

LIVERPOOL CITY REGION GROWTH COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

LIVERPOOL CITY REGION GROWTH COMPANY LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 02753023

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	-	315
Tangible assets	5	29,074	9,899
Investments	6	2	1
		<u>29,076</u>	<u>10,215</u>
Current assets			
Debtors: amounts falling due within one year	7	1,290,426	827,097
Cash at bank and in hand	8	749,447	435,820
		<u>2,039,873</u>	<u>1,262,917</u>
Creditors: amounts falling due within one year	9	(1,601,783)	(912,982)
Net current assets		<u>438,090</u>	<u>349,935</u>
Total assets less current liabilities		<u>467,166</u>	<u>360,150</u>
Net assets		<u><u>467,166</u></u>	<u><u>360,150</u></u>
Capital and reserves			
Surplus and deficit account		<u>467,166</u>	<u>360,150</u>
		<u><u>467,166</u></u>	<u><u>360,150</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 March 2021.

M Basnett
Director

LIVERPOOL CITY REGION GROWTH COMPANY LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 02753023

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2020

The notes on pages 4 to 11 form part of these financial statements.

LIVERPOOL CITY REGION GROWTH COMPANY LIMITED
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Surplus and deficit account £	Total equity £
At 1 April 2018	350,343	350,343
Comprehensive income for the year		
Surplus for the year	9,807	9,807
	<hr/>	<hr/>
At 1 April 2019	360,150	360,150
Comprehensive income for the year		
Surplus for the year	107,016	107,016
	<hr/>	<hr/>
At 31 March 2020	<u>467,166</u>	<u>467,166</u>

The notes on pages 4 to 11 form part of these financial statements.

LIVERPOOL CITY REGION GROWTH COMPANY LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Liverpool City Region Growth Company Limited is a private limited company, limited by guarantee, incorporated in England and Wales. Its registered office is 1 Mann Island, Liverpool, L3 1BP. The company number is 02753023.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Revenue

Income receivable including grants which excludes value added tax is credited to the income and expenditure account according to the period to which it relates, the deferred element being shown in creditors. Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors. Commitments to organisations that apply for financial support are recognised at the point that the commitment is made, rather than relating it to the timing of the underlying commercial contract for which funding to the organisation is provided.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to surplus and deficit on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in surplus or deficit using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	15%	straight line
Computer equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Employees

	2020 £	2019 £
Wages and salaries	1,477,173	1,595,469
Social security costs	147,832	135,601
Cost of defined contribution scheme	132,811	110,698
	<u>1,757,816</u>	<u>1,841,768</u>

Included in the above totals are £1,004,194 of salaries, £92,825 of social security and £84,268 of pension costs which are recharged to this company's two subsidiaries. These costs are disclosed here as though recharged, the payroll is run in the name of the Liverpool City Region Growth Company Limited.

The average monthly number of employees, including directors, during the year was 38 (2019 - 34).

4. Intangible assets

	Computer software £
Cost	
At 1 April 2019	5,670
At 31 March 2020	<u>5,670</u>
Amortisation	
At 1 April 2019	5,355
Charge for the year on owned assets	315
At 31 March 2020	<u>5,670</u>
Net book value	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>315</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	923	59,297	60,220
Additions	949	23,913	24,862
At 31 March 2020	<u>1,872</u>	<u>83,210</u>	<u>85,082</u>
Depreciation			
At 1 April 2019	529	49,792	50,321
Charge for the year on owned assets	176	5,511	5,687
At 31 March 2020	<u>705</u>	<u>55,303</u>	<u>56,008</u>
Net book value			
At 31 March 2020	<u>1,167</u>	<u>27,907</u>	<u>29,074</u>
At 31 March 2019	<u>394</u>	<u>9,505</u>	<u>9,899</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	1
Additions	1
At 31 March 2020	<u>2</u>
Net book value	
At 31 March 2020	<u>2</u>
At 31 March 2019	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Liverpool City Region Growth (Tradeco) Company Limited	England and Wales	Ordinary	100 %
Liverpool City Region Growth Company (Teckal) Limited	England and Wales	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Surplus/(deficit)
	£	£
Liverpool City Region Growth (Tradeco) Company Limited	(80,873)	(80,874)
Liverpool City Region Growth Company (Teckal) Limited	19,387	19,386

7. Debtors

	2020	2019
	£	£
Trade debtors	292,995	84,595
Amounts owed by group undertakings	80,843	-
Other debtors	885,694	638,208
Prepayments and accrued income	30,894	104,294
	1,290,426	827,097

8. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	749,447	435,820
	749,447	435,820

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	394,061	64,040
Amounts owed to group undertakings	19,387	-
Other taxation and social security	97,133	44,466
Other creditors	198,549	20,989
Accruals and deferred income	892,653	783,487
	<u>1,601,783</u>	<u>912,982</u>

10. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through surplus or deficit	749,447	435,820
Financial assets that are debt instruments measured at amortised cost	1,249,644	783,051
	<u>1,999,091</u>	<u>1,218,871</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(966,741)</u>	<u>(377,198)</u>

Financial assets measured at fair value through surplus or deficit comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade, group and other debtors.

Financial liabilities measured at amortised cost comprise trade, group and other creditors and accruals.

11. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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12. Pension commitments

The Company pays into personal pension plans. The assets of these plans are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the plans and amounted to £132,811 (2019 - £110,698).

13. Related party transactions

The company has taken advantage of the exemption conferred under FRS 102, as a wholly owned subsidiary, not to disclose balances and transactions with other group companies.

14. Controlling party

The company is a wholly owned subsidiary of Liverpool City Region Growth Company (Holdco) Limited, registered in England and Wales.

Copies of the parent company financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

The guarantors of Liverpool City Region Growth Company (Holdco) Limited have reserved powers to appoint and terminate the Directors of the company but delegate the operational management of the company to the Board of Directors for the company. The guarantors are:

Asif Hamid MBE – Chair of Liverpool City Region Local Enterprise Partnership and a member of
Liverpool City Region Combined Authority

Metro Mayor Steve Rotheram – Metro Mayor of Liverpool City Region Combined Authority

Councillor Patrick Hackett – Leader of Wirral Council and a member of Liverpool City Region Combined
Authority

15. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 12 March 2021 by Stephen Talbot (Senior statutory auditor) on behalf of Langtons Professional Services Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.