Financial Statements
The ACC Liverpool Group Ltd

For the year ended 31 March 2018

Registered number: 05204033

Company Information

Directors	R J Prattey (Chief Executive) I Ayre (Chairman) G Andrews J Anderson W Simon G B Fitzgerald G Stott
Registered number	05204033
Registered office	Arena and Convention Centre Liverpool Kings Dock Liverpool L3 4FP
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool L3 1PS
Solicitors	DWF LLP St Paul's Square Liverpool L3 9AE Hill Dickinson LLP No 1 St. Paul's Square Liverpool L3 9SJ
Bankers	National Westminster Bank PLC 2-8 Church Street Liverpool L1 3BG

Contents

Group Strategic Report

For the year ended 31 March 2018

The directors present their group strategic review for the year ended 31 March 2018.

Principal Activities

The principal activities of the group of companies during the year remain that of hosting and managing events at The ACC Liverpool Group venues, namely the BT Convention Centre, Echo Arena, and Exhibition Centre Liverpool. In addition to the venues, The ACC Liverpool Group operates TicketQuarter, a regional ticketing agency for live events and the Liverpool Waterfront Car Park which was destroyed due to a major fire on 31 December 2017. To date this has not had a negative impact on the business as replacement surface parking was made available on site in under two weeks following the incident and work has commenced on a temporary multi-deck car park which will significantly increase the number of spaces available across the site.

The campus is also home to Pullman Liverpool, a 216 bed four star upscale hotel situated adjacent to Exhibition Centre Liverpool and managed by The ACC Liverpool Group.

Business Review

Turnover for the group continues to grow increasing from £25.8m in 2016-17 to £27.3m 2017-18. During 2017-18, the Company's venues attracted 153 conference and exhibition related events, attended by 203,924 delegates having a beneficial economic impact of over £139m to the city of Liverpool and wider city region.

The 95 events held in the Echo Arena during the 2017-18 year attracted 544,922 visitors delivering an economic benefit of £53.4m for the city region.

Overall, therefore, during 2017-18, the ACC Liverpool Group venues hosted a total of 248 events, welcomed 748,846 delegates and visitors and generated a combined economic benefit of more than £193m.

The Pullman Liverpool continues to trade well and importantly, the hotel has firmly established itself as one of the premier upscale hotels in the Liverpool market, consistently scoring five stars on the major customer review sites. The positive metrics from customer sentiment analysis and staff feedback have positioned the hotel well for the future as it continues to gain traction in the marketplace.

The EBITD loss of £1,738k is not a true reflection of the underlying trading performance of the business due to the negative impact of the annual valuation of the defined benefit pension scheme operated by the parent company to the income statement and the statement of financial position. The annual valuation of the fund is outside of the control of the Company and the discount rate applied at valuation is based on corporate bond yields. Future inflation is estimated based on the yields on inflation linked Government bonds. Over the past year corporate bond yields have fallen significantly (meaning lower discount rates and so higher liabilities). The net impact of this is a significant increase in liability values and deficits due to the changes in these two assumptions.

Group Strategic Report (Continued)

For the year ended 31 March 2018

Employees

Our people continue to be at the forefront of our activities and the development of the next stage of our long term business strategy has started with a strong focus on our people, ensuring we attract, develop and retain high performers to continue to contribute to the ongoing success of the Company. As these plans progress new and improved people policies will be developed and aligned to our bespoke needs and aspirations.

CSR remains a strong emphasis for the Company through our Charitable Foundation. Since we started fundraising some 10 years ago back in 2008 our staff and service partners have raised just over £49,000 and made significant contribution to the local Community, supporting a variety of charities and local organisations in need of help and support

The ACC Liverpool Group Foundation focuses on the Merseyside area and the priority areas are children, young people and families, social isolation, education and learning, communities and housing and homelessness.

Organisations that have benefitted from employee led fundraising include a support centre for children of separated families, a bicycle club in North Liverpool and a youth club that used the funding to provide a year-long creative project for members.

Environmental

Environmental impact continues to be an area of strong focus for the Company. As part of the development of Exhibition Centre Liverpool, the Company installed 957 Photovoltaic (PV) panels on the roof of the venue and to date this scheme has produced over £50,000 worth of electricity, which has in turn greatly reduced the venue's CO2 emissions equivalent to planting 7,504 trees. Internally the Company has introduced an energy watch team who ensure that energy usage is effectively controlled and all wastage is monitored and curbed by staff education and feedback. Waste management across the campus is also a priority with a large percentage of our waste sorted at source to ensure optimum recycling. The Company maintains a zero to landfill status and continues to drive innovation in this field to increase the percentage of waste to recycling.

Key Performance Indicators

Given the primary purpose of The ACC Liverpool Group, the relevant key performance indicators for the companies are growth in revenue and economic impact created from the events that we host. Turnover for the year has increased by 6% when compared to the previous year from £25.8m in 2016-17 to £27.3m 2017-18. During 2017-18 Economic impact generated by the Company's activities was £193m, down £11m when compared to the £204m generated in 2016-17 and this was due to the mix of business with a higher number of Arena events and fewer international conferences when compared to the previous year.

Group Strategic Report (Continued)
For the year ended 31 March 2018

Future Developments

The company is committed to continually invest in the facilities and its people and is constantly looking for ways to improve the customer experience and event delivery standards, whilst achieving efficiencies.

A full lifecycle review of the equipment and infrastructure is taking place with a view to developing a long term investment plan. The majority of the facilities are now over 10 years old and equipment and infrastructure needs to be updated in order to maintain competitive advantage.

Investment is also being made in the hotel with enhancements to the public areas including the bar, lounge, restaurant and gym.

Plans are well underway to replace the damaged car park with demolition and rebuilding expected to start on site late summer. This is a real opportunity to review how the site works and make significant changes to the design and layout of the car park which will increase the parking capacity, enhance the customer experience and improve the flow of traffic around the campus site.

Principal risks and uncertainties

Competitive Risk

The principal risk to the business is the competitive environment in which the business operates, new entrants to the market place and development and investment in competitor venues. This impacts the arena, convention centre, exhibition centre and the Pullman hotel. Investment in customer experience, development of the venues and services we offer, and retaining a quality workforce are critical to maintaining our competitive advantage.

Due to the campus nature of the facilities, the size, flexibility and ease to work with The ACC Liverpool Group places it in a strong competitive position in the conference, exhibition, sport and entertainment sectors.

As a business we took a strategic decision to only pursue awards that are voted for by clients and customers. To that end, we are delighted to have been voted the Best UK Conference Centre in the Meetings & Incentive Travel awards for the past six years running. This award, considered the top accolade in the conference market industry, is testament to the venue teams commitment to raising customer service levels across every point of the client journey and a vote of confidence from our clients that the services offered at ACC Liverpool really are best in class and has firmly established ACC Liverpool as a market leader in the conference and event sector.

Price & Yield

The high fixed cost base required to operate the campus venues consistently comes under pressure due to cost increases beyond the control of the venues in areas such as utilities, rates and the impact of the living wage. Price increases are sustainable to clients in the long term based on the unique product on offer and the provision of space and services. Where costs cannot readily be absorbed, increases are offset through efficiency in delivery.

Group Strategic Report (Continued)

For the year ended 31 March 2018

Price & Yield (continued)

Yield management is imperative to the success of the business and due to the flexible nature of the facilities there is often a conflict between space available during peak months and customers seeking to hold an event. A yield management strategy has been developed to ensure the space is sold at the best possible price, utilising the assets available at ACC Liverpool, whilst also delivering on the Company's objectives of economic impact to the Liverpool and the wider City region.

External Market Factors

The consequences and impact of the UK's exit from the European Union has yet to be fully evaluated however key stakeholder's actions and behaviours are being monitored internally.

Financial Instruments

The Group uses various financial instruments, these include cash and other items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to manage working capital for the Group's operations.

The main risk arising from the Group's financial instruments is credit risk. The directors review and agree policies for managing the risk and this is summarised below.

Credit risk

The Group's principal financial assets are cash and trade debtors. The risk associated with cash is limited. The principal credit risk arises, therefore, from the Company's trade debtors. The Company has strict contract payment terms in place and performs full credit checks with a third party credit reference agency prior to entering into any agreements consequently mitigating any potential credit risk. Additional revenues are recovered quickly post event due to full event reconciliation and close down within agreed timescales, followed by robust credit management with targeted collections to prevent bad debts.

Liquidity Risk and Cash Flow

The group holds high levels of cash resources due to the industry accepted agreements regarding advance ticket sales, venue hire and accommodation deposits received, taking a strong approach to treasury management whilst balancing the needs of the business between yield from deposits and instant access to cash to fund operational activities. Cash-flow forecasting to ensure anticipated cash demands are well planned and met.

This report was approved by the board and signed on its behalf.

R J Prattey

R J Prattey (Chief Executive)
Director

Date: 20 JUNE 2018

Directors' Report

For the year ended 31 March 2018

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £1,841,932 (2017 - £582,365).

The directors have not recommended a dividend in either year.

Directors

The directors who served during the year were:

R J Prattey (Chief Executive)
I Ayre (Chairman)
G Andrews
J Anderson
W Simon
G B Fitzgerald
P Halsall (resigned 23rd November 17)
G Stott (appointed 1st October 17)

Directors' Report (Continued)

For the year ended 31 March 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment, in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed for on its behalf.

R J Prattey

R J Prattey (Chief Executive)
Director

Date: 20 JUNE 2018

Grant Thornton

Independent Auditor's Report to the Members of The ACC Liverpool Group Ltd

Opinion

We have audited the financial statements of The ACC Liverpool Group Ltd for the year ended 31 March 2018, which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated cash flow and related notes included 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 group and the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Grant Thornton

Independent Auditor's Report to the Members of The ACC Liverpool Group Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report set out on pages 1 to 5 and Directors' Report set out on pages 6 to 7, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Independent Auditor's Report to the Members of The ACC Liverpool Group Ltd (continued)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on pages 6 to 7, 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.

Auditors' 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. The description forms part of our Auditor's report.

Grant Thornton UK LLP

Emma Stoddart
Senior statutory auditor
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool

Date: 20 June 2018

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	**27,267,262**	25,763,804
Cost of sales		**(8,404,490)**	(7,748,238)
Gross Profit		**18,862,772**	18,015,566
Administrative Expenses		**(20,601,183)**	(18,579,166)
Operating Loss	5	**(1,738,411)**	(563,600)
Interest receivable and similar income	9	**64,479**	70,235
Net finance expense in respect of defined benefit pension scheme	10	**(168,000)**	(89,000)
Loss on ordinary activities before taxation		**(1,841,932)**	(582,365)
Tax on loss on ordinary activities	11	**0**	0
Loss for the financial year		**(1,841,932)**	(582,365)
Actuarial (losses)/gain on defined benefit pension scheme	24	**782,000**	(3,809,000)
Deferred tax attributable to pension scheme	19	**62,300**	709,400
Other comprehensive income for the year		**844,300**	(3,099,600)
Total comprehensive loss for the year		**(997,632)**	(3,681,965)

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 16 to 34 form part of these financial statements.

All activities of the group are classed as continuing operations.

The ACC Liverpool Group Ltd
Registered number:05204033

Consolidated Statement of Financial Position

As at 31 March 2018

	Note		2018 £		2017 £
Tangible Assets	12		**0**		373,404
			0		373,404
Current Assets					
Stocks	14	**40,622**		32,354	
Debtors: amounts falling due within one year	15	**9,001,345**		7,285,366	
Cash at bank and in hand	16	**17,409,410**		13,894,094	
		26,451,377		21,211,814	
Creditors: amounts falling due within one year	17	**(25,559,392)**		(20,714,748)	
Net current assets			**891,985**		497,066
Total assets less current liabilities			**891,985**		870,470
Creditors: amounts falling due after more than one year	18		**(803,753)**		(364,274)
			88,232		506,196
Provisions for liabilities					
Other provisions	21	**(1,118,604)**		(904,936)	
			(1,118,604)		(904,936)
Net assets excluding pension liability			**(1,030,372)**		(398,740)
Pension liability	24		**(7,400,606)**		(7,034,606)
Net liabilities			**(8,430,978)**		(7,433,346)
Capital and reserves					
Called up share capital	22		**1**		1
Profit and loss account	23		**(8,430,979)**		(7,433,347)
Shareholders' deficit			**(8,430,978)**		(7,433,346)

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

R J Prattey

R J Prattey (Chief Executive)
Director

Date: 20 JUNE 2018

The notes on pages 16 to 34 form part of these financial statements.

The ACC Liverpool Group Ltd
Registered number:05204033

Company Statement of Financial Position

As at 31 March 2018

	Note		2018		2017
			£		£
Fixed Assets					
Tangible Assets	12		**0**		373,404
Investments	13		**1**		1
			1		373,405
Current Assets					
Stocks	14	**9,649**		9,649	
Debtors: amounts falling due within one year	15	**8,314,029**		6,764,743	
Cash at bank and in hand	16	**15,273,686**		13,090,355	
		23,597,364		19,864,747	
Creditors: amounts falling due within one year	17	**(21,621,855)**		(18,219,938)	
Net current assets			**1,975,509**		1,644,809
Total assets less current liabilities			**1,975,510**		2,018,214
Creditors: amounts falling due after more than one year	18		**(803,753)**		(364,274)
Provisions for liabilities					
Other provisions	21	**(966,862)**		(843,885)	
			(966,862)		(843,885)
Net assets excluding pension liability			**204,895**		810,055
Pension liability	24		(7,400,606)		(7,034,606)
Net liabilities			**(7,195,711)**		(6,224,551)
Capital and reserves					
Called up share capital	22		**1**		1
Profit and loss account	23		**(7,195,712)**		(6,224,552)
			(7,195,711)		(6,224,551)

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The parent company's loss for the year was £1,815,460 (2017: £ 520,961)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R J Prattey

R J Prattey (Chief Executive)
Director
Date: 20 JUNE 2018

Consolidated Statement of Changes in Equity

For the year ended 31 March 2018

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
At 1 April 2017	1	(7,433,347)	(7,433,346)
Comprehensive income for the year			
Loss for the year	0	(1,841,932)	(1,841,932)
Actuarial loss on pension scheme	0	782,000	782,000
Deferred tax movements attributable to pension scheme	0	62,300	62,300
At 31 March 2018	1	(8,430,979)	(8,430,978)

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
At 1 April 2016	1	(3,751,382)	(3,751,381)
Comprehensive income for the year			
Loss for the year	0	(582,365)	(582,365)
Actuarial loss on pension scheme	0	(3,809,000)	(3,809,000)
Deferred tax movements attributable to pension scheme	0	709,400	709,400
At 31 March 2017	1	(7,433,347)	(7,433,346)

The notes on pages 16 to 34 form part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 March 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	1	(6,224,552)	(6,224,551)
Comprehensive income for the year			
Loss for the year	0	(1,815,460)	(1,815,460)
Actuarial loss on pension scheme	0	782,000	782,000
Deferred tax movements attributable to pension scheme	0	62,300	62,300
At 31 March 2018	1	(7,195,712)	(7,195,711)

Company Statement of Changes in Equity

For the year ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	1	(2,603,991)	(2,603,990)
Comprehensive income for the year			
Loss for the year	0	(520,961)	(520,961)
Actuarial loss on pension scheme	0	(3,809,000)	(3,809,000)
Deferred tax movements attributable to pension scheme	0	709,400	709,400
At 31 March 2017	1	(6,224,552)	(6,224,551)

The notes on pages 16 to 34 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2018

	2018	2017
	£	£
Cash flows from operating activities		
Loss for the financial year	**(1,841,932)**	(582,365)
Adjustments for:		
Depreciation of tangible assets	**0**	14,865
Increase in stocks	**(8,268)**	(2,980)
Interest received	**(64,479)**	(70,235)
Taxation	**0**	0
Decrease/(increase) in debtors	**(1,653,679)**	2,268,990
Increase in creditors	**5,284,122**	5,126,950
Increase in provisions	**213,668**	60,570
Increase in net pension liability	**1,148,000**	523,000
Corporation tax	**0**	0
Net cash generated from operating activities	**3,077,433**	7,338,795
Cash flows from investing activities		
Proceeds on transfer of asset	**1,190,094**	0
Purchase of Property, Plant & Equipment	**(816,690)**	(373,404)
Interest received	**64,479**	70,235
Net cash from investing activities	**437,883**	(303,169)
Net increase in cash and cash equivalents	**3,515,316**	7,035,626
Cash and cash equivalents at beginning of year	**13,894,094**	6,858,468
Cash and cash equivalents at the end of year	**17,409,410**	13,894,094
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**17,409,410**	13,894,094
	17,409,410	13,894,094

Notes to the Financial Statements
For the year ended 31 March 2018

1. Company Information

The ACC Liverpool Group Ltd is a company incorporated in the United Kingdom under the Companies Act 2006 and its registered office is Kings Dock, Liverpool, L3 4FP.

The company's principal activity during the year was that of hosting and managing events held at ACC Liverpool, home to BT Convention Centre, Echo Arena and Exhibition Centre Liverpool.

The subsidiary company, ACC Liverpool Hotel Limited's principal activity was the management and operation of a hotel.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in Sterling (£), which is also the functional currency.

The group financial statements consolidate the financial statements of The ACC Liverpool Group Ltd and its subsidiary undertakings drawn up to 31 March 2018. Intercompany transactions and balances between group companies are eliminated in full.

The following principal accounting policies have been consistently applied:

2.2 Going Concern

Notwithstanding the loss incurred and deficit in reserves, and after review of the forecasts and facilities in place, the Group and Company financial statements have been prepared on a going concern basis. The directors believe the support is available from the parent undertaking to be sufficient for this basis to be used.

The support from the parent undertaking, Liverpool City Council, is committed under the terms of the management agreement between the Company and Liverpool City Council. The management agreement states that Liverpool City Council shall pay the Company (when properly required by the Company) such sums as are necessary to meet expenditure properly incurred in accordance with the relevant budget approved by the Council, in excess of revenue received by the Company from its own account.

Notes to the Financial Statements

For the year ended 31 March 2018

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and turnover can be readily measured. Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added tax. Turnover includes revenue earned from the sale of goods and rendering of services.

The revenue streams of the business consist of rental income and additional service charges for the Echo Arena, BT Convention Centre and Exhibition Centre Liverpool, box office income from ticket sales, car park income, sponsorship income, accommodation charges and associated food and beverage income.

The income for the rental of the Echo Arena, BT Convention Centre and Exhibition Centre Liverpool and related additional charges is recognised when the event has been held. If the event is held over a number of days the income is only recognised once the entire event has taken place.

The income from the box office ticket sales is recognised when the event has been held.

The income from the car park is recognised on a daily basis.

Sponsorship income is recognised over the period of the agreement.

Turnover in respect of accommodation is recognised at the point of the customer's stay whilst other sales, including food and beverage revenues, are recognised at the point of sale.

Customer and function deposits received are held as a liability on the statement of financial position until the customer has stayed at the hotel or the function has occurred.

2.4 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:

Plant and equipment	- 3 to 5 years
Fixtures and fittings	- 3 to 5 years

Assets under construction are not depreciated until in use within the business.

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 the consolidated Statement of Comprehensive Income.

Notes to the Financial Statements

For the year ended 31 March 2018

2. Accounting policies (continued)

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease, unless the rental payments structured are to increase in line with expected general inflation, in which case the company recognises annual rent expenses equal to amounts owed to lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 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.

2.10 Financial Instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to group undertakings.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Notes to the Financial Statements

For the year ended 31 March 2018

2. Accounting policies (continued)

2.10 Financial Instruments (continued)

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 Group would receive for the asset if it were to be sold at the reporting date.

2.11 Creditors

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

2.12 Pensions

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the Statement of Comprehensive Income (SOCI) in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

Notes to the Financial Statements
For the year ended 31 March 2018

2. Accounting policies (continued)

2.12 Pensions (Continued)

The Hotel 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 payments obligations.

The contributions are recognised as an expense in the Statement of income 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.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the year ended 31 March 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors consider the key judgements and estimates in the financial statements to be as follows:

- the valuation of pension scheme liabilities
- the recognition of deferred tax assets
- doubtful debt provision
- maintenance provision

3.1 Defined benefit pension scheme liability

The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net expense / (income) for pensions include the discount rate. Any changes in these assumptions which have been disclosed in note 24, will impact the carrying amount of pension obligations. Furthermore, the valuation of the pension liability at 31 March 2018 has been based upon the full actuarial valuation at 31 March 2016 which has been updated to reflect the position at 31 March 2018 by a qualified independent actuary.

3.2 Deferred tax

Management have reviewed the deferred tax asset position of the group and its recoverability in light of the expected future performance of the group and based on the uncertainty of when the trading losses can be utilised in the future, no deferred tax asset has been recognised in the financial statements with regards to the trading losses generated. A deferred tax asset has been recognised however in respect of the defined benefit pension scheme deficit. See note 19 for details.

3.3 Bad debt provision

Management will review and assess the recoverability of debtors at each financial year end and provide against any balances which management believe are not recoverable in part or in full. Management will also apply a 3% general provision on the remaining uncollected balance at each financial year end.

3.4 Maintenance provision

Management will ensure a fair estimate of the cost of maintaining the premises for the wear and tear incurred to date in accordance with the company's management agreement for the premises is calculated annually and provided for. The provision will be used against future costs incurred in relation to this.

4. Turnover

The whole of the turnover is attributable to the services rendered as explained in the principal activities of the group.

All turnover arose within the United Kingdom.

Notes to the Financial Statements

For the year ended 31 March 2018

5. Operating loss

The operating loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets - owned by the group	**0**	14,865
Exchange differences	**187**	(1,955)
Operating leases - land and buildings	**3,404,001**	2,874,420
Operating leases - motor vehicles	**31,893**	34,259
	3,436,081	2,921,589

6. Auditors' remuneration

	2018	2017
	£	£
Fees payable to the group's auditors in respect of:		
The auditing of accounts of the Group pursuant to legislation	**23,450**	20,250
The auditing of accounts of the Subsidiaries to legislation	**10,300**	10,000
Taxation	**0**	2,550
Other services	**3,500**	2,453
	37,250	35,253

7. Employees

Group

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£	£
Wages and salaries	**7,682,757**	7,342,146
Social security costs	**721,897**	693,878
Pension costs	**626,499**	533,327
	9,031,153	8,569,351

In addition to the pension costs noted above, the group has made contributions into the defined benefit pension scheme totalling £695,000 (2017: £568,000) as detailed in note 24.

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	No.	No.
Management and administrative staff	**222**	225
Sales staff	**17**	16
	239	241

Notes to the Financial Statements

For the year ended 31 March 2018

7. Employees (continued)

Company

Staff costs, including directors' remuneration, were as follows:

Company

	2018	2017
	£	£
Wages and salaries	**5,847,559**	5,582,377
Social security costs	**610,505**	580,656
Pension costs	**597,343**	534,627
	7,055,407	6,697,660

In addition to the pension costs noted above, the company has made contributions into the defined benefit pension scheme totalling £695,000 (2017: £568,000) as detailed in note 24.

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	No.	No.
Management and administrative staff	**149**	147
Sales staff	**16**	16
	165	163

Notes to the Financial Statements

For the year ended 31 March 2018

8. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	**511,347**	521,847
	511,347	521,847

During the year retirement benefits were accruing to 2 directors (2017 – 2) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £266,452 (2017 - £264,224).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £26,046 (2017 - £23,858).

9. Interest receivable

	2018	2017
	£	£
Bank interest receivable	**64,479**	70,235
	64,479	70,235

10. Net finance expense in respect of defined benefit pension scheme

	2018	2017
	£	£
Expected return on pension scheme assets	**348,000**	354,000
Interest on pension scheme liabilities	**(516,000)**	(443,000)
	(168,000)	(89,000)

Notes to the Financial Statements

For the year ended 31 March 2018

11. Taxation

	2018	2017
	£	£
Total current tax	**0**	0
Deferred tax		
Origination and reversal of timing differences	**0**	0
Total deferred tax	**0**	0
Taxation on loss on ordinary activities	**0**	0

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 – higher than) the standard rate of corporation tax in the UK of 20% (2017 – 20%). The differences are explained below:

	2018	2017
	£	£
Loss on ordinary activities before tax	**(1,841,932)**	(582,365)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2018 - 20%)	**(368,386)**	(116,473)
Effects of:		
Expenses not deductible for tax purposes	**321,183**	123,317
Losses carried back		0
Deferred tax adjustments		0
Deferred tax not recognised	**47,203**	(6,844)
Total tax charge of the year	**0**	0

Factors that may affect future tax charges

The group has tax losses carried forward of £2,537,251 (2017: £1,953,236) to utilise against future trading profits. Due to the uncertainty as to when these losses will be utilised no recognition of a deferred tax asset has been made in the- financial statements

Notes to the Financial Statements

For the year ended 31 March 2018

12. Tangible fixed assets

Group and company

	Plant and equipment	Fixtures and fittings	Assets under construction	Total
	£	£	£	£
Cost				
At 1 April 2017	387,745	223,311	373,404	984,460
Additions	0	0	816,690	816,690
Disposals	(43,672)	(223,311)	(1,190,094)	(1,457,077)
At 31 March 2018	**344,073**	**0**	**0**	**344,073**
Depreciation				
At 1 April 2017	387,745	223,311	0	611,056
Charge for the year	0	0	0	0
Released on Disposal	(43,672)	(223,311)	0	(266,983)
At 31 March 2018	**344,073**	**0**	**0**	**344,073**
Net book value				
At 31 March 2018	**0**	**0**	**0**	**0**

13. Fixed asset investments

	Investment in subsidiary companies	Total
	£	£
Cost and net book value		
At 1 April 2017 and 31 March 2018	**1**	**1**

Subsidiary undertakings

ACC Liverpool Hotel Limited, a company incorporated in the United Kingdom and its principal activity is that of a hotelier.

The ACC Liverpool Group Limited owns 100% of the ordinary share capital of the company.

Notes to the Financial Statements

For the year ended 31 March 2018

14. Stocks

	Group 2018 £	Group 2017 £	**Company 2018 £**	Company 2017 £
Consumables	**40,622**	32,354	**9,649**	9,649

Stock recognised in cost of sales of the Group during the year as an expense was £627,433 (2017: £507,894). The Company has no sales of stock during the year (2017: Nil).

An impairment loss of £Nil (2017: Nil) was recognised in cost of sales against stock during the year.

15. Debtors

	Group 2018 £	Group 2017 £	**Company 2018 £**	Company 2017 £
Trade debtors	**2,628,385**	2,884,952	**2,564,268**	2,837,839
Amounts owed by group undertakings	**3,015,688**	1,369,600	**2,723,329**	1,202,688
Other debtors	**221,954**	164,691	**0**	0
Prepayments and accrued income	**1,877,118**	1,670,223	**1,768,232**	1,528,316
Deferred taxation (note 19)	**1,258,200**	1,195,900	**1,258,200**	1,195,900
	9,001,345	7,285,366	**8,314,029**	6,764,743

An impairment loss has been recognised against trade debtors of the Group and Company during the year of £171,012 (2017: £240,730).

16. Cash and cash equivalents

	Group 2018 £	Group 2017 £	**Company 2018 £**	Company 2017 £
Cash at bank and in hand	**17,409,410**	13,894,094	**15,273,686**	13,090,355
	17,409,410	13,894,094	**15,273,686**	13,090,355

Notes to the Financial Statements

For the year ended 31 March 2018

17. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	**2,445,672**	1,672,813	**1,643,060**	899,361
Amounts owed to group undertakings	**9,150,677**	5,811,463	**6,399,388**	4,450,811
Taxation and social security	**604,322**	762,873	**388,132**	551,984
Other creditors	**6,509,042**	6,680,191	**6,503,738**	6,674,334
Accruals and deferred income	**6,849,679**	5,805,589	**6,687,537**	5,643,448
	25,559,392	20,732,929	**21,621,855**	18,219,938

18. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accruals and deferred income	**803,753**	364,274	**803,753**	364,274
	803,753	364,274	**803,753**	364,274

19. Deferred taxation

	Deferred tax £
At 1 April 2017	1,195,900
Charged to other comprehensive income	62,300
At 31 March 2018	**1,258,200**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Defined benefit pension scheme	**1,258,200**	1,195,900	**1,258,200**	1,195,900
	1,258,200	1,195,900	**1,258,200**	1,195,900

Notes to the Financial Statements

For the year ended 31 March 2018

20. Financial instruments

	Group 2018	Group 2017	**Company 2018**	Company 2017
	£	£	**£**	£
Financial assets measured at amortised cost	**23,275,437**	18,313,337	**20,561,283**	17,130,882
Financial liabilities measured at amortised cost	**25,758,823**	20,334,330	**22,037,476**	18,032,229

Financial assets measured at amortised cost comprise trade and other debtors, amounts owed by group undertakings, cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals and deferred income.

21. Provisions

Group

	Maintenance Provision
	£
At 1st April 2017	904,936
Charged to the statement of comprehensive income	378,305
Utilised in year	(164,637)
At 31 March 2018	**1,118,604**

Maintenance Provision

The maintenance provision is based on the estimated cost of maintaining the Arena, Convention Centre, Exhibition Centre and the Hotel for the wear and tear incurred to date in accordance with the company's management agreement for the premises. The provision will be used against future costs incurred in relation to this.

Notes to the Financial Statements

For the year ended 31 March 2018

21. Provisions (continued)

Company

	Maintenance Provision
	£
At 1st April 2017	843,885
Charged to the statement of comprehensive income	237,120
Utilised in year	(114,143)
At 31 March 2018	**966,862**

Maintenance Provision

The maintenance provision is based on the estimated cost of maintaining the Arena, Convention Centre and Exhibition Centre for the wear and tear incurred to date in accordance with the company's management agreement for the premises. The provision will be used against future costs incurred in relation to this.

22. Share Capital

	2018	2017
	£	£
Alloted, called up and paid		
1 Ordinary share of £1	**1**	1

Called up share capital represents the nominal value of the shares issued.

23. Reserves

Profit and loss account – includes the current year loss and prior period retained profits and losses.

Notes to the Financial Statements

For the year ended 31 March 2018

24. Pension commitments

Group and Company

The parent entity of the company, Liverpool City Council, operates a defined benefit pension scheme, Merseyside Pension fund, which the employees of the company are eligible to join.

The defined benefit pension scheme provides benefits based on employees' number of years' service. The assets of the scheme are held separately from those of the company.

The following information is based upon the full actuarial valuation of the fund at 31 March 2017, updated to 31 March 2018 by a qualified independent actuary. The deficit recognised in the statement of financial position amounts to £7,400,606 (2017: £7,034,606).

The directors consider the best estimate of contributions to the defined benefit pension scheme for the year ended 31 March 2019 will be £698,000 (2017: £653,000).

Reconciliation of present value of plan liabilities:

	2018	2017
	£	£
At the beginning of the year	**19,721,531**	11,785,531
Current service cost	**1,646,000**	975,000
Interest cost on scheme liabilities	**516,000**	443,000
Actuarial loss/(gain)	**(795,000)**	6,117,000
Contributions by scheme participants	**453,000**	414,000
Benefits paid	**(110,000)**	(13,000)
At the end of the year	**21,431,531**	19,721,531

Reconciliation of present value of plan assets:

	2018	2017
	£	£
At the beginning of the year	**12,686,925**	9,082,925
Expected return on scheme assets	**348,000**	354,000
Actuarial gain/(loss)	**(13,000)**	2,308,000
Contributions by scheme participants	**453,000**	414,000
Benefits paid	**(110,000)**	(13,000)
Contributions by employer	**695,000**	568,000
Administration expenses	**(29,000)**	(27,000)
At the end of the year	**14,030,925**	12,686,925

Notes to the Financial Statements

For the year ended 31 March 2018

24. Pension commitments (continued)

Composition of plan assets:

	2018	2017
	£	£
Equities	**7,393,000**	6,800,000
Government bonds	**505,000**	507,000
Other bonds	**1,740,000**	1,446,000
Property	**1,249,000**	990,000
Cash/liquidity	**379,000**	431,000
Other	**2,764,925**	2,512,925
Total plan assets	**14,030,925**	12,686,925

The amounts recognised in the statement of financial position in respect of the defined benefit pension scheme is as follows:

	2018	2017
	£	£
Fair value of plan assets	**14,030,925**	12,686,925
Present value of plan liabilities	**(21,431,531)**	(19,721,531)
Net pension scheme liability	**(7,400,606)**	(7,034,606)

The amounts recognised in the statement of comprehensive income are as follows:

	2018	2017
	£	£
Current service costs	**(1,646,000)**	(975,000)
Interest on pension scheme liabilities	**(516,000)**	(443,000)
Return on scheme assets	**348,000**	354,000
Contributions by employer	**695,000**	568,000
Total	**(1,119,000)**	(496,000)

Notes to the Financial Statements

For the year ended 31 March 2018

24. Pension commitments (continued)

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £782,000 gain (2017 - £3,809,000 loss).

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2018	**2017**
	%	%
Discount rate	**2.7**	2.6
Future salary increases	**3.6**	3.7
Future pension increases	**2.2**	2.2
Inflation	**2.1**	2.2
Life expectancies:		
- current pensioners aged 65 - males	**22**	21.9
- future pensioners aged 65 - males	**25**	24.9
- current pensioners aged 65 - females	**24.8**	24.7
- future pensioners aged 65 - females	**27.8**	27.0

Amounts for the current and previous two years are as follows:

Defined benefit pension schemes

	2018	2017	2016	2015
	£	£	£	£
Defined Benefit Obligation	**(21,431,531)**	(19,721,531)	(11,785,531)	(10,947,531)
Scheme Assets	**14,030,925**	12,686,925	9,082,925	8,111,925
	(7,400,606)	(7,034,606)	(2,702,606)	(2,835,606)
Experience adjustments on scheme liabilities	**795,000**	(6,117,000)	(1,027,000)	(2,426,000)
Experience adjustments on scheme assets	**(13,000)**	2,308,000	(240,000)	404,000
	782,000	(3,809,000)	(1,267,000)	(2,022,000)

Notes to the Financial Statements

For the year ended 31 March 2018

25. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	**Company 2018 £**	Company 2017 £
Not later than 1 year	**3,462,055**	3,157,978	**1,800,495**	1,764,615
Later than 1 year and not later than 5 years	**14,258,735**	14,033,098	**7,400,310**	7,268,757
Later than 5 years	**50,769,601**	54,391,267	**16,216,054**	18,102,074
Total	**68,490,391**	71,582,343	**25,416,859**	27,135,446

26. Related party transactions

The company has taken advantage of the exemption in FRS102 (section 33) "Related Party Disclosure" and has not disclosed transactions with group undertakings where the company is a 100% subsidiary.

£1,692,641 was paid to key management personnel of the Group during the year (2017: £1,662,777).

27. Contingent liabilities

The group or company had no contingent liabilities at 31 March 2018 or 31 March 2017.

28. Capital commitments

	Group 2018 £	Group 2017 £	**Company 2018 £**	Company 2017 £
Construction work				
Not later than 1 year	0	726,552	0	726,552
Total	0	726,552	0	726,552

29. Controlling Party

The parent and controlling undertaking of this company is Liverpool City Council, an entity based in England and Wales.

Company detailed profit and loss account

For the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		**20,208,028**	19,706,644
Cost of sales		**(5,273,553)**	(5,041,997)
Gross profit		**14,934,475**	14,664,647
Gross profit %		**73.90%**	74.40%
Less: overheads			
Administrative expenses		**(9,410,091)**	(8,490,095)
Establishment expenses		**(7,236,092)**	(6,676,637)
Operating loss	5	**(1,711,708)**	(502,083)
Interest receivable		**64,247**	70,123
Other finance income		**(168,000)**	(89,000)
Tax on profit on ordinary activities		**-**	-
Loss for the year		**(1,815,461)**	(520,961)

Schedule to the Detailed Accounts

For the year ended 31 March 2018

	2018	2017
	£	£
Sales	**20,208,028**	19,706,644
	20,208,028	19,706,644

Cost of Sales	2,018	2,017
	£	£
Sales staff salaries	**638,720**	637,826
Sales staff national insurance contributions	**46,032**	47,829
Sales staff pension contribution	**55,408**	54,345
Event planning	**3,705,778**	3,510,561
Box office costs	**320,310**	284,448
Sponsorship delivery costs	**20,322**	22,348
Car park costs	**486,982**	484,640
	5,273,552	5,041,997

Schedule to the Detailed Accounts

For the year ended 31 March 2018

	2018	2017
	£	£
Administrative Expenses		
Directors salaries	**490,381**	489,939
Directors pension costs - defined benefit schemes	**48,185**	44,138
Staff salaries	**4,739,646**	4,460,673
Staff national insurance	**590,733**	516,736
Staff pension costs	**561,777**	476,436
Staff pension current service costs	**951,000**	407,000
Staff pension admin cost	**29,000**	27,000
Staff training	**93,669**	68,589
Staff welfare	**67,109**	63,007
Entertainment	**47,641**	42,114
Hotels, travel and subsistence	**49,811**	67,658
Consultancy	**87,849**	23,523
Printing and stationery	**8,407**	8,005
Telephone and fax	**13,917**	12,590
Computer costs	**828,353**	966,063
Advertising and promotion	**349,765**	347,389
Trade subscriptions	**21,123**	26,122
Legal and professional fees	**56,413**	74,307
Auditors' remuneration	**23,450**	22,798
Bank charges	**5,263**	7,264
Bad debts	**(56,384)**	(102)
Difference on foreign exchange	**187**	(1,955)
Sundry expenses	**140,745**	150,113
Cleaning	**9,120**	7,154
Depreciation	**0**	14,865
Tools and equipment	**66,069**	58,035
Courses and conferences	**8,447**	7,176
Health and safety	**1,154**	2,223
Recruitment	**56,867**	31,344
Promotional materials	**2,930**	233
Web design	**17**	10,000
Licence	**50,696**	28,852
Payroll services	**44,956**	15,105
Leasing car rentals	**21,795**	15,701
	9,410,091	8,490,095

Schedule to the Detailed Accounts

For the year ended 31 March 2018

	2018	2017
	£	£
Rent	**2,010,633**	2,024,903
Rates	**1,490,545**	1,352,976
Light and heat	**1,184,856**	1,076,039
Insurances	**374,434**	344,306
Repairs and maintenance	**909,338**	992,082
Maintenance provision movement	**237,120**	(481)
Service contracts	**1,029,166**	886,811
	7,236,092	6,676,637

	2018	2017
	£	£
Bank interest receivable	**64,247**	70,235
	64,247	70,235

	2018	2017
	£	£
Interest on pension scheme liabilities	**(168,000)**	(89,000)
	(168,000)	(89,000)