accordance with the company's articles, a resolution proposing that HBD Accountancy Services LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr Anthony Cond
Director
11 December 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2018

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company and of the 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;
- 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.

LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

Opinion

We have audited the financial statements of Liverpool University Press 2004 Limited (the 'company') for the year ended 31 July 2018 which comprise the income statement, the statement of financial position 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 FRS 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 July 2018 and of its profit 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 our 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.

Matters on which we are required to report by exception
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.

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

- adequate accounting records have not been kept, 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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: http://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.

Benjamin Russell BSc ACA (Senior Statutory Auditor)
for and on behalf of HBD Accountancy Services LLP — 11 December 2018

Chartered Accountants
Statutory Auditor

Gladstone House
2 Church Road
Liverpool
L15 9EG

LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 £	2017 £
Revenue		1,850,444	1,658,844
Cost of sales		(582,608)	(468,984)
Gross profit		1,267,836	1,189,860
Distribution costs		(351,563)	(320,003)
Administrative expenses		(871,873)	(836,238)
Operating profit		44,400	33,619
Investment income		738	78
Profit before taxation		45,138	33,697
Tax on profit		(6,551)	(12,918)
Profit for the financial year		38,587	20,779

LIVERPOOL UNIVERSITY PRESS 2004 LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Non-current assets					
Intangible assets	3		93,273		102,428
Property, plant and equipment	4		6,956		9,899
Current assets					
Inventories		231,035		221,512	
Trade and other receivables	5	417,585		390,471	
Cash and cash equivalents		611,459		474,541	
		1,260,079		1,086,524	
Current liabilities	6	(844,731)		(721,861)	
Net current assets			415,348		364,663
Total assets less current liabilities			515,577		476,990
Equity					
Called up share capital	7		720,100		720,100
Retained earnings			(204,523)		(243,110)
Total equity			515,577		476,990

These financial statements have been prepared 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 11 December 2018 and are signed on its behalf by:

Mr Anthony Cond
Director

Company Registration No. 05113671

1 Accounting policies

Company information

Liverpool University Press 2004 Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 Cambridge Street, Liverpool, Merseyside, L69 7ZU.

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 amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

These accounts are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have assessed the financial position of the company and there are no material uncertainties that cast doubt on the company's ability to remain a going concern. In particular the company has remained profitable and the directors believe this will continue into the future.

1.3 Revenue

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Subscriptions to journals relate to a calendar year. Income received in respect of each journal is divided equally over the number of issues to be published in the calendar year. A proportion of the income received is deferred at the end of the accounting period as it is attributable to issues to be published between the following August and December.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	Not yet complete

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	Equally over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

1 Accounting policies **(Continued)**

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 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.

1.10 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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

1.11 Equity instruments

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

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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 non-current 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 Accounting policies **(Continued)**

1.14 Retirement benefits

The company contibutes to the Universities Superannuation Scheme (USS) and the University of Liverpool Pension Fund (ULPF) for its academic and administrative staff respectively. Both schemes are defined benefit, externally funded and contracted out of the State Second Pension (S2P). The assets of the schemes are held in separate trustee administered funds.

The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by each fund's trustee on the advice of the actuary. In the intervening years the actuary reviews the progress of the scheme.

As the company is unable to identify the share of the underlying assets and liabilities pertaining to its employees on a reasonable and consistent basis, it has followed the provisions of Financial Reporting Standards No 102 by accounting for its contributions to the two schemes as though they were defined contribution schemes for the year. As a result, the amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.17 Related party transactions

The company has claimed the exemption available under Financial Reporting Standard No 102 from the requirement to disclose transactions with its ultimate controlling party, The University of Liverpool, as the company's financial statements will be included in the publically available consolidated financial statements of the University.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2017 - 15).

3 Intangible fixed assets

	Goodwill	Other	Website	Total
	£	£	£	£
Cost				
At 1 August 2017	268,611	27,500	-	296,111
Additions	-	-	28,634	28,634
Disposals	(159,338)	(27,500)	-	(186,838)
At 31 July 2018	109,273	-	28,634	137,907
Amortisation and impairment				
At 1 August 2017	166,184	(27,500)	-	138,684
Amortisation charged for the year	37,788	-	-	37,788
Disposals	(159,338)	27,500	-	(131,838)
At 31 July 2018	44,634	-	-	44,634
Carrying amount				
At 31 July 2018	64,639	-	28,634	93,273
At 31 July 2017	102,428	-	-	102,428

4 Property, plant and equipment

	Plant and machinery etc
	£
Cost	
At 1 August 2017	21,032
Additions	1,258
At 31 July 2018	22,290
Depreciation and impairment	
At 1 August 2017	11,132
Depreciation charged in the year	4,202
At 31 July 2018	15,334
Carrying amount	
At 31 July 2018	6,956
At 31 July 2017	9,899

5 Trade and other receivables

Amounts falling due within one year:	**2018 £**	**2017 £**
Trade receivables	178,775	162,001
Corporation tax recoverable	5,397	-
Other receivables	233,413	228,470
	417,585	390,471

6 Current liabilities

	2018 £	**2017 £**
Trade payables	150,199	137,428
Corporation tax	12,184	12,601
Other payables	682,348	571,832
	844,731	721,861

7 Called up share capital

	2018 £	**2017 £**
Ordinary share capital		
Issued and fully paid		
720,100 Ordinary shares of £1 each	720,100	720,100
	720,100	720,100

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	**2017 £**
Within one year	47,583	-
Between two and five years	144,833	-
	192,416	-

9 Parent company

The ultimate controlling party is considered to be University of Liverpool, which is the parent company of Liverpool University Press 2004 Limited.