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### Audit and Procurement Committee

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#### **Time and Date**

2.30 pm on Monday, 29th January, 2024

#### **Place**

Diamond Rooms 1 and 2 - Council House, Coventry

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#### **Public Business**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of Previous Meeting** (Pages 3 - 12)  
To agree the minutes of the meeting held on 11th December 2023
4. **Outstanding Issues** (Pages 13 - 18)  
Report of the Chief Legal Officer
5. **Work Programme 2023/2024** (Pages 19 - 20)  
Report of the Chief Legal Officer
6. **External Auditor's Annual Report 2021/2022** (Pages 21 - 54)  
Report of the External Auditor, Grant Thornton
7. **Annual Governance Statement 2022/2023** (Pages 55 - 86)  
Report of the Chief Operating Officer (Section 151 Officer)
8. **Information Governance Annual Report 2022/2023** (Pages 87 - 98)  
Report of the Chief Legal Officer
9. **Coventry Municipal Holdings Limited Audit Committee Report** (Pages 99 - 382)  
Report of the Director of Streetscene and Regulatory Services and Managing Director for Coventry Municipal Holdings Limited
10. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

## **Private business**

**Nil**

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Julie Newman, Chief Legal Officer, Council House, Coventry

Friday, 19 January 2024

Note: The person to contact about the agenda and documents for this meeting is: Michelle Salmon, Governance Services, Email: [michelle.salmon@coventry.gov.uk](mailto:michelle.salmon@coventry.gov.uk)

### Membership:

Councillors S Agboola, M Ali, J Blundell, R Brown (By Invitation), R Lakha (Chair), G Ridley, E Ruane and B Singh (Deputy Chair)

### By invitation:

Councillor R Brown – Cabinet Member for Finance and Strategic Resources

## **Public Access**

Any member of the public who would like to attend the meeting in person is encouraged to contact the officer below in advance of the meeting regarding arrangements for public attendance. A guide to attending public meeting can be found here: <https://www.coventry.gov.uk/publicAttendanceMeetings>

## **Michelle Salmon**

**Governance Services**

**e-mail: [michelle.salmon@coventry.gov.uk](mailto:michelle.salmon@coventry.gov.uk)**

**Coventry City Council**  
**Minutes of the Meeting of the Audit and Procurement Committee**  
**held at 2.30 pm on Monday, 11 December 2023**

Present:

Members: Councillor R Lakha (Chair)  
Councillor S Agboola  
Councillor M Ali  
Councillor J Blundell  
Councillor J Lepoidevin (Substitute for Councillor G Ridley)  
Councillor E Ruane  
Councillor B Singh

Employees  
(by Service Area):

Finance B Hastie (Chief Operating Officer (Section 151 Officer)),  
T Pinks, K Tyler

Law and Governance M Salmon

Apologies: Councillor G Ridley

## **Public Business**

### **29. Declarations of Interest**

There were no disclosable pecuniary interests.

The Committee noted that Councillor Ruane had an other interest in minute 34 below headed '2023-24 Second Quarter Financial Monitoring Report (to September 2023)', he remained in the meeting for consideration of the item.

### **30. Minutes of Previous Meeting**

The Minutes of the meeting held on 9<sup>th</sup> October 2023 were agreed and signed as a true record. There were no matters arising.

Further to minute 19/23, the Chair, Councillor Lakha, referred to the Committee's Annual Report to Council on 5<sup>th</sup> September 2023 and to CIPFA's advice in respect of the appointment of an independent person to serve on the Committee. Members noted that the appointment process was underway.

### **31. Outstanding Issues**

The Audit and Procurement Committee considered a report of the Chief Legal Officer which identified issues on which a further report/information had been

requested or was outstanding so that the Committee were aware of them and could manage their progress.

Appendix 1 to the report provided details of issues where a report had been requested to a meeting along with the anticipated date for consideration of the issue. The Committee noted that there were no issues in this Appendix.

Appendix 2 of the report provided details of items where information had been requested outside formal meetings, along with the date when this had been completed. The Committee noted that in respect of the item listed in this Appendix, this had been completed on 9<sup>th</sup> October 2023, which discharged this matter.

**RESOLVED that the Audit and Procurement Committee notes the Outstanding Issues report and the action taken to discharge matters, which can now be removed from the report.**

### 32. **Work Programme 2023-2024**

The Audit and Procurement Committee considered a report of the Chief Legal Officer which detailed the Work Programme of scheduled issues to be considered by the Committee during the Municipal Year 2023/2024.

Members noted there had been revisions to the Work Programme to accommodate the External Auditors Annual Value for Money Report 2021/22 and Annual Value for Money Report 2022/23, which were now expected to be submitted to the Committee at their meeting in January 2024. The Committee agreed that the 'External Auditors reports be added to the Work Programme accordingly.

**RESOLVED that the Audit and Procurement Committee notes the Work Programme and that the External Auditors Annual Value for Money Report 2021/22 and Annual Value for Money Report 2022/23 be added to the business for the January meeting of the Committee.**

### 33. **Treasury Management Update 2023-24 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Chief Operating Officer (section 151 officer) that provided an update on the Council's Treasury Management activity in 2023/24 to the end of September 2023.

The Council adopted the Chartered institute of Public Finance and Accountancy's "Treasury Management in the Public Services: Code of Practice (the CIPFA code). This required the Council to approve an annual Treasury Management Strategy and a mid-year update report. Treasury Management performance was reported as part of regular budget monitoring reports to the Committee.

The Council's Treasury Management activity was undertaken in line with the Treasury Management and Commercial Investment Strategy and Policy for 2023/24, which was agreed by Cabinet as part of the Budget Report 2023/24 at its meeting of 21 February 2023 (their minute 97/23 referred). There were no breaches of the strategy and policy to report.

The Council was supported in the Investment Strategy and Policy by its Treasury Management Advisors, Arlingclose. The advisors provided economic analysis and specialist advice. A key element of the was the provision of advice on credit risk and the supply of information on credit ratings. Regular review meetings with the advisors continued to be held. Officers with involvement in treasury issues continued to attend on-line events focused on treasury management as appropriate.

The first table in Appendix 1 to the report, identified that there was no short-term borrowing outstanding at 29th September 2023. Current cash projections indicated that the Council may require short-term borrowing to cover cash shortfalls for the final quarter of 2023/24.

Other than an £18m loan from West Midlands Combined Authority on behalf of UKBIC, no new long-term borrowing had been undertaken since 2009, due in part to the level of investment balances available to the Council. The Council had no immediate plans to take any new long-term borrowing, however, this would be kept under review. At 30th September 2023, the Council's long-term liabilities totalled £310.3m which was mainly made up of long-term borrowing sourced from the Public Works Loan Board (PWLB); Liabilities arising from the Private Finance Initiative (PFI); and Lender Option Borrower Option (LOBO's) borrowing.

The PWLB remained the main source of loan finance for funding local authority capital investment. In August 2021 HM Treasury significantly revised guidance for the PWLB lending facility with more details and 12 examples of permitted and prohibited use of PWLB loans. Authorities that were purchasing or intending to purchase investment assets primarily for yield would not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. Under the Treasury Management Strategy 2022/23 approved by Cabinet on 22 February 2022 (their minute 83/22) it was agreed the Council would not purchase investment assets primarily for yield.

For the twelve-month period to 30 September 2023, the Council's investments earned an average rate of interest of 5.12%. This could be split down between Collective Investment Funds at 4.59% and other investments at 5.36% and was against a backdrop of the Bank of England base rate rising from 2.25% in September 2022 to 5.25% in September 2023. Whilst the Council's Collective Investment Funds had continued to provide an annualised return of around 4.59%, their capital value (£26.9m) remains below the original sum invested (£30.0m). Whilst all seven funds were showing a capital value loss, there were now signs of recovery on all but two. Income received from these investments still far exceeded any reduced value.

Appendix 2 to the report showed the Council's Lending List at 31st October 2023. This list showed those banking and government institutions that the Investment Strategy allowed the Council to invest cash balances with. The list was taken using specialist advice from Arlingclose and was split between UK and foreign institutions. The Council did not hold any funds with counterparties that were not on the list. Duration limits for counterparties on the Council's lending list were under regular review and would continue to reflect economic conditions and the credit outlook.

The ongoing impact of financial uncertainty in the UK together with events in the Middle East, higher inflation and the current high interest rate environment were major influences on the economy and the Council's ability to gain returns on investments. Through 2023, the Bank of England Monetary Policy Committee had raised bank interest rates on 5 occasions with the rate rising from 3.50% at the start of the year to 5.25% in August 2023. This rate was maintained in September and November 2023. The speed of inflation was slowing from a peak of 11% in 2022 to 4.6% in October 2023. The latest forecast from Arlingclose was for the Bank Interest Rate to remain at 5.25% until Quarter 3 2024 at which point, they were forecasting an initial reduction.

The Committee asked questions and were given assurances at the meeting from officers on matters that included: the security of loans to other local authorities: clarification of future PWLB loans and future commercial investments: interest rates associated with short-term and long-term investments; and interest rates for collective investment funds. Members requested that in respect of collective investment funds, details of the investment and interest rate with Schroders Unit Trusts Ltd, be circulated to them.

**RESOLVED that the Audit and Procurement Committee notes the update against the Treasury Management Strategy 2023-24 at 30th September 2023.**

34. **2023-24 Second Quarter Financial Monitoring Report (to September 2023)**

The Audit and Procurement Committee considered a report of the Chief Operating Officer (Section 151 Officer), that would also be considered by Cabinet at their meeting on 12<sup>th</sup> December 2023, which advised of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2023. The net revenue forecast position after management action was a net overspend of £11.5m. At the same point in 2022/23 there was a projected overspend of £11.3m. Appendices to the report provided: Revenue Position: Detailed Directorate breakdown of forecast outturn position; Capital Programme: Analysis of Budget/Technical Changes; Capital Programme: Analysis of Rescheduling; Capital Programme: Analysis of Over / Under Spend, and Prudential Indicators.

The Council continued to face budget pressure within both Adults and Children's social care, Housing, and Streetscene services. Other smaller but still significant overspends were also being reported in Project Management and Property and Transportation and Highways. Financial pressures were being caused by a combination of continuing high levels of inflation, increased service demands, difficult conditions within social care markets and recruitment difficulties in some services.

Recent months had seen a number of councils with social care responsibilities report large in-year budgetary difficulties and it was clear that there were systemic problems for the whole sector which represented a serious threat to its financial sustainability. The Council's position above included a number of largely one-off actions that had already been taken to reduce the overspend, which meant that the underlying position was higher than had been experienced in recent years. In

response, the Council was implementing a range of measures, proposed at quarter 1, to address the pressure in order to manage down the overspend to a less severe level.

The Council's capital spending was projected to be £129.7m and included major schemes progressing across the city. The size of the programme and the nature of the projects within it continued to be fundamental to the Council's role within the city. Inflationary pressures were also affecting capital projects. The assumption was that stand-alone projects that were already in-progress would be delivered as planned but that future projects that had not yet started may need to be re-evaluated to determine their deliverability within previously defined financial budgets.

The materiality of the emerging financial pressures, both revenue and capital, had renewed the imperative to maintain strict financial discipline and re-evaluate the Council's medium-term financial position. This was reflected in the Pre-Budget report which was considered at the same Cabinet meeting as this report.

Members asked questions and received assurances at the meeting from officers on matters that included: the work that had been undertaken by officers and the Cabinet Member for Finance and Strategic Resources in respect of financial management and the range of service savings proposals; Section 114 Notices; the use of reserves; empty buildings/unused assets; receipt of grant for asylum seekers; and budget holder forecasts.

**RESOLVED that the Audit and Procurement Committee notes the 2023/24 Second Quarter Financial Monitoring Report (to September 2023) and agrees that there are no recommendations to be forwarded to Cabinet.**

### 35. **Internal Audit Plan 2023-24 - Half Year Progress Report**

The Audit and Procurement Committee considered a report of the Chief Operating Officer (Section 151 Officer) that provided an update on the internal audit activity for the period April to September 2023, against the Internal Audit Plan for 2023-24.

This was the first monitoring report for 2023-24, which was presented in order for the Audit and Procurement Committee to discharge its responsibility 'to consider summaries of specific internal audit reports as requested' and 'to consider reports dealing with the management and performance of internal audit'.

The key target facing the Internal Audit Service was to complete 90% of its work plan by 31st March 2024. A chart in the report provided analysis of progress against planned work for the period April to September 2023. At the end of September 2023, the Service had completed 31% of the Audit Plan against a benchmark of 50% (which reflected delivery of 100% of the Plan.) It was recognised that performance was below expectation, although the quarterly targets did not take account of the varying length of audits and as such performance would vary across the year. It was also apparent that performance had been impacted by on-going unplanned absence in the Service. The Internal Audit Plan for 2023-24 was presented to the Audit and Procurement Committee at its meeting on 24th July 2023 (minute 15/23 referred). In the report, it was explained to the Committee that the level of assessed resources on which the Plan

was based may be subject to some adjustment during the course of the year due to this unplanned absence. Whilst this was factored into the planning process as far as possible, as the absence had continued, it was now apparent that this would require some changes to the Audit Plan. Work was currently on-going to assess the impact and make appropriate revisions to the Plan. The details of this would be reported to the Audit and Procurement Committee in the next monitoring report, but in general terms, it was likely that some reviews would need to be rescheduled into the 2024-25 programme of work.

It should be noted that whilst the Annual Audit Plan was agreed at the start of the financial year, it may always be subject to change as a result of emerging risks, requests from service areas to reschedule work, and any exceptions. It was important that the Internal Audit Service retained a flexible approach in order to ensure it could respond to issues on a timely basis and add value. Any significant changes to the Plan were reported to the Audit and Procurement Committee.

In addition to the delivery of the Audit Plan, the Internal Audit Service had a number of other KPI's which underpinned its delivery. A table in the report provided a summary of the performance for 2023-24 to date against these five KPIs, with comparative figures for the financial year 2022-23. There was one indicator (i.e., audit delivered within budget days) where the Service's current performance was below expectations. Whilst performing work in a timely way was clearly important to achieving the overall Audit Plan for the year, this must be balanced with ensuring the quality of work undertaken. Ongoing monitoring of internal audit work and identifying opportunities for improvement remained a key focus for management, in line with the Public Sector Internal Audit Standards.

Attached at Appendix One to the report was a list of the audits finalised between April and September 2023, along with the level of assurance provided.

As at 30th September 2023, the following audits were in progress:

- Audits at Draft Report Stage – Transparency code
- Audits On-going – Enabling attendance, Annual Governance Statement, Sports asset maintenance, IR35, CareDirector post upgrade assurance, IT storeroom physical security, Pot-hole Pro stage 2 health check, Implementation of new IT systems, EDI in pay decisions, End user computing.

Details of a selection of key reviews completed in this period were provided at Appendix Two. In all cases, the relevant managers had agreed to address the issues raised in line with the timescales stated. These reviews would be followed up in due course and the outcomes reported to the Audit and Procurement Committee.

Members asked questions and received assurances at the meeting from officers on matters that included: the re-scheduling of outstanding audits; the audit action plan in place with the HR business partner; DBS checks for Elected Members; the statutory requirement for Local Authorities to have an audit function; and the role of the external auditor. Members requested that information relating to the Council's Policy on Elected Member DBS checks, be circulated to them.

**RESOLVED that the Audit and Procurement Committee notes the performance as at quarter two against the Internal Audit Plan for 2023-24 and the summary findings of the key audit reviews detailed in Appendix Two to the report.**

**36. Half Year Fraud and Error Report 2023-2024**

The Audit and Procurement Committee considered a report of the Chief Operating Officer (Section 151 Officer) that provided a summary of the Council's anti-fraud and error activity undertaken by the Internal Audit Service during the first half of the financial year 2023-24.

Fraud in the public sector had a national focus through the publication of "Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy". Whilst the national strategy states that the level of fraud in the public sector is significant, the current trends in fraud activity includes areas which Coventry City Council does not have responsibility for, for example, social housing, and the levels of identified / reported fraud against the Council remain at relatively low levels, in terms of both numbers and value.

The report documented the Council's response to fraud and error during the first half of the financial year 2023-24 and was presented to the Audit and Procurement Committee in order to discharge its responsibility, as reflected in its terms of reference 'to monitor Council policies on whistle blowing and the fraud and corruption strategy'.

The Internal Audit Service was responsible for leading on the Council's strategic response to the risk of fraud and error. The work of the team had focused on four main areas during 2023-24: Business Support Grants; National Fraud Initiative; Referrals and Investigations considers through the Council's Fraud and Corruption Strategy; and Fraud awareness.

A summary of the key activity that has taken place during 2023-24 to date were:

Business Support Grants – Work to assist in the administration of the debt recovery process of grants paid fraudulently or in error had continued during 2023-24. This had included:

- Ongoing meetings with colleagues from the Revenues Service to monitor the status of debts which were still undergoing recovery action, including monitoring of on-going payment plans to ensure they were still being adhered to.
- Where a decision was reached that recovery options had been exhausted, administration of the process to refer the debt to the Department for Business and Trade (DBT). Grants in relation to four businesses had been referred to DBT during the year and in one case, the Department had accepted assignment of the debt, whilst in the other cases, the Council was awaiting a decision.
- Assisting in the process to return recovered grant funding to DBT.

As there were now only a small number of grants which remained outstanding, work in this area had reduced in 2023-24. However, a detailed update on the debt recovery position would be provided in the next monitoring report to the Committee.

National Fraud Initiative (NFI) – The NFI exercise was led by the Cabinet Office. The main exercise took place every two years and matched electronic data within and between public bodies, with the aim of detecting fraud and error. The follow up of matches could also provide assurance that the Council's own arrangements for preventing and detecting fraud / error were effective. The results of the last exercise were released in March 2023. As from April 2023, the Revenues and Benefits Service had become responsible for matches relating to Housing Benefit / Council Tax Support, whilst the Internal Audit Service were responsible for other match types. (The Internal Audit Service have continued to support Revenues and Benefits during this transitional period.)

Given the number of matches released, a risk-based approach was used in following up the matches. To date, around 800 matches had been processed. A table in the report provided a breakdown of those areas where overpayments / forward savings had been identified to date (where overpayments were identified, these were subject to standard recovery arrangements.)

Referrals and Investigations – From time to time, the Internal Audit Service received referrals or were asked to assist with investigations relating to employee misconduct and other fraud against the Council involving external individuals. A further table in the report detailed the number of referrals by source in 2023-24, along with figures for the previous three financial years.

It was important to note that there was no mechanism for determining the number of reports the Council should receive on an annual basis and it was very difficult to anticipate or identify the reasons behind fluctuations in numbers. It was also worth noting that this information only reflected referrals made in respect of concerns relating to fraud and corruption and did not include other matters raised under the Whistleblowing Policy.

Of the ten referrals received, four had led to a full investigation. The reasons for referrals not resulting in a full investigation included (a) initial assessment / fact finding does not find any evidence to support the allegations (b) appropriate action had already been taken, and (c) the nature of the event meant it was impractical to pursue further.

In addition to the four investigations highlighted, three further investigations were carried forward from 2022-23. All seven investigations related to fraud / theft or other activities linked to obtaining a financial benefit. Four out of the seven investigations were still on-going, whilst of the remaining three:

- In two cases, the concern was not substantiated, although action was taken to re-set standards.
- In one case involving the provision of false information to support a claim for homelessness assistance, the Council withdrew the application for assistance and rescinded its duty to provide temporary accommodation.

Fraud Awareness – In 2023-24 to date, the Internal Audit Service had attended four training sessions with employees from Adult Social Care to raise awareness of the types of fraud that could occur within the social care environment, and particularly within direct payments. The Service were also currently updating the Council's intranet pages in respect of fraud and corruption and were planning to attend an event hosted by a local charity who supported immigrants to explain the consequences of benefit fraud, in order to help deter individuals from committing fraud.

Significant frauds - Within the International Auditing Standards, there were clear expectations around the level of oversight that the Audit and Procurement Committee should have in relation to the risk of fraud within the Council. This included an expectation that appropriate detail was provided around significant fraud. The following principles had been applied when defining significant fraud:

- A financial impact in excess of £10,000.
- Frauds of under £10,000 could be included if the Chief Internal Auditor considered this was justified by the nature of the fraud.
- In terms of establishing when a fraud had occurred, this was normally defined as occurring when the disciplinary process had been concluded, although in cases not involving employees, this would be linked to other management action, such as criminal prosecution.

In the period April 2023 to September 2023, no significant frauds had been concluded.

The Committee asked questions and received assurances at the meeting from officers on matters that included: Blue Badge overpayments and the mandatory requirement for a notional figure to be applied, provided through data matching, by the Cabinet Office; the provision of business grants during the Covid pandemic; and costs of recovery – receipt of new burden funding. Members requested that information relating to the number of Blue Badges issued in the city, be circulated to them.

**RESOLVED that the Audit and Procurement Committee notes the anti- fraud and error activity undertaken during the first half of the financial year 2023-24.**

37. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

(Meeting closed at 4.30 pm)

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Audit and Procurement Committee

29th January 2024

**Name of Cabinet Member:**

N/A

**Director approving submission of the report:**

Chief Legal Officer

**Ward(s) affected:**

N/A

**Title:**

Outstanding Issues

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**Is this a key decision?**

No

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**Executive summary:**

This report is to identify those issues on which further reports / information has been requested or are outstanding so that Members are aware of them and can monitor their progress.

**Recommendations:**

The Audit and Procurement Committee is recommended to:

- 1) Consider the list of outstanding items as set out in the Appendices to the report, and to ask the Director concerned to explain the current position on those items which should have been discharged.
- 2) Agree that those items identified as completed within the Appendices to the report, be confirmed as discharged and removed from the outstanding issues list.

**List of Appendices included:**

Appendix 1 - Further Report Requested to Future Meeting

Appendix 2 - Information Requested Outside Meeting

**Other useful background papers:**

None

**Has it or will it be considered by Scrutiny?**

No

**Has it, or will it be considered by any other Council Committee, Advisory Panel, or other body?**

No

**Will this report go to Council?**

No

## **Report title: Outstanding Issues**

### **1. Context (or background)**

- 1.1 In May 2004, the City Council adopted an Outstanding Minutes system, linked to the Corporate Forward Plan, to ensure that follow-up reports can be monitored and reported to Members.
- 1.2 At their meeting on 25<sup>th</sup> January 2017, the Audit and Procurement Committee requested that, in addition to further reports being incorporated into the Committee's Work Programme, a report be submitted to each meeting detailing those additional reports requested to a future meeting along with details of additional information requested outside the formal meeting.
- 1.3 Appendix 1 to the report outlines items where a report back has been requested to a future Committee meeting, along with the anticipated date for further consideration of the issue.
- 1.4 In addition, Appendix 2 to the report sets out items where additional information was requested outside the formal meeting along with the date when this was completed.
- 1.5 Where a request has been made to delay the consideration of the report back, the proposed revised date is identified, along with the reason for the request.

### **2. Options considered and recommended proposal**

N/A

### **3. Results of consultation undertaken**

N/A

### **4. Timetable for implementing this decision**

N/A

### **5. Comments from the Chief Operating Officer (Section 151 Officer) and the Chief Legal Officer**

#### 5.1 Financial implications

N/A

#### 5.2 Legal implications

N/A

### **6. Other implications**

#### 6.1 **How will this contribute to achievement of the One Coventry Plan?**

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

N/A

**6.2 How is risk being managed?**

This report will be considered and monitored at each meeting of the Cabinet.

**6.3 What is the impact on the organisation?**

N/A

**6.4 Equalities / EIA**

N/A

**6.5 Implications for (or impact on) climate change and the environment**

N/A

**6.6 Implications for partner organisations?**

N/A

**Report author:**

**Name and job title:**

Michelle Salmon  
Governance Services Officer

**Service Area:**

Law and Governance

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Tel: 024 7697 2642

Enquiries should be directed to the above person.

This report is published on the council's website: <https://edemocracy.coventry.gov.uk>

**Appendix 1**

**Further Reports Requested to Future Meetings**

	<b>Subject</b>	<b>Minute Reference and Date Originally Considered</b>	<b>Date for Further Consideration</b>	<b>Responsible Officer</b>	<b>Proposed Amendment to Date for Consideration</b>	<b>Reason for Request to Delay Submission of Report</b>
1.	Nil					

\* Identifies items where a report is on the agenda for your meeting.

**Appendix 2****Information/Action Requested Outside Meeting**

<b>No.</b>	<b>Subject/Report</b>	<b>Minute Reference and Date Originally Considered</b>	<b>Information Requested / Action Required</b>	<b>Responsible Officer</b>	<b>Date Completed</b>
1.	Treasury Management Update 2023-24 - Half Year Progress Report	Audit and Procurement Committee 11 <sup>th</sup> December 2023 - Minute 33/23 refers	Members requested that in respect of collective investment funds, details of the investment and interest rates with Schroders Unit Trusts Ltd, be circulated to them	Tina Pinks	
2.	Internal Audit Plan 2023-24 - Half Year Progress Report	Audit and Procurement Committee 11 <sup>th</sup> December 2023 - Minute 35/23 refers	Members requested that information relating to the Council's Policy on Elected Member DBS checks, be circulated to them	Karen Tyler	
3.	Half Year Fraud and Error Report 2023/2024	Audit and Procurement Committee 11 <sup>th</sup> December 2023 - Minute 36/23 refers	Members requested that information relating to the number of Blue Badges issued in the city, be circulated to them	Karen Tyler	14 <sup>th</sup> December 2023

## Audit and Procurement Committee

### Work Programme 2023/2024

#### 26th June 2023

Local Code of Corporate Governance  
Internal Audit Annual Report 2022/2023  
Internal Audit External Quality Assessment

#### 24th July 2023

Revenue and Capital Outturn 2022/2023  
Audit and Procurement Committee Annual Report to Council 2022/2023  
Internal Audit Plan 2023/2024  
External Auditor's Annual Report 2020/2021 (Grant Thornton)  
Annual Fraud and Error Report 2022/2023

#### 9th October 2023

Audited 2019/20 Statement of Accounts and Audit Findings Report (Grant Thornton)  
2023/24 First Quarter Financial Monitoring Report (to June 2023)  
Whistleblowing Annual Report 2022/2023  
Six Monthly Procurement Progress Report (Private)

#### 11<sup>th</sup> December 2023 (formerly 27th November)

Treasury Management Update 2023-24 – Half Year Progress Report  
Half Year Internal Audit Report 2023/2024  
Half Year Fraud and Error Report 2023/2024  
Quarter Two Revenue and Capital Monitoring Report 2023/2024

#### 29th January 2024

Annual Governance Statement 2022/2023  
Information Governance Annual Report 2022  
External Auditor's Annual Report 2021/2022 (Grant Thornton)  
Coventry Municipal Holdings Group Accounts

#### 18th March 2024

RIPA Annual Compliance Report 2024  
Corporate Risk  
Internal Audit Recommendation Tracking Report  
Quarter Three Revenue and Capital Monitoring Report 2023/2024  
Complaints to the Local Government and Social Care Ombudsman 2022/2023  
Quarter Three Internal Audit Progress Report 2023/2024  
Six Monthly Procurement Progress Report (Private)

**Date to be confirmed**

Data Analytics, Including Use of Artificial Intelligence  
External Audit Plan Year Ending March 2022 (Grant Thornton)  
External Audit Plan Year Ending March 2023 (Grant Thornton)  
External Auditor's Annual Report 2022/2023 (Grant Thornton)

# Auditor's Annual Report 2021/22

## Coventry City Council

November 2023

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We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Executive summary



## Value for money arrangements and key recommendation(s)

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors are required to report their commentary on the Council's arrangements under specified criteria and 2021/22 is the second year that we have reported our findings in this way. As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Our conclusions are based on the arrangements in place for the 2021/22 financial year. These findings are summarised in the table below.

Criteria	Risk assessment	2020/21 Auditor Judgment	2021/22 Auditor Judgment	Direction of travel
Financial sustainability	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified, but two improvement recommendation made	↔
Governance	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	One significant weaknesses in arrangements identified regarding delays in audited accounts. One Key Recommendation and four improvement recommendations made	↓
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	No significant weaknesses in arrangements identified, but improvement recommendation made	No significant weaknesses in arrangements identified, but two improvement recommendation made	↔

- No significant weaknesses in arrangements identified or improvement recommendation made.
- No significant weaknesses in arrangements identified, but improvement recommendations made.
- Significant weaknesses in arrangements identified and statutory recommendations made.

# Executive summary

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## Financial sustainability

Coventry City Council (the Council) continues to perform well with regard to financial sustainability, with a record of stable financial and budgetary management. Despite the challenging environment in which it continued to operate in during 2021-22, the Council has maintained a good financial position and achieved a balanced budget. It has put forward plans to achieve balanced budgets for 2022-23 and 2023-24.

As at 31 March 2022, it held £226m of usable reserves. This places the Council in a strong financial position. The Council remains well placed to manage any future shortfalls in funding.

Our work has not identified any significant weaknesses in arrangements to secure financial stability at the Council. We have made two improvement recommendations relating to cashflow management and publishing different financial scenarios within its budgeting reports. Further details can be seen on pages 7-10 of this report.



## Governance

Our work this year has focussed on further developing a detailed understanding of the governance arrangements in place at the Council and in particular its partially/wholly owned subsidiary companies. The Council has appropriate leadership and management structures in place and its risk and control systems are appropriate. It is open in dealing with complaints and ethical and legal matters. The financial statements audit for 2019/20 was only completed on 10 October 2023 and the 2020/21 and 2021/22 continue to be delayed. We consider this to be a significant weakness and have raised a key recommendation with regard to this matter (See Page 7 for details). With the exception of its arrangements for the preparation of its financial statement, we consider that the Council has appropriate governance arrangements in place. We did identify four improvement recommendations relating to the external assessment of Internal Audit; an independent assessment of the governance of subsidiary companies; improvements to the monitoring and assessment of strategic risks and updates to the Council's website with regard to information regarding its various strategies. Further details are provided on pages 11-19 of this report.



## Improving economy, efficiency and effectiveness

The Council continues to demonstrate a good understanding of its role in securing economy, efficiency and effectiveness in its use of resources. It has a clear strategic plan and performance system for monitoring progress. It is an ambitious council and has invested in the development of the local area. It continues to face challenges with regard to areas such as educational attainment and recruitment to key posts such as social workers and education psychologists.

The Council holds a portfolio of wholly owned and joint venture companies. The Council has restructured the ownership and governance over these organisations. We consider that the revised structure is appropriate. Financial monitoring of the performance of those subsidiary companies has been a key focus of the new governance committee.

Our work has not identified any significant weaknesses. We have made two improvement recommendations relating to cost reductions in Children's services and future alignment of the Procurement and Digital Transformation Strategies.

Further details on our wider work in this area can be seen on pages 20-25 of this report.



# Opinion on the financial statements and use of auditor's powers

We bring the following matters to your attention:

## Opinion on the financial statements

Auditors are required to express an opinion on the financial statements that states whether they : (i) present a true and fair view of the Council's financial position, and (ii) have been prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021-22

The 2019-20 accounts were signed on 10 October 2023. The Council was not able to complete the restatement of the 2019-20 accounts in a timely manner leading to continued delays in the audit process for 2020-21 and 2021-22.

## Statutory recommendations

Under Schedule 7 of the Local Audit and Accountability Act 2014 ('the Act'), auditors can make written recommendations to the audited body which need to be considered by the body and responded to publicly

We have not made a statutory recommendation.

## Public Interest Report

Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a public interest report

## Application to the Court

Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law, they may apply to the court for a declaration to that effect.

We did not apply to the court

# Opinion on the financial statements and use of auditor's powers

Page 26

We bring the following matters to your attention:

## Advisory notice

Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:

- is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure,
- is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or
- is about to enter an item of account, the entry of which is unlawful.

We did not issue an advisory notice

## Judicial review

Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.

We did not apply for judicial review

# Key recommendation

## Governance



### Recommendation 1

The Council should address the weaknesses in the preparation of its financial statements as identified in our Financial Statements Audit work that have caused delays to the publication of accounts.

### Why/impact

The delays in preparation of the financial statements could expose the Council to financial risk as well as failure to meet statutory reporting deadlines.

### Auditor judgement

Whilst the 2019/20 audit is now complete, the financial statements audit for 2020/21, 2021/22 and 2022/23 continue to be delayed. We consider this to be a significant weakness.

### Summary findings

The 2019-20 audit has only recently been completed. A significant number of misstatements were identified by the audit team, which highlights concerns about the quality of the draft accounts but has also significantly lengthened the audit. The cause of the delays in the audit are primarily due to significant weaknesses in the Council's property valuation processes as well as significant deficiencies in the Council's group accounting.

### Management Comments

The Council is addressing the weaknesses identified as set out in Grant Thornton's recently published 2019/20 Audit Findings Report

# Page 28 Securing economy, efficiency and effectiveness in the Council's use of resources

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Council's responsibilities are set out in Appendix A.

Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



## Financial Sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



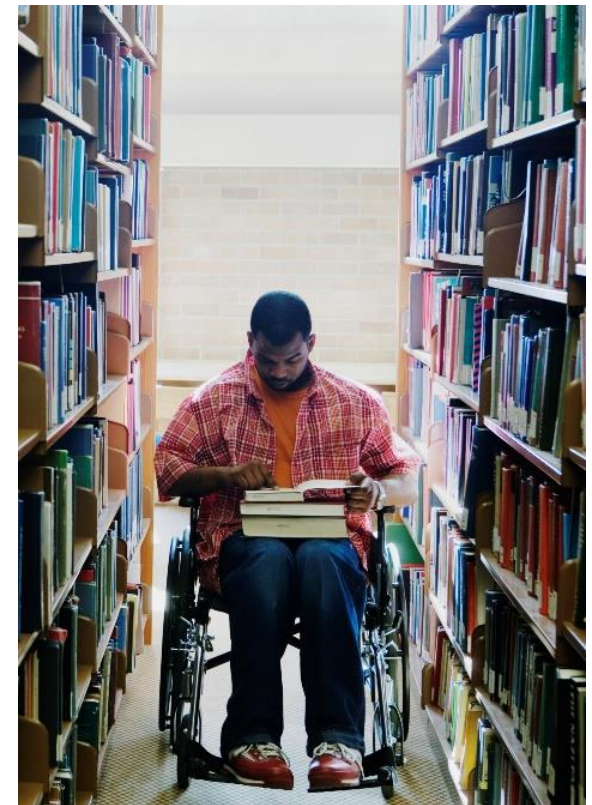
## Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Council makes decisions based on appropriate information.



## Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Our commentary on the Council's arrangements in each of these three areas, is set out on pages 9 to 29.

# Financial sustainability



## We considered how the Council:

- identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds them into its plans
- plans to bridge its funding gaps and identify achievable savings
- plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities
- ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system
- identifies and manages risk to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

## 2021-22 Outturn

The Council has historically performed well financially, with a record of stable financial and budgetary management in the years leading up to 2020-21. Despite the challenging environment in which it operated during 2021-22 with the impacts of Covid-19 and inflationary pressures, the overall financial position (as reported in the outturn position to Cabinet in July 2022) was a balanced revenue position after utilising £8.9m of government Covid-19 grants. After the use of these grants, there was an underspend of £1.2m allowing the Council to increase revenue reserves by this amount to mitigate future financial pressures. Key areas of pressure were Children's Social Care (£2.4m overspend due to higher volume of children in care and higher placement costs), Waste (including £2.2m overspend from a refuse drivers' dispute), as well as inflation.

Budgets for 2022-23 and 2023-24 were agreed at the Cabinet meetings on 22 February 2022 and 21 February 2023 respectively. The 2022-23 budget was balanced without any planned use of reserves, no planned reductions to services and no specific savings plans. When setting the 2022-23 budget in February 2022, the Council envisaged a year-end deficit of £16.9m for 2023-24. The Council has now been able to agree a balanced budget for 2023-24 without planned use of reserves and without any service reductions or specific savings plans. This is as a result of a more favourable Local Government Financial Settlement than originally forecast.

As at 31 March 2022, the Council had £140m of revenue reserves, £18.6m in Covid Business Rates Relief, £37m in capital receipts, and £31m in school reserves. Total reserves amounted to £226m, a £2m increase in reserves from 2020-21.

This included an extra-ordinary balance of £18.6m at the end of 2021-22 in relation to Government Covid Business Rates reliefs announced in 2020-21. This balance, includes an addition to Adult Social Care Reserves of £15m. The Council continues to have a healthy level of reserves.

## Capital Programme

The Council completed capital programme expenditure of £189.5m against a plan of £223.9m in 2021-22, £33.9m of this underspend has been rescheduled into 2022-23. There were no significant overspends within the agreed Capital Programme. The deferral of some items of spend have been fully explained within the programme.

Major capital expenditure in 2021-22 related to improvements to highways (£30m) air quality compliance (£20.7m) city centre redevelopment including completion of the second office building within the Friargate district of the city (£47.8m); and investment in secondary schools (£30.4m).

The Council has also put forward additional proposals for £80m funding under the government's City Region Sustainable Transport Settlement (CRSTS) programme. This includes £54m for the very light rail programme and £17m for the Coventry South Sustainable Transport Programme.

The Council's Capital Financing Requirement in 2021-22 was £513m an increase of £10m from 2020-21. The increase is mainly accounted for by a requirement for new borrowing of £28m offset by a Minimum Revenue Provision (MRP) of £13m. Borrowing is within CIPFA prudential limits indicating that the Council's borrowing is affordable, sustainable and prudent.

# Financial sustainability cont'd

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## Medium term financial planning

The Council clearly sets out corporate strategic priorities, which are referenced within the Council's financial planning processes. The 'One Coventry Plan' sets the Council's vision, its ambitions for the city council and its priorities for addressing the challenges and opportunities it faces. The Council's stated priorities are to be: Globally connected; Locally committed and Delivering its priorities with fewer resources. These priorities are clearly reflected against the respective spend areas in the Council's Medium-Term Financial Strategy (MTFS). The MTFS is aligned with the Council's workforce strategy which aims to ensure the Council has the necessary talent to deliver its vision and the Council's Capital Program with the aim of making Coventry an attractive place to live and work. .

There is no evidence that the Council is depending on reduction in services currently being provided to secure financial sustainability. Unlike many similar councils, Coventry does not currently have a significant savings programme and has been able to mitigate the level of savings required from transformation to balance its budget. Identified savings were £0.9m from various commercialisation projects and £0.3m from the restructure of the Council's senior management team. The Council is also not reliant on non-recurrent savings or on reserves. Overall reserves grew slightly (from £224m at 31 Mar 2021 to £226m at 31 March 2022). Some of these reserves are utilised in 2022-23 and 2023-24., however, this is mainly residual costs related to Covid-19 and it is anticipated that the Council will continue to have a good level of reserves going forward.

We noted in our 2020-21 Auditor's Annual Report that the Council does not currently prepare a cash flow forecast but relies on an existing long standing staff member with extensive knowledge of the Council's business to estimate the Council's cash flow forecasting without documenting it. The Council still does not have a written cashflow statement. In mitigation the Council does set out a detailed income and expenditure forecast, it also has a low level of borrowing however we do not deem this to be sufficient to effectively manage cashflow including avoiding unnecessary cashflow costs. A recorded cashflow statement that is reviewed throughout the year will help to mitigate this risk. Without this in place there is a risk that this could become a significant weakness over time as the Council's financial position changes. We have therefore made a further improvement recommendation in this respect.

The MTFS is updated as part of the budget process, the latest MTFS was approved by the Council in December 2022 for the period 2023-24 to 2025/26. As part of this review, sensitivity analysis and scenario modelling was undertaken on all aspects of the MTFS, including income assumptions and expenditure assumptions. The Council initially put forward a series of proposals which forecast a deficit of £30m and £42m for 2024/25 and 2025/26.

The MTFS was updated in February 2023 with the forecast deficits reduced to £20m and £31m respectively. This represents the Council's indicative starting position arrived at as a result of the Government's one-year spending round and is updated each year as soon as the Council receives confirmation for other known and new non-recurring government grants. This is the Council's worst-case scenario. Due to significant transformation in recent years, the Council is now in a relatively stable position (impact of Covid-19 aside) and optimises income through several routes such as fees and charges to close this forecast deficit to balance the budget. It has a good track record in achieving this and anticipates being able to continue to achieve this outcome.

The Council adopts an extremely prudent approach to its MTFS and provides updates through annual budget reports submitted to Cabinet. Assumptions for council tax and business rates in the MTFS are reasonable and are included in the budget after consultation with key stakeholders including residents and local businesses. The Council also undertakes sensitivity analysis for budgetary assumptions by building in various scenarios for pay awards, contract variations and energy inflation into the budgeting process.

The Council could benefit from also sharing other scenarios (i.e. best case or medium case) as part of the budget process. There is implicit reference to this analysis in the Section 151 Officers risk statement however a clearer statement might benefit members when making budget decisions. We have made an improvement recommendation in this respect.

## Conclusion

Overall, we are satisfied the Council has appropriate arrangements in place to ensure it manages risks to its financial sustainability. We have not identified any risks of significant weaknesses. We have identified two opportunities for improvement. These are set out on pages 11 and 12.

# Improvement recommendations



## Financial sustainability

### Recommendation 2

The Council should produce a documented cashflow forecast which is reviewed and updated on a regular basis throughout the year.

### Why/impact

A recorded cashflow forecast that is reviewed throughout the year will help to avoid unnecessary cashflow costs. Without this in place, there is a risk that this could become a significant weakness over time as the Council's cash position changes.

### Auditor judgement

The Council still does not have a documented cashflow forecast.

### Summary findings

The Council still does not have a cashflow forecast. In mitigation, the Council does set out a detailed income and expenditure forecast, it also has a low level of borrowing however we do not deem this to be sufficient to effectively manage cashflow including avoiding unnecessary cashflow costs. A recorded cashflow statement that is reviewed throughout the year will help to mitigate this risk.

### Management Comments

Management's view is that we have a proven track record of good cashflow management and that the Council's approach is fit for purpose. However, we are happy to look at any practical improvements that could be made and will seek out good practice at other councils.



# Improvement recommendations



## Financial sustainability

### Recommendation 3

The Council could benefit from reporting other scenarios (i.e. best case or medium case) as part of the budget process.

### Why/impact

A clearer statement might benefit members when making budget decisions.

### Auditor judgement

The Council adopts an extremely prudent approach to its MTFS. The MTFS is effectively the Council's worst-case scenario.

### Summary findings

Assumptions for council tax and business rates in the MTFS are reasonable and are included in the budget after consultation with key stakeholders including residents and local businesses. The Council also undertakes sensitivity analysis for budgetary assumptions by building in various scenarios for pay awards, contract variations and energy inflation into the budgeting process. There is implicit reference to this analysis in the Section 151 Officers risk statement however a clearer statement might benefit members when making budget decisions.

### Management Comments

Management recognises the value of considering different Budget scenarios and will continue to do this as appropriate within its budget planning cycle up to the point of putting forward Budget proposals.



The range of recommendations that external auditors can make is explained in Appendix B

# Governance



## We considered how the Council:

- monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- approaches and carries out its annual budget setting process
- ensures effective processes and systems are in place to ensure budgetary control; communicate relevant, accurate and timely management information (including non-financial information); supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour (such as gifts and hospitality or declaration/conflicts of interests) and where it procures and commissions services.

## Leadership and committee effectiveness/decision making

Appropriate leadership is in place. The City Council operates a Leader and Cabinet form of executive governance arrangements. The Council has five Scrutiny Boards and an over-arching Scrutiny Co-ordination Committee. The Scrutiny Co-ordination Committee has responsibility for Council Resources (Finance, HR, ICT, Legal); and the Transformation Programme. The Audit and Procurement Committee is responsible for council's arrangements for approving the Annual Accounts and compliance with statutory guidance.

There is evidence that the scrutiny committees provided useful challenge and insight and where appropriate took specialist advice including external experts and local representatives.

The Annual Governance Statement (AGS) sets out any key governance issues identified by the Council. The production of the AGS for 2021-22 was delayed because of a delay in the Council finalising its accounts for 2019-20, it was published in January 2023. The AGS for 2020-21 had identified 19 areas of improvement that the Council planned to work on. None of these were deemed to be a significant weakness in the Governance arrangements at that time. In 2021-22 the Council has taken action to fully address five of those 19 improvements. The Council has identified five new improvements which means that there are 19 areas of improvement in total for 2022-23.

Areas of improvement completed in 2021-22 include: governance arrangements over subsidiaries (see also page 16 of this report); compliance with CIPFA's financial management code and governance of arrangements with partners and outside bodies (see also page 25 of this report).

New items added for 2022-23 includes: updating the Code of Governance; finalising the Council's Sustainability and Climate Change Strategy and reviewing the Council's Whistle Blowing Policy. (See page 15 of this report).

## Standards and complaints

The Council's Ethics Committee is responsible for considering matters relevant to ethical governance of the Council, its members or employees. The Ethics Committee met twice during 2021-22 to consider one investigation report into alleged breach of the members Code of Conduct. No breach was found to have occurred. A further four complaints had no further action following initial consideration by the Council's Monitoring Officer.

We have reviewed complaints made to the Ombudsman against the Council which shows that fifty (50) complaints were made between 1 April 2021 and 31 March 2022 (a 66% increase from 2020-21). Of those 50 complaints, 36 were closed by the Ombudsman after initial enquiry and did not warrant further investigation and 10 were upheld with the Ombudsman issuing of a statement. Although the number of complaints against the Council has increased this has not resulted in an increase in the number of complaints upheld by the Ombudsman.

Members of the Ethics Committee received mandatory training regarding their role and the Code of Conduct. The central register of interests, has been updated regularly and the Monitoring Officer has advised that they received regular questions about conflicts which provided them with reassurance that members are alive to issue.

We are satisfied that the Council responds positively to the complaints it receives and that the complaints do not highlight systemic weaknesses in the Council's services.

# Governance cont'd

## Monitoring and assessing risk

The Council has an appropriate Risk Management Strategy which defines processes for identifying, assessing, managing and monitoring financial and operational risks. Integral to this strategy is the maintenance of risk registers at the directorate and corporate level. The risk registers are part of the Risk Management Framework. The framework details procedures to identify, understand, manage and score risks and procedures for reporting risk at Directorate level and how to refer risks to the Strategic Management Board for inclusion on the Corporate Risk Register (CRR). Risks are scored and banded into three overall ratings - Red, Amber and Green - which allows the Council to concentrate on the 'top risks' - those in the Red and Amber rated.

The corporate risk register is only discussed at the Audit and Procurement Committee on an annual basis, this forms part of the annual financial planning cycle. Risks included on the Corporate Risk Register are sufficiently detailed to allow the Committee to focus on the key corporate risks. Each risk is also assigned to a designated owner, usually, the director for the service or speciality and its progress is tracked till the rating is green. There is no indication on the risk register as to when the risks were last reviewed. The Council has been unable to identify mitigations that bring risks within appetite for all risks. For example the Council has identified the risk of stability to the Childrens Services workforce. The assessed residual risk score of 16 is outside the Council's risk appetite but there are no further mitigating actions noted. It is not clear whether any further action is intended or if the Council is accepting the assessed level of residual risk with no further action. In the latter case we think that the reasoning as to why the Council is willing to accept such risks should be included. In this specific example the fact that the Council is accepting that impacts such as 'deterioration in services' and 'harm to children being missed' are likely to occur, then we consider some statement covering why the Council is accepting this should be included in the register. We have made an improvement recommendation in this respect.

## Internal audit

The internal audit function covers Internal Audit Services and Fraud and Error Services at the Council and at some of the Council's wholly owned subsidiaries. The in-house internal audit team comprises seven established roles including the Chief Internal Auditor. The Chief Internal Auditor is a chartered member of the Institute of Internal Auditors and additionally, holds a Certificate in Investigative Practice and an MSc Audit Management and Consulting. Three of the members of the team also hold relevant internal audit qualifications as well as certificates in investigative practice. We are satisfied that the internal audit team are suitably qualified. The Internal Audit function reports to the Director of Finance.

Internal audit services for public sector bodies are monitored by the Public Sector Internal Audit Standards PSIAS. The last PSIAS inspection at the Council took place over seven years ago. Last year we recommended that the Council should invite PSIAS for a compliance assessment which should be completed every 5 years. That assessment has still not taken place but is now scheduled for 2023-24. It is imperative that this assessment is undertaken at the earliest opportunity and a further improvement recommendation has been raised in this report regarding this issue.

The 2021-22 Internal Audit plan was presented to the Audit and Procurement Committee on 28 June 2021, this plan was based on 650 available delivery days. In Quarter 3, the Audit Team identified that the plan would not be delivered due to significant staff sickness. At that time, the audit team re-appraised the risks associated with the outstanding audits and prioritised those of highest risk and deferring those where the timing of delivery was not critical from a risk perspective. The plan was reduced to 470 days. The team delivered 409 days representing 63% of the original plan and 87% of the revised plan. The target was for the team to deliver 90% of the plan by 31 March 2022.

Despite the reduction in days the Audit team completed 47 audits in 2021-22 which compares favourably with the 49 audits completed in each of the previous two years. Only 2 audits resulted in a 'no' or 'limited' assurance level, these related to Business Rates and Parking Enforcement. The staffing issues did not impact the conduct of IT related audits as these are outsourced to an external specialist consultancy. The Annual Assurance Report was presented to the Audit and Procurement Committee on 27 June 2022 with an overall internal audit opinion of 'moderate assurance'. Prior to submission of the Annual Assurance report, quarterly progress against the annual internal audit plan was submitted to the Audit and Procurement Committee.

The staffing issues present in 2021-22 have now been resolved and the 2022-23 audit plan was set at 560 days to reflect that two of the new members of the audit team have been recruited at trainee level. All key financial systems were audited in 2021-22 and the three audits not completed in 2021-22 were completed early in 2022-23.

An improvement recommendation was included in Our Auditor's Annual Report in 2020-21 as the Council was behind in implementing several internal audit recommendations. The audit team has now reinstated its process for following up on recommendations (this had been suspended during the pandemic.). A recommendations tracking report is now also presented to the Audit and Procurement Committee. This allows Internal Audit to assess where further action or revisions to agreed actions are necessary as well as providing oversight to members.

# Governance cont'd

## Internal audit (cont'd)

As we reported in last year's AAR the internal audit service does not cover all of the Council's wholly owned subsidiaries. An improvement recommendation was made regarding the use of internal audit across the Council's subsidiaries and a need for transparency in arrangements. The Council has reinforced its governance around the subsidiary companies with the establishment of a group holding company and a new management committee which is a sub-committee of the Cabinet. The Council is still to decide what the role of Internal Audit should be with regard to that new structure. The Council wants the new governance structure to be fully embedded before deciding on this. There is evidence of scrutiny by the new committee and business plans have been agreed. That scrutiny however focuses on financial monitoring and although group governance agreements exist which are designed effectively the operation of these arrangements has not been independently tested. We have made a further improvement recommendation that that these arrangements should be subject to independent assurance as soon as possible.

## Counter Fraud and Bribery and Corruption

The Council's audit team also provide counter fraud services to the Council which includes employee fraud as well as fraud by members of the public. The team previously employed a dedicated Corporate Fraud and Error Officer who left their post in 2022 and has not been replaced. This post is to be transferred to the Revenues and Enforcement team to focus on Housing Benefit and Council Tax frauds using National Fraud Initiative (NFI) data matching. The audit team pursued its first successful prosecution in 2022 together with successful recovery under the Proceeds of Crime Act of £26k.

The internal Audit Service have led on the delivery of pre and post-payment assurance checks which have been required by the Department of Business, Energy, and Industrial Strategy (BEIS) to manage the risk of fraud and error in the Covid-19 grants scheme. To date the checks have identified 61 potentially fraudulent claims with a value of just under £0.5m. To put this in context the Council administered a total of 16,384 grants with a total value of £96m giving a fraud rate of approximately 0.5%.

There were three whistleblowing disclosures made during 2021-22, this is slightly below what would be expected (six reports in previous years) and the audit team is looking to promote the whistleblowing arrangements in 2023-24 as well as doing further work to raise awareness of corporate fraud.

One of the three concerns raised was partially substantiated with Management action taken to provide clearer audit trails around decision making. One was not substantiated after a preliminary investigation and one was closed without further action as the employee raising the concerns was advised to report the concerns by a more appropriate route. We have not identified any weakness in these arrangements.

We are satisfied that the Council has an appropriate internal audit service however the improvement recommendations set out on pages 18-19 need to be fully implemented to avoid these issues developing into significant weaknesses.

## Financial Reporting

The 2019-20 audit was recently signed on 10 October 2023. A significant number of misstatements have been identified by the audit team, which highlights concerns about the quality of the draft accounts but has also significantly lengthened the audit. The cause of the delays in the audit are primarily due to significant weaknesses in the Council's property valuation processes as well as significant deficiencies in the Council's group accounting. The Council was not able to complete the restatement of the 2019-20 accounts in a timely manner leading to continued delays in the audit process. We consider that this is an area of significant weakness for the Council and have raised a key recommendation on this matter.

## Budget Setting and Monitoring

The 2020/21 Capital and Revenue outturn was presented to Cabinet in July 2021. Quarterly financial monitoring reports were presented in August 2021, December 2021 and February 2022. A pre-budget report for 2022-23 was submitted to Cabinet on 14 December 2021 included the MTFS. This was updated when the budget setting report for 2022/23 was submitted to cabinet in February 2022. Forecasts are subject to a high level of challenge and scrutiny from Cabinet and sensitivity analysis is performed taken into accounts various scenarios for inflation, interest rate and pay award. Baseline budgets were adjusted to reflect the impact of Covid-19 thus ensuring a more realistic longer-term view rather than simply fixing the problem in year with one-off transfers of reserves.

The 2022-23 pre-budget report and 2022-23 budget summary included funding sources as well as assumptions for borrowing activities. Revenue assumptions are only finalised following directives from central government on annual settlements including the allowance and direction on council tax precepts.

# Page 36 Governance cont'd

## Budget Setting and Monitoring (cont'd)

Budgets are managed by a designated budget holder. The Finance Department engages at least monthly with budget holders to review expenditure against agreed budgets.

Key variances to budget for 2021-22 included £8.9m variance across services directly attributable to Covid-19. There was also an overspend of £2.4m on childrens' services as a result of increased demand and reliance on high-cost external placements. A £4m overspend on Waste and Fleet services driven mainly by increased costs arising from an industrial dispute involving HGV drivers. There was a £2.3m underspend on Housing as a result of lower than anticipated numbers of households in temporary accommodation. None of arrangements. these variances could have been anticipated and do not represent a weakness in the Council's budgeting.

## Management Information Systems

The Council's website contains a good array of information about the Council. Members pictures, names and committee membership are available on the Council's website. We noted however that some of the website inks to various strategy documents are out of date or broken. An improvement recommendation has been made in this respect.

## Commercial ventures, outsourcing and shared service arrangements

The Council holds a portfolio of wholly owned and joint venture companies. The portfolio of commercial entities include companies delivering services to the Council (for example in waste and recycling) as well as strategic holdings in hospitality and economic regeneration.

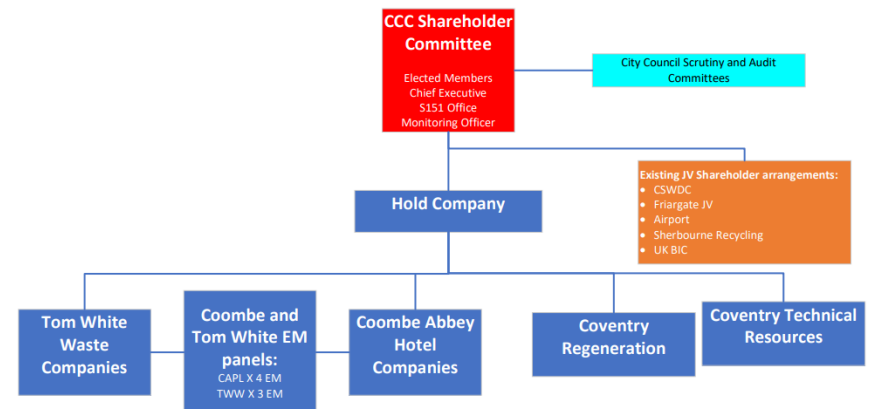
These include two wholly owned entities: Coombe Abbey Park Limited (CAPL) and Tom White Waste Limited (TWW); two joint ventures, The Coventry and Solihull Waste Disposal Company Limited (CWSDC), and Sherbourne Recycling Limited (SRL); and a strategic interest in a special purpose vehicle, the UK Battery Industrialisation Centre Ltd (UK BIC). There is a third joint venture, Friargate JV Project Limited (FJV).

In 2022, the Council has implemented a unified legal and governance approach to these organisations. This followed our in-depth review of those Governance arrangement, which resulted in an additional Annual Audit Report being issued by us in 2022. That report made 15 recommendations for improving the governance arrangements for subsidiary companies.

There has been good progress in implementing all these recommendations. Prior to this new governance approach, the Council operated a decentralised legal and governance structure, with each entity having its own governance procedures. The Council's wholly owned companies have been grouped under a single parent company Coventry Municipal Holdings Limited (HoldCo), which was incorporated on 26 October 2021. A Group Governance agreement relating to HoldCo and the trading companies was also established at that time. This included the constitution of the new shareholder committee; scrutiny arrangements; procurement policies and HR risk policy. The JV arrangements do not fall under the HoldCo but the JVs do report into the Shareholder Committee governance structure as shown in the diagram opposite.

The revised governance structure also established a new centralised sub-committee of Cabinet designed to oversee the Council's wholly owned and joint venture subsidiaries: the Coventry City Council Shareholder Committee. That shareholders committee is up and running with the Directors and members trained on their roles through mandated training provided by an external law firm. The s151 Officer has advised that in their opinion the Group Holding Company has enabled better scrutiny and decision making by members as it provides an improved overall view of risks. We consider that the revised structure is appropriate and will enable the Council to have an appropriate oversight of its companies and investments.

Figure 1: Coventry Municipal Holdings Limited Group



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# Governance cont'd

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## Conclusion

We consider the delays on finalising the financial statements to be a significant weakness and have raised a key recommendation regarding this matter.

Except for the Council's arrangements for the preparation of its financial statement, we consider that the Council has appropriate governance arrangements in place. We did identify four improvement recommendations relating to the external assessment of Internal Audit; an independent assessment of the governance of subsidiary companies and updates to the Council's website about information regarding its various strategies. These improvement recommendations are set out on pages 18 to 21.

# Improvement recommendations

Page 38



## Governance

### Recommendation 3

Internal audit should be subject to a PSIAS review at the earliest opportunity.

### Why/impact

An ineffective Audit team will significantly weaken the Council's governance arrangements.

### Auditor judgement

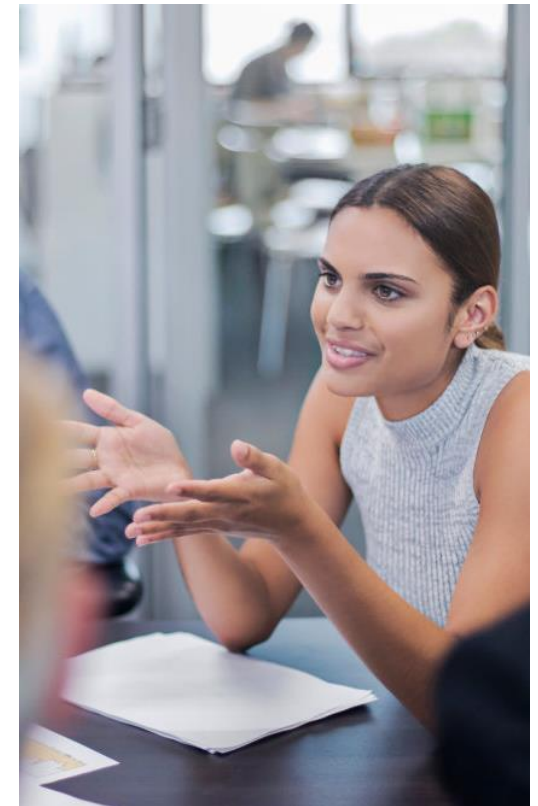
It is imperative that this assessment is undertaken at the earliest opportunity

### Summary findings

The last PSIAS inspection at the Council took place over seven years ago. Last year we recommended that the Council needs to invite PSIAS for a compliance assessment which should be completed every 5 years. That assessment has still not taken place but is now scheduled for 2023-24.

### Management Comments

The recommendation is accepted. It is planned that the Council's Internal Audit function will be subject to external review in 2023/24 in line with PSIAS guidelines. This will take the form of a self-assessment with independent external validation as approved by Audit and Procurement Committee on 26th June.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendations



## Governance

### Recommendation 4

The Corporate risk register should be reviewed by the Audit and Procurement Committee on a more regular basis and the risk register should include details of the date the risk was last reviewed as well as any reasons why the Council is accepting risks that remain outside of risk appetite where no further mitigating actions have been identified.

### Why/impact

The Corporate Risk register should be a live document that is subject to regular review to ensure risks are within risk appetite.

### Auditor judgement

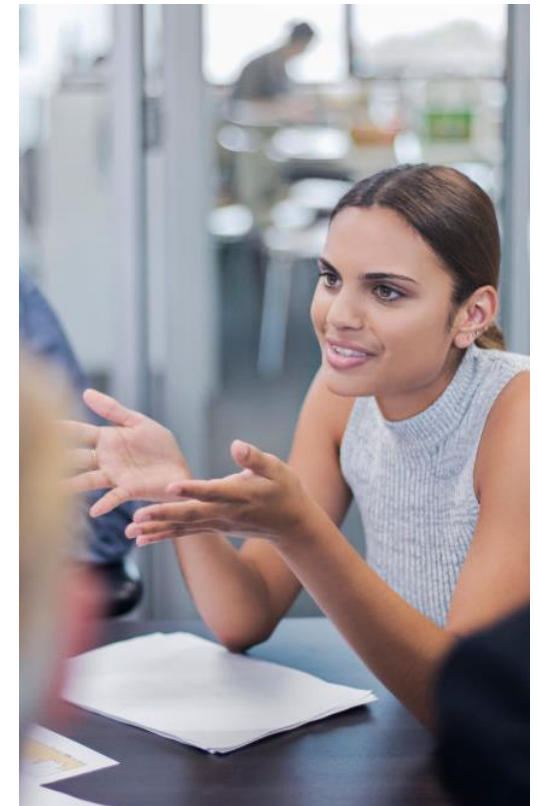
The Corporate risk register is not reviewed by Committee on a regular basis and it is difficult to identify when the risks were last updated or why the Council is accepting risks that remain outside of risk appetite.

### Summary findings

The Corporate risk register is only discussed at the Audit and Procurement Committee on an annual basis, this forms part of the annual financial planning cycle. There is no indication on the risk register as to when the risks were last reviewed or what specific actions are being undertaken to bring risks back within risk appetite.

### Management Comments

The Corporate Risk Register can be brought to the Audit and Procurement Committee twice a year subject to Committee's approval. The Register will be amended to include details of the date the risk was last reviewed. Management's understanding and intention is that any specific risk mitigation actions should be included within the Register. However, the nature of some of the risks is such that it is not always possible to identify mitigations that bring risks within appetite.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendations

Page 40



## Governance

### Recommendation 5

An independent assurance review of the revised governance structure for the Council's subsidiary companies should be undertaken at the earliest opportunity.

### Why/impact

It is important that the Council obtains assurance regarding the effectiveness of these arrangements.

### Auditor judgement

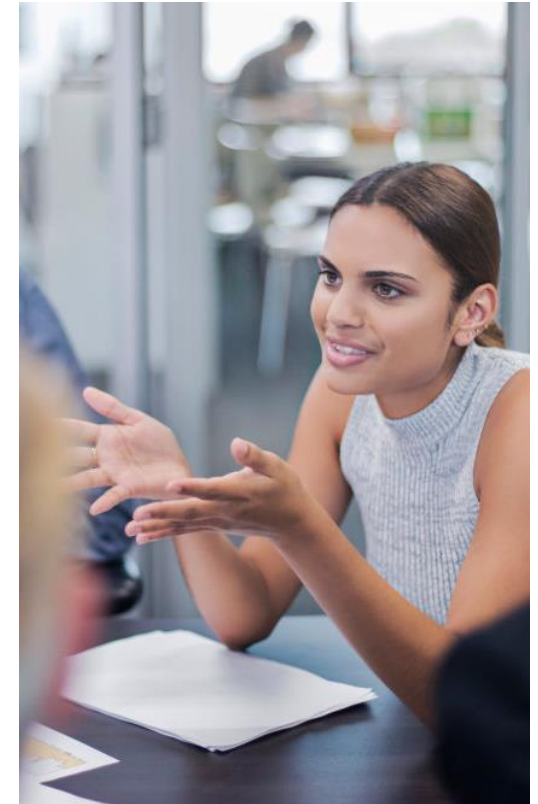
Independent assurance has not been obtained regarding the new governance arrangements and the audit of the Capital Programme remains outstanding

### Summary findings

There is evidence of scrutiny by the new committee and business plans have been agreed. That scrutiny however focuses on financial monitoring and although group governance agreements exist which are designed effectively the operation of these arrangements has not been independently tested.

### Management Comments

The Council will arrange for a review of the governance structure to be undertaken at an appropriate point following the embedding of existing arrangements.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendations



## Governance

### Recommendation 6

The Council should ensure that the website links to various strategies and plans are kept updated.

### Why/impact

This will improve transparency and accountability with key stakeholders including residents

### Auditor judgement

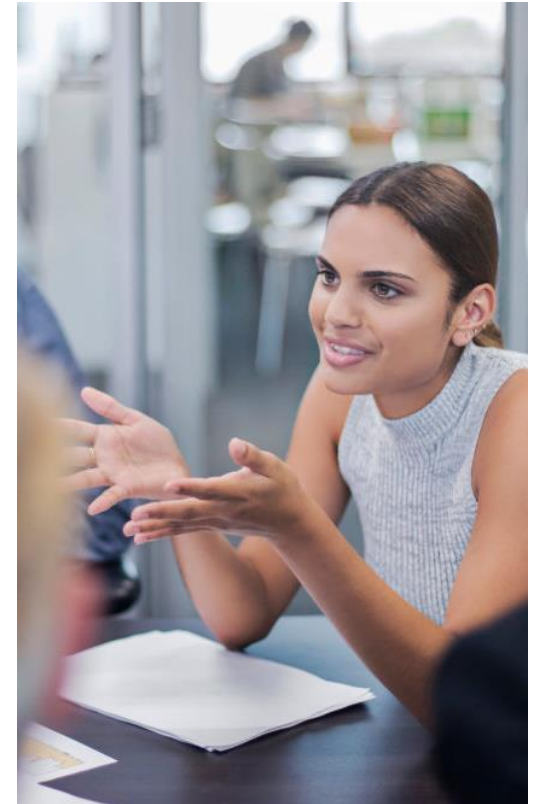
The Council has not maintained up to date links to various strategy and policy documents

### Summary findings

We noted that some of the website inks to various strategy documents are out of date or broken.

### Management Comments

The issue with the strategies link has been resolved. There is a link checker in place to report any future issues and notify the relevant team.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improving economy, efficiency and effectiveness

Page 42



## We considered how the Council:

- uses financial and performance information to assess performance to identify areas for improvement
- evaluates the services it provides to assess performance and identify areas for improvement
- ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives
- where it commissions or procures services assesses whether it is realising the expected benefits.

## Performance review and benchmarking:

The Council Plan, One Coventry, sets out the vision and priorities of the Council. The Council's current vision has three themes; 'globally connected', 'locally committed' and 'delivering our priorities with fewer resources'. The Plan is to be refreshed in 2022-23. An annual performance report for 2021-22 was considered by the Scrutiny Co-ordination Committee in July 2022 and presented to Cabinet in August 2022. The Council uses a balanced scorecard approach to manage its performance by not relying on solely financial measures but instead monitoring performance using outcomes, finance, workforce and quality measures.

The performance report against "The One Coventry Plan" is presented to the cabinet annually. The report is comprehensive and transparent and gives a clear view of the performance of the Council and its partners. The One Coventry Plan measured seventy-five 75 key performance indicators (KPIs) across the services provided in the Council. Each of the KPI's measured are linked to one of the Council's vision. In 2021-22 the Council reported that 32 metrics improved; 8 stayed the same; 18 declined. There were 10 metrics where improvement couldn't be measured and no data was available for 7 metrics due to exam cancellations..

Gross Domestic Product (GDP) per head of population decreased in 2021-22 however this trend is consistent with other Councils across England and was higher than the average of statistically near neighbouring Councils. The number of active enterprises in Coventry in 2021 remained the same as in 2020. This is low compared to Warwickshire and the WMCA average. The Council therefore intends to work to encourage new business start-ups and grow and expand existing ones.

Key achievements to increase the economic prosperity included increased use of grants to sustain businesses, development of Coventry Railway Station, and investments in light rail, Friargate, and the city centre.

In 2022, the Council has also been a key partner in Coventry City of Culture (which was delayed due to the pandemic) and in the introduction of the UK Battery Industrialisation Centre UKBIC to the area. This is being followed by the development of plans for a Gigafactory in the City. This has however been delayed due to decisions regarding government funding not being forthcoming.

KPIs for 'Improving outcomes and tackling inequalities' highlighted key achievements in this area including adult care users receiving adequate or better social care, prevention of homelessness, development of clean air plans, improvements in roads and pathways, and street and park cleanliness. Areas where further action is needed by the Council and its partners include numbers of children in care, key stage 4 and A level attainment, levels of crime, life expectancy, level of fly tipping, and household recycling which is below the national average. An innovative graphic highlighted life expectancy and related data using a city bus route to highlight differences across the city at different points along the bus route.

For tackling climate change the Council helped create an Independent Coventry Climate Change Board. The Board consists of senior representatives from major businesses, public agencies, charities, and voluntary organisations.

We have benchmarked expenditure per head of the Council with similar councils. Areas of high spend include children's social care and housing. These are discussed in more detail on the following pages.

# Improving economy, efficiency and effectiveness cont'd

## Children's Social Care

The Council has been assessed as good in all areas in a recent Ofsted inspection, marking a significant improvement from the previous 2015 assessment of inadequate. The Council has continued to invest in Children's Services but has faced a number of challenges.

The Council has had to face increased costs of residential placements where the average cost of 12 weeks placements have increased from approximately £4,000 to £8000 per placement. This increase is despite long term contracts and framework agreements, because of the number of emergency placements resulting in the Council having to face costs determined by 'spot markets'. To counter this the Council is investing in its own children's home which will attract match funding from the Department for Education (DfE).

There is also growing demand for services with that demand likely to remain for the foreseeable future. The cost of living crisis is likely to impact on this given the link between poverty and demand for children's services. The demand side is being managed through a local initiative 'Family Valued' which is looking to address the root cause via early intervention measures. The Council believes this initiative was a contributor to the 2022 Ofsted good rating and is also having a positive impact in reducing local demand.

The Council has also voluntarily accepted referral of Unaccompanied Asylum Seeking Children under the Home Office National Transfer Service, an increase in demand across this scheme has resulted in such referrals forming a greater proportion of all looked after children in Coventry. Many of these children will have more complex and expensive needs compared to local children, including the effects of various types of trauma.

The Council, as with most authorities, is also facing a challenge in the lack of available social workers. The Council has created a specific Workforce strategy including the development of a social worker academy and short-term incentive payments to staff. The recent Ofsted report and a further Youth Offending 2022 report where the Council was rated as outstanding indicates that the Council are delivering a quality of provision which has significantly improved since the previous Ofsted report in 2015. The relatively high average cost of this provision could however mean that there are opportunities for some efficiencies particularly with reducing the need for emergency placements. The Council's investment in building its own Children's Home will be an important aspect to this however there will still be a need for external emergency placements as well as the need to ensure the investment in its own home returns the savings envisaged. An improvement recommendation s has been made in this respect.

## Housing Services

The Council's housing services had been overspending against budget year on year with a £3.4m overspend in 2020-21 due to high demand and costs of temporary accommodation. The Council delivered an underspend of £3m in 2021-22 primarily as a result of lower demand for temporary accommodation. This reduction has been as a result of investment by the Council in housing stock which is enabling it to reduce costs on temporary accommodation. The Council historically had low levels of housing stock meaning it faced having to utilise temporary accommodation commissioned through stock provided by the Salvation Army.

The Council has reviewed its property portfolio and recently purchased 31 houses plus the lease on block of flats. The Council has recently signed off on the purchase for 25 more property purchases. By owning and managing its own stock the Council can offset against Housing Benefit (HB) and claim back loan interest. This makes the purchases self-financing as the only spend is capital investment. Further for those tenants on HB the Council can claim back maintenance costs and lost income arising from gaps in tenancies (voids).

The Council's strategy is to try to obtain its own good quality temporary accommodation at low cost and then move residents into permanent accommodation as quickly as possible.

Financial management arrangements are appropriate with regular quarterly reports provided to a Strategic Housing Board. A report is made to the cabinet housing portfolio member at a weekly 1-2-1 where the numbers of families in temporary accommodation is closely monitored. The Council has calculated it saves £150 pw per placement as a result of this strategy and this has therefore outweighed any overprice paid for housing stock bought at the top of the market in recent years.

# Page 44 Improving economy, efficiency and effectiveness cont'd

## Procurement

The Council has a procurement strategy that covers the financial periods from 2020 to 2025 and incorporates the 'One Coventry' Plan. The Council's governance arrangements over procurement are as follows:

In 2021-22 there were 171 tender waivers with a total annual value of £10m. 49 of these waivers had a contract value of over £100k. Two waivers were for contracts worth close to £1m each. The volume and value of waivers is not regularly reported to the Audit and Procurement Committee and an Improvement recommendation has been made in this respect.

Procurement and purchasing decisions are key to delivering value for money not just in terms of cost but also to deliver social value and meeting the Council's drive to improve local skills and growth strategies. The Council is looking to maximise those non-financial benefits including increased numbers of apprenticeships and upskilling local Small or Medium size enterprises (SME) businesses. The Council has recently surveyed all local SMEs to establish baseline data for diversity in its supply chain and identify barriers to procurement for SMEs. This should enable the Council to review its Contract Procedure Rules to address issues arising. The Council is also preparing for the forthcoming Procurement Bill which will impact Public Contract Regulations, which in turn will impact the Council's Procurement Strategy and Contract Procedure Rules.

The Council is also reviewing TOMs (Targets, Outputs and Measures) for Contract Management purposes to enable it to assess the broader impacts of its purchasing beyond price-based metrics and aligning TOMs to the Council's Social Value Policy.

Contract management is inconsistent across different service areas. What the service heads do (methodology) is consistent, however there are no unified systems or tools. The Council is currently reviewing the use of its e-procurement portal to embed Contract Management into that tool. The Council has determined that the current KPI function in the tool is not fit for purpose and are therefore working with portal provider to change this. It is vital that the revised Procurement strategy is aligned to the Council's Digital Transformation program in order to maximise efficiencies within the purchasing processes. We have made an improvement recommendation in this respect.

There is a schedule in the procurement tender documents regarding bribery and corruption (ABC) and Procurement staff take the Chartered Institute of Procurement and Supply (CIPS) ethics test which includes ABC and modern slavery statements.

## Commercial ventures, outsourcing and shared service performance

Commercial activity is aligned to the Council's over-arching 'One Coventry' plan and each active subsidiary company has an agreed annual business plan. Individual investments made by these companies also consider how they can contribute to different elements of the plan, for example the Council's investment into a hotel which sits within and complements a 'green space' park area which is also owned and operated by the Council, other investments have considered the cultural as well as financial benefits. With the exception of the above hotel all the investments fall within the Council's geographical boundary.

The annual performance report for April 2021 to March 2022 for Coventry Municipal Holdings and its subsidiaries states that there have been several challenges with regards to the financial position for the subsidiaries in the group with the leisure sector recovering from the impact of Covid-19 and Tom White Waste Ltd (TWW) experiencing additional costs mainly due to the reliability of plant, machinery and vehicles well as additional costs of third-party waste disposal.

- **Coombe Abbey Park:** financial performance in 2021/22 was impacted by partial trading due to Covid-19 restrictions; refinancing of the existing loans in the company provided allowed the company to manage its financial commitments and outgoings whilst recovering from the impact of limited trading; staff shortages following Covid-19 restrictions being relaxed and the impact of Brexit; new contracts being secured and existing contracts performing well. The hotel was closed for 5 months (January – May 2022).
- **The Coventry and Solihull Waste Disposal Company Limited (CSWDC)** is profit generating, despite the impact of Covid-19, making £33.0 million of revenue and £12.4 million net profit in 2021-22.
- **Tom White Waste Limited (TWW):** the company is profit generating, despite the impact of Covid-19, making £12.5 million of revenue and £391,000 Net Profit in FY21. The Business Plan that was presented to the Coventry Shareholder Committee in March 2022, included the redevelopment of the material recycling facility which will increase waste recovery from 7% to 70%, reducing waste to landfill and contributing towards a positive impact on the environment.
- **No Ordinary Hotels Limited:** this is currently a dormant company. There were no transactions in this company for the year.2021-22.

# Improving economy, efficiency and effectiveness cont'd

## Commercial ventures, outsourcing and shared service performance (cont'd)

- **Sherbourne Recycling Limited (SRL):** was established in 2021 as a joint venture to develop and operate a new state of the art materials recycling facility in Coventry on behalf of eight local authorities. The financial risk is therefore shared across several councils. For the Council there have been benefits arising from reduced transportation costs of approximately £0.5m per year as previously such waste had to be transported some considerable distance out of borough.
- **UK Battery Industrialisation Centre Ltd (UK BIC):** was established in 2017. Its purpose is to deliver a laboratory and production facility for prototype batteries to be scaled on small runs. The Council's ownership is strategic. Financing came via grant funding. UK BIC assets are charged back to UKRI, meaning that the Council could not sell them. In December 2021 UK BIC secured an operating expenses grant from UKRI. Any shortfalls in finances are underwritten by central government as guarantor and not the Council. The Council has had two officers actively involved in UK BIC. Their role covers project governance, overseeing the construction of the UK BIC facility, and operational governance, working with UK BIC directors to manage the company. UK BIC does not report through Hold Co and instead reports directly into the new Shareholder's Committee.

## Partnership working

The Council currently partners with schools, the Home Office, the police, local health and voluntary sectors to ensure equality of services provided across its communities. An example of the partnership in schools is one where resources are shared across a couple of schools preventing the costs of recruiting or resourcing each school. This measure helps the Council to better manage resources while improving performance across schools and is evidenced by the number of schools settings within the Council adjudged by Ofsted as good or outstanding to increase from 42% to 95%.

The Council works with anchor institutions which are large, public sector organisations that are unlikely to relocate and have a significant stake in a geographical area. To effectively monitor partnerships, the Council has developed the 'One Coventry approach' which aims to shape the way the Council works with its partners to improve the city and improve people's lives. In September 2021 the Council created a board level role of the Chief Partnerships Officer to lead on some of these partnerships.'

A key partnership in 2021-22 was the 'Family Valued' Programme. This aims to identify low income families who may need support at an early stage to prevent subsequent need for more expensive services.

## Conclusion

Overall, we found no evidence of significant weaknesses in the Council's arrangements for improving economy, efficiency and effectiveness. We have identified two opportunities for improvement, set out on pages 26 and 27.



# Improvement recommendations

Page 46



Improving economy, efficiency and effectiveness

## Recommendation 7

The Council should consider how to further avoid high placement costs whilst also ensuring the investment in its own children's home delivers the anticipated savings on placement costs.

## Why/impact

Average cost of service provision is currently assessed as high when compared to near neighbours.

## Auditor judgement

The relatively high average cost of this provision could mean that there are opportunities for some efficiencies particularly with reducing the need for emergency placements

## Summary findings

The relatively high average cost of this provision could however mean that there are opportunities for some efficiencies particularly with reducing the need for emergency placements. The Council's investment in building its own children's home will be an important aspect to this however there will still be a need for external emergency placements

## Management Comments

The Council accepts this recommendation although it is important to note the pressure around high-cost placements is a local, regional, and national issue. Whilst Coventry will take steps to manage this risk there is a critical role for central government in addressing the broken market for private provision.

Work is underway to ensure there are sufficient placements available locally, both in terms of numbers and quality, to meet the needs of children and young people who require our care. Coventry is continuing to develop internal provision by approving further investment in its own children's homes and strengthening our internal fostering offer. Coventry is leading on the recommissioning of the West Midlands regional framework for both independent fostering agencies and residential care. There are robust internal governance arrangements in place to monitor the operational and financial impacts of these initiatives.



The range of recommendations that external auditors can make is explained in Appendix B.

# Improvement recommendations



Improving economy, efficiency and effectiveness

## Recommendation 8

Procurement Tender Waivers should be reported to the Audit and Procurement Committee on a quarterly basis. The Council should also ensure the new Procurement Strategy is aligned to the Council's Digital Transformation Strategy.

## Why/impact

The value and volume of tender waivers is an indicator of the effectiveness of the Council's procurement processes. It is also vital that the revised Procurement strategy is aligned to the Council's Digital Transformation program in order to maximise efficiencies within the purchasing processes.

## Auditor judgement

Volume and value of tender waivers is not tracked by the Audit and Procurement Committee. Contract Management is inconsistent across different service areas.

## Summary findings

In 2021-22 there were 171 tender waivers with a total annual value of £10m. 49 of these waivers had a contract value of over £100k. Two waivers were for contracts worth close to £1m each. The volume and value of waivers is not regularly reported to the Audit and Procurement Committee. What the service heads do (methodology) is consistent, however there are no unified systems or tools for Contract Management.

## Management Comments

Reports to the Council's Audit and Procurement Committee now include information in relation to tender waivers (Exceptions to Contract Procedure Rules) as recommended. Given the retrospective nature of the information and the current reporting cycle of Audit and Procurement Committee, 6 monthly reporting of this information is considered adequate and appropriate subject to Committee's approval. The Council's Procurement Strategy is being reviewed and a revised version should be completed within 12 months. This will be aligned to the Council's key strategies.



The range of recommendations that external auditors can make is explained in Appendix B.

# Follow-up of previous recommendations

Page 48

Recommendation	Type of recommendation	Date raised	Progress to date	Addressed?	Further action?	
1	The Council should prepare a rolling annual cash flow forecast as part of its treasury management processes.	Improvement	July 2022	The Council still does not have a written cashflow statement. In mitigation the Council does set out a detailed income and expenditure forecast,	No	A further improvement recommendation has been made (See page 11)
2	Internal audit recommendations should be implemented promptly by management, and this should be rigorously enforced by the Audit Committee - this includes medium as well as high risk items.  Internal audit should be subject to a PSIAS review at the earliest opportunity.  Internal audit should cover all of the Council's subsidiaries.	Improvement	July 2022	A recommendations tracking report is now also presented to the Audit and Procurement Committee.  An independent assessment against PS AIS standards has not taken place but is now scheduled for 2023-24  The Council is still to decide what the role of Internal Audit should be with regard to governance around the subsidiary companies.	No	A further improvement recommendation has been made (See pages 18 and 19)
3	The Council should develop corporate level KPIs to monitor consultation with the procurement team, and application of procurement policies.	Improvement	July 2022	Revised reporting arrangements are in place with the Audit and Procurement Committee	Yes	No
4	The Council's Annual Performance report would be enhanced by including more KPI's on cost in the section: 'delivering our priorities with fewer resources'.	Improvement	July 2022	Ne KPIs have been introduced as part of the 'One Coventry Plan'	Yes	No
5.	The Council should review the unit costs of providing housing services across the various cost categories.	Improvement	July 2022	Key drivers for the high average cost of housing provision have been identified as costs of temporary accommodation. The Council has a plan to tackle this issue..	Yes	No

# Opinion on the financial statements



## Audit opinion on the financial statements

We have not commenced our 2021/22 financial statements audit. Our work has been delayed due to the prolonged 2019/20 audit and the ongoing 2020/21 financial statements audit.

## Other opinion/key findings

A significant number of misstatements have been identified by the audit team during the course of the 2019/20 audit, which highlights concerns about the quality of the draft accounts but has also significantly lengthened the audit. The cause of the delays in the audit are primarily due to significant weaknesses in the Council's property valuation processes as well as significant deficiencies in the Council's group accounting.

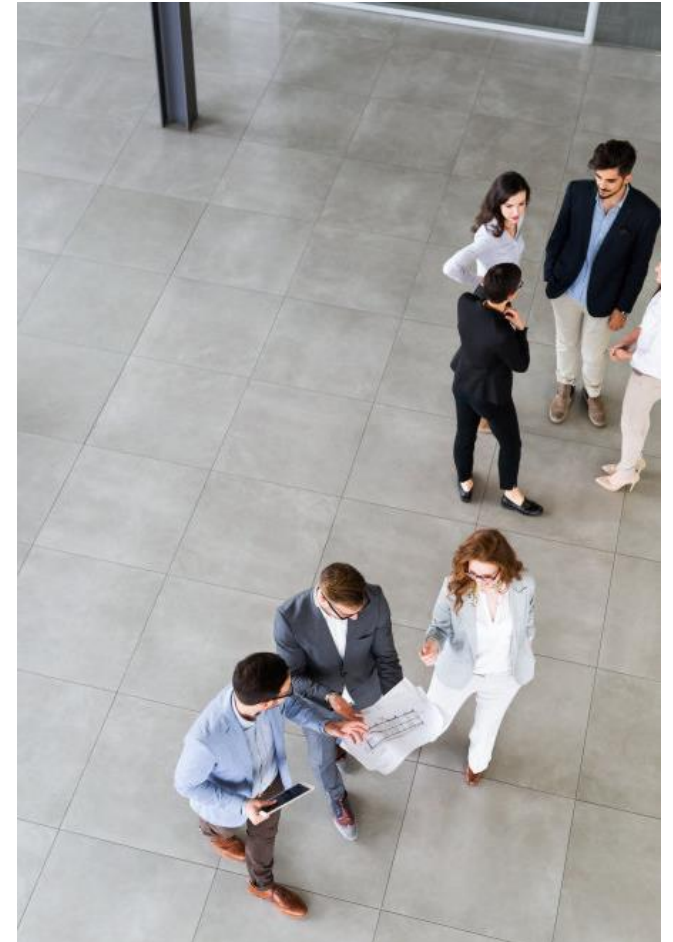
## Grant Thornton provides an independent opinion on whether the accounts are:

- True and fair
- Prepared in accordance with relevant accounting standards
- Prepared in accordance with relevant UK legislation

We have concluded that the delays and errors in preparation of the financial statements are a significant weakness in the Council's financial reporting arrangements. The delays in preparation of the financial statements could expose the Council to financial risk as well as failure to meet statutory reporting deadlines.

## Conclusion

Due to the matters outlined above with regard to the council's 2019/20 and 2020/21 financial statements audit, we have concluded that the Council does not have appropriate arrangements in place for the preparation of its financial statements. We have raised a key recommendation on this matter.



# Appendices

# Appendix A – Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

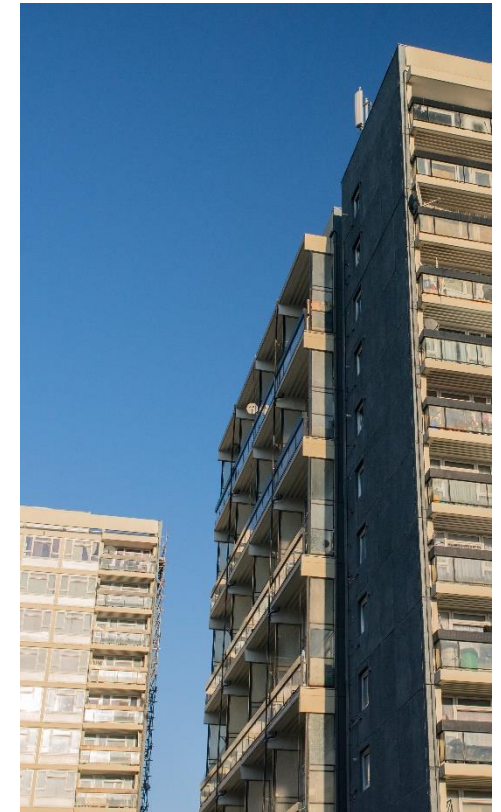
Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement

The Chief Financial Officer (or equivalent) is 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 Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) or equivalent is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B – An explanatory note on recommendations

Page 52

A range of different recommendations can be raised by the Council’s auditors as follows:

Type of recommendation	Background	Raised within this report	Page reference
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.	No	N/a
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as ‘key recommendations’.	Yes	Page 7
Improvement	These recommendations, if implemented should improve the arrangements in place at the Council, but are not a result of identifying significant weaknesses in the Council’s arrangements.	Yes	Pages 11-12 Pages 18-21 Pages 26-27

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Coventry City Council

## Public report

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### Report to

Audit and Procurement Committee

29<sup>th</sup> January 2024

### Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

### Director approving submission of the report:

Chief Operating Officer (Section 151 Officer)

### Ward(s) affected:

City Wide

### Title:

Annual Governance Statement 2022-23

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### Is this a key decision?

No

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### Executive summary:

The purpose of this report is to provide details of the results of the annual review of effectiveness of the Council's governance arrangements and seek approval for the Annual Governance Statement, which forms part of the Statement of Accounts for 2022-23.

### Recommendations:

Audit and Procurement Committee is recommended to:

- 1) Consider the findings of the review of effectiveness of the Council's governance arrangements and confirm its satisfaction with the level of assurance provided that arrangements are fit for purpose.
- 2) Consider and approve the Annual Governance Statement (attached at Appendix One), which will accompany the 2022-23 Statement of Accounts.

**List of Appendices included:**

Appendix One – Annual Governance Statement 2022-23

**Background papers:**

None

**Other useful documents:**

Annual Governance Statement 2021-22

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=12767&Ver=4>

Local Code of Corporate Governance

<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=13044&Ver=4>

**Has it or will it be considered by scrutiny?**

No

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**

Annual Governance Statement 2022-23

**1. Context (or background)**

- 1.1 Coventry City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this responsibility, the City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.2 To demonstrate such arrangements, the City Council has adopted a Local Code of Corporate Governance, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance 'Delivering Good Governance in Local Government' (2016).
- 1.3 The Annual Governance Statement ('AGS') explains how Coventry City Council has complied with the Code and in doing so, reflects the requirements of the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022, which requires all relevant bodies to conduct a review of the effectiveness of its system of governance and prepare an Annual Governance Statement. The AGS also details key governance / control issues that the Council faces in the coming year.
- 1.4 The AGS is normally presented to Audit Committee in June / July each year to meet the deadline for publication specified in the Accounts and Audit Regulations. Whilst the accounts for 2022-23 have not yet been finalised, the audit of the 2019-20 accounts has now been completed, and work is currently ongoing to finalise the accounts for subsequent years. As such it is felt appropriate to present the AGS for 2022-23 at this time. This will also facilitate the AGS annual review for 2023-24.

**2. Options considered and recommended proposal**

- 2.1 Whilst processes are in place to monitor key elements of the governance framework through-out the year, for example through the work of Internal Audit, the Corporate Governance Steering Board and the Council's Audit and Procurement Committee, an annual review is also undertaken as part of the production of the AGS for the year. The purpose of the review is to provide assurance that the arrangements set out in the Local Code of Corporate Governance continue to be fit for purpose and identify key governance issues for the forthcoming year. This annual review considers information from a number of sources with the outcomes reviewed and agreed by the Corporate Governance Steering Board and Leadership Team. For 2022-23, this has included:
  - The outputs from the Internal Audit Service, reflected in an annual report that identifies those issues, which in the opinion of the Chief Internal Auditor, should be considered when producing the Annual Governance Statement.

- An assessment of compliance with arrangements for declaring interests and gifts and hospitality (members and officers)
- Review of arrangements for meetings, publication of decisions and engagement.
- Levels of complaints and whistleblowing disclosures made.
- Review of the One Coventry Plan and other key strategies such as the Medium Term Financial Strategy and the Health and Wellbeing Strategy.
- Reports from external bodies during the year.
- Consideration of the Council's Corporate Risk Register.
- Arrangements for leadership and management training.
- An annual assessment by each Director of the adequacy of governance arrangements / internal controls in relation to their service areas.
- An assessment of the Council's compliance with the principles and standards of the CIPFA Financial Management Code, which supports good practice in financial management and demonstrating financial sustainability.
- Assessment of the role of the S151 Officer against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016.)

2.2 Based on the outcomes of the review, the overall opinion that has been reached is that reasonable assurance can be provided that the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The basis of this opinion includes the following key findings from the review:

- The Chief Internal Auditor's opinion that moderate (reasonable) assurance can be provided that there is generally an effective and adequate framework of governance, risk management and internal control in place designed to meet the Council's objectives.
- There is evidence that the Register of Interests for members is effectively maintained and there is a high level of compliance with the annual declarations of interest exercise for officers.
- A self-assessment of the Council's compliance with the Financial Management Code which has concluded that the Council is in a relatively strong position with regards to having good and sustainable financial management. Since the assessment was completed, further actions have been taken to ensure that the standards required by the Code are met. The Medium Term Financial Strategy 2023-26 recognises the financial pressures which exist over the period and sets

out a number of strategic policy and financial management assumptions and principles in order to balance the budget over the medium term.

- The One Coventry Plan recognises the importance of continued financial sustainability and the Council's role as partner, enabler and leader as key to achieving outcomes.
- Both Childrens Services and Adult Education were rated as good by Ofsted and the Youth Justice Service was rated as outstanding by HMI Probation.
- The number of complaints to the Local Government / Social Care Ombudsman is comparable to similar local authorities / West Midlands Combined Authority.
- Assurance obtained from Directors that there are no significant concerns in relation to governance within their service areas.
- The conclusion that the role of the S151 Officer within the Council meets the principles of the CIPFA statement on the Role of the Chief Financial Officer in Local Government.

2.3 The AGS also details the key governance issues that the Council faces in the coming year. Section 5.3 of Statement, attached at Appendix One, provides details of these areas. Whilst the process of identifying the issues is co-ordinated by the Chief Internal Auditor, it incorporates the views and opinions of senior officers, the Council's Governance Steering Board and Leadership Team. The key issues come from the following processes:

- A review of progress against the actions planned to address significant issues highlighted in the Annual Governance Statement for 2021-22.
- New issues identified as part of the review of effectiveness outlined in section 2.1.

The outcomes from these processes are expanded upon below.

2.4 **Update on issues raised in the Annual Governance Statement 2021-22** – An update on the progress against planned actions in relation to the issues raised in the 2021-22 AGS is provided in section 5.1 of the Statement attached at Appendix One. A review of the 19 issues highlighted in the AGS for 2021-22 has found that these fall into two categories, namely:

2.4.1 Issues which have now been addressed – Seven issues have been closed as they are no longer viewed as a significant governance issue facing the Council and will not be carried forward to the 2023-24 action plan:

- Raising educational standards: Arrangements for working with Schools are well established. An Early Years Team has been implemented to focus on improving the quality of settings and improvement plans are in place in regards to primary school results. Post 16 data reflects considerable improvement including low

number of NEETS and positive destinations above the national average, and the majority of secondary schools in the city have seen improvements across all key measures.

- Implementation of the Information Management Strategy: An information risk register was introduced in January 2023 and is subject to quarterly review by the Information Management Strategy Group. There is a process in place to identify risks which the Senior Information Risk Officer should raise for consideration for inclusion on the corporate risk register and a review of the data protection training is taking place.
- Strengthening arrangements linked to the programme of health and safety audits undertaken: A formal follow up review of the Council's health and safety audit arrangements was carried out in 2022-23 which found that arrangements for developing and monitoring the audit programme have been improved and moderate assurance was provided that effective systems are in place.
- Refresh of the One Coventry Plan: Extensive engagement was undertaken with the Council workforce, partners and the wider public regarding the delivery of the priorities outlined in the draft Plan. Following the engagement period, the Plan was updated to reflect feedback and was formally approved at full Council in March 2023.
- Update of the Local Code of Corporate Governance: Following engagement with officers across the Council, the Code has been updated and now includes a description of the local arrangements in place to meet the principles of good governance. The Code was approved by Audit and Procurement Committee in June 2023 and arrangements have been agreed to review the Code on an annual basis.
- Mandatory training for Waste Services employees returning to work: All returning employees received full workplace training on their return to work and attendance was recorded in the service training record.
- Whistleblowing procedure: Work has been undertaken to put in place a digital reporting form which can be used to raise concerns and which automatically directs the report to the Monitoring Officer / Chief Internal Auditor.

2.4.2 Carry forward to the 2023-24 Action Plan - A number of governance issues remain in the Annual Governance Statement. These are detailed in section 5.3 of the Statement attached at Appendix One, along with the actions the Council plans to take (or has taken) in 2023-24 in relation to these issues. In summary, the issues that have been carried forward to the 2023-24 Action Plan are as follows:

- Sustainable improvement in Children's Services.
- Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy.

- Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation.
- Development of a corporate data access standard.
- Governance over the programme of capital projects.
- City of Culture legacy.
- Further development of the Council's IT Disaster recovery plans and processes.
- Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting.
- To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security.
- Embedding new methods of consultation and engagement.
- Employees Code of Conduct
- Sustainability and Climate Change Strategy

2.5 **New Governance Issues** – Seven new issues have been identified for the Annual Governance Statement. These are also detailed in section 5.3 of the Statement attached at Appendix One, along with the actions the Council plans to take (or has taken) in 2023-24 in relation to these issues. These issues were identified as part of the review undertaken to support the production of the AGS as detailed in 2.1 and are summarised below:

- Officer declarations of gifts and hospitality.
- Ethical Leadership action plan.
- Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues.
- Health Check / Assurance Framework for the Council's group of companies.
- Publication of decisions delegated to officers.
- Transparency Code.
- Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022/23.

### **3. Results of consultation undertaken**

3.1 None

### **4. Timetable for implementing this decision**

4.1 Timescales for specific actions which are being taken to address significant governance issues are included in the Annual Governance Statement. The action plan will be subject to quarterly monitoring by the Corporate Governance Group to ensure that issues are addressed in the timescales outlined.

### **5. Comments from the Chief Operating Officer (Section 151 Officer) and the Chief Legal Officer**

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal control / governance has clear and direct effects on finance within the Council. Since these vary widely, it is not useful to attempt to summarise them here, beyond noting that all systems and controls are designed to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

5.2 Legal implications

The City Council is required by the Accounts and Audit Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement alongside the Statement of Accounts.

### **6. Other implications**

**6.1 How will this contribute to achievement of the One Coventry Plan?**

The governance framework comprises the systems and processes (i.e. the internal control environment), and culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

**6.2 How is risk being managed?**

The key risk that exists is that planned actions are not implemented. This risk is managed through the Council's governance framework which includes arrangements to provide oversight of planned actions through reporting to senior management and designated committees / boards. Defined processes also exist to gain assurance that agreed actions arising from the work of Internal Audit, External Audit or another external agency have been implemented on a timely basis.

**6.3 What is the impact on the organisation?**

None

**6.4 Equalities / EIA**

None

**6.5 Implications for (or impact on) climate change and the environment**

None

**6.6 Implications for partner organisations?**

None

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Suzanne Bennett	Governance Services Co-ordinator	Law and Governance	12/1/2024	12/1/2024
Tina Pinks	Finance Manager Corporate Finance	Finance	10/1/2024	17/1/2024
<b>Names of approvers: (officers and members)</b>				
Barry Hastie	Chief Operating Officer (Section 151 Officer)		10/1/2024	18/1/2024
Julie Newman	Chief Legal Officer		10/1/2024	18/1/2024
Councillor G Duggins	Cabinet Member for Policy and Leadership		10/1/2024	10/1/2024
Councillor R Lakha	Chair of Audit and Procurement Committee		10/1/2024	10/1/2024

This report is published on the council's website:

## Appendix One – Annual Governance Statement 2022-23

### 1. Scope of responsibility

- 1.1 Coventry City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. Coventry City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- 1.2 In discharging this overall responsibility, Coventry City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Coventry City Council has an approved Code of Corporate Governance, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance *Delivering Good Governance in Local Government (2016)*. A copy of the Code is available on our website at: [www.coventry.gov.uk/codeofcorporategovernance](http://www.coventry.gov.uk/codeofcorporategovernance)
- 1.4 The Annual Governance Statement explains how Coventry City Council has complied with the Code and also meets the requirements of Regulation 6(1) (b) of The Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement and the Accounts and Audit (Amendment) Regulations 2022.

### 2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, culture, and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with, and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Coventry City Council policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.

- 2.3 The governance framework has been in place at Coventry City Council for the year ended 31<sup>st</sup> March 2023 and up to the date of approval of the Statement of Accounts.

### **3. The governance framework**

The key principles, approach and review processes that comprise the authority's governance arrangements are set out in the City Council's Code of Corporate Governance. Key elements include the following:

- 3.1 There is a governance / internal control environment that supports the Council in establishing, implementing, and monitoring its policies and objectives. The Council's overarching objectives are contained in published policy documents including the One Coventry Plan. These high-level plans are supported by a range of thematic policies, strategies and delivery plans, service plans, and detailed work programmes.
- 3.2 The One Coventry Plan 2022-2030 was formally adopted by the Council in March 2023 following a period of extensive engagement. To deliver the Council's long term vision of working together to improve the city and the lives of those who live, work and study in Coventry, the One Coventry Plan sets out the priorities of increasing the economic prosperity of the city and region, improving outcomes and tackling inequalities within our communities and tackling the causes and consequences of climate change, through continued financial sustainability and the Council's role as a partner, enabler, and leader. The delivery of the One Coventry Plan is supported by a range of policies and strategies and a performance management framework. A copy of the One Coventry Plan is available on our website at:  
[www.coventry.gov.uk/strategies-plans-policies/draft-one-coventry-plan/9](http://www.coventry.gov.uk/strategies-plans-policies/draft-one-coventry-plan/9)  
and the performance management framework is at:  
[http://www.coventry.gov.uk/downloads/download/5245/performance\\_management\\_framework](http://www.coventry.gov.uk/downloads/download/5245/performance_management_framework)
- 3.3 Throughout this process, clear channels of communication exist with all sections of the community and other stakeholders, to ensure the Council considers local needs and communicates both expected and actual outcomes for citizens and service users. This is evidenced through the Council's formal decision-making and performance management processes.
- 3.4 In October 2015, Coventry City Council agreed to join the proposed West Midlands Combined Authority, which is a model of governance for local authorities to act together to drive economic prosperity for the area. A Combined Authority is a statutory body in its own right supported by a devolution agreement with the Government and a constitution which sets out the terms of their funding and powers.
- 3.5 The control environment to ensure delivery of the Council's objectives is laid down in the Council's Constitution and performance management framework. The Constitution sets out how the Council operates, including:

- Roles and responsibilities of both Councillors and officers, including the Head of Paid Services, Monitoring Officer, and Chief Financial Officer.
  - How decisions are made and the procedures in place to ensure that these are efficient, transparent, and accountable to local citizens. The Constitution includes the Council's senior management structure and a scheme of delegation which sets out the principles for decision making and responsibility for functions. The Council facilitates policy and decision making via a Cabinet structure with Cabinet Member portfolios. There are scrutiny boards covering all portfolios and an overarching Scrutiny Co-ordination Committee. The Member decision making, advisory and scrutiny bodies are shown at <http://www.coventry.gov.uk/howthecouncilworks>
- 3.6 Coventry City Council has developed a comprehensive set of policies and procedures, including those relating to the standards expected of Members and officers. These are subject to regular review to ensure the Council continues to enhance and strengthen its internal control environment. Systems exist to ensure compliance with policies and procedures, including statute and regulations. Internal Audit, through its annual risk-based plan assesses compliance with key procedures and policies.
- 3.7 The Council has an Equality, Diversity and Inclusion Commitment which is available on our website at: [Equality, diversity and inclusion commitment – Coventry City Council](#) . This sets out the Council's commitment to meeting all areas of the public sector equality duty and to ensure equality of opportunity, both as a provider and commissioner of services and as a large employer. The commitment is implemented through setting equality objectives linked to the One Coventry Plan. In 2022, a new set of equality objectives were approved and are available on our website at: [www.coventry.gov.uk/diversity-inclusion/equality-objectives-2022-25](http://www.coventry.gov.uk/diversity-inclusion/equality-objectives-2022-25). Progress is monitored and reported to the Cabinet Member (Policing & Equalities) and an annual report of completed Equality Impact Assessments is available at: [www.coventry.gov.uk/diversity-inclusion/equality-impact-assessments](http://www.coventry.gov.uk/diversity-inclusion/equality-impact-assessments)
- 3.8 The Council's Risk Management Policy and Strategy defines processes for identifying, assessing, managing, and monitoring financial and operational risks. The Strategy recognises the need for risk registers at service, directorate and corporate level which are updated and reviewed regularly. The Corporate Risk Register is reviewed quarterly by the Strategic Leadership Team and is reported to the Audit and Procurement Committee.
- 3.9 The Council, through its Whistleblowing and Complaints Procedures, has documented processes in place to deal with concerns raised by both employees and members of the public. These policies have been widely communicated and are subject to regular review to ensure they are working effectively. In addition, the Council's Fraud and Corruption Strategy reinforces the Council's commitment to creating an anti-fraud culture, whilst having effective arrangements in place in responding to allegations of fraud and corruption.

3.10 An Audit and Procurement Committee provides independent assurance to the Council on various issues, including risk management and control and the effectiveness of the arrangements the Council has for these matters. The Committee's terms of reference were developed in conjunction with CIPFA guidance, and the Committee carries out a periodic self-assessment to measure its effectiveness, based on recommended CIPFA practice.

3.11 For the financial year 2022-23, the Chief Operating Officer was the nominated Section 151 Officer, with the delegated responsibility for ensuring there are arrangements in place for proper administration of financial affairs. The Council last carried out an assessment of the role of the Section 151 Officer against the requirements stated in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) in August 2023. This assessment concluded that the Authority meets the five principles laid out in the CIPFA statement, namely:

- The Chief Financial Officer (CFO) in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO in a local authority must be professionally qualified and suitably experienced.

The Chief Operating Officer (Section 151 Officer) is a key member of the Council's Strategic Leadership Team (now called Leadership Team) with a critical role in strategic planning for the organisation. The Team also includes the Chief Executive and Monitoring Officer, who, along with the Chief Operating Officer, collectively have leadership responsibility for good governance as principal statutory officers. The Chief Operating Officer is also part of the Council's One Coventry Leadership Team which consists of all of the Directors of the Council.

3.12 The Annual Governance Statement also includes a review of the effectiveness of the system of internal control within group activities, where the Council is in a relationship with another entity to undertake significant activities. The following describes the group activities for the year ended 31<sup>st</sup> March 2023:

- In November 2021, the Council incorporated Coventry Municipal Holdings Limited (CMH) to manage most of its wholly owned companies and strengthen the governance arrangements for these investments. In setting up these arrangements, the Council took account of lessons learnt from issues encountered by other local authorities and the recommendations made in Public Interest Reports issued by Grant Thornton on such matters. A Group Governance Agreement is in place which sets out the governance structure and training has been provided by the Council's legal advisors to those officers appointed as directors. The CMH group comprises of the following subsidiaries:
  - Tom White Waste Limited (and its subsidiaries A & M Metals Limited and Tom White Waste (LACO) Limited)
  - Coombe Abbey Park Limited (and its subsidiaries No Ordinary Hospitality Management Limited and Coombe Abbey Park (LACO) Limited)
  - No Ordinary Hotels Limited (dormant)
  - Coventry Technical Resources Limited
  - Coventry Regeneration Limited

In accordance with the Group Governance Agreement, the subsidiaries are required to produce annual business plans and in addition, CMH produce an annual performance report covering all of group's performance. A Shareholder Committee is in place which oversees the group's performance.

- The Coventry and Solihull Waste Disposal Company Limited was incorporated on 24<sup>th</sup> February 1992 is owned jointly by Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicestershire County Council.
- The UK Battery Industrialisation Centre Limited was incorporated on 27<sup>th</sup> February 2018 and the Council is currently the sole shareholder with one share which has a nominal value of £1. The purpose of the company is to run the proposed National Battery Development Facility.
- The Friargate Joint Venture Project limited Ltd was incorporated on 17<sup>th</sup> December 2018. This is a 50/50 joint venture with Friargate Holdings 2 Limited, established to develop new buildings within the Friargate district of the city.
- Sherbourne Recycling Limited (SRL) was incorporated on the 25<sup>th</sup> February 2021 and Coventry City Council along with seven other local authorities acquired shares in the company on the 1<sup>st</sup> April 2021. The purpose of the company is to manage the construction of a material recycling facility (MRF) and then operate the facility, which will sort the dry mixed recyclable waste received from the eight local authorities and other commercial customers. Sherbourne Recycling Trading Limited is a trading subsidiary of Sherbourne

Recycling Limited who own 100% of the shares in this entity. All commercial contracts will be secured through this entity with the waste being processed by SRL on an arm's length transaction.

#### **4. Review of effectiveness**

4.1 Processes are in place to assess key elements of the governance framework throughout the year, for example, through the work of Internal Audit and the Council's Audit and Procurement Committee. A review of the effectiveness of the governance framework is also undertaken annually as part of the production of the Annual Governance Statement. This is informed by the work of senior managers within the authority, who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's risk management, internal control, and governance arrangements, and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 Arrangements to assess the effectiveness of the governance framework include:

- Regular and detailed monitoring of the Council's performance, by both Strategic Leadership Team and Members against targets and objectives set out in the One Coventry Plan.
- Regular meetings of the Council's Governance Group to consider on-going and emerging governance issues and co-ordinate actions required. Updates on this work are provided to Strategic Leadership Team.
- Consideration of ethical governance matters by the Ethics Committee, including reflecting on national governance failings to identify if there are any lessons learnt for the Council to take forward.
- On-going reviews of the Council's Constitution, overseen by the Constitution Advisory Panel and subject to approval by Full Council. These reviews include areas such as standing orders, financial procedures, and the scheme of delegation.
- Regular reviews of the Council's strategies and procedures to ensure they continue to reflect the needs of the Council.
- An annual review and update of the Council's Local Code of Corporate Governance which is subject to approval by the Audit and Procurement Committee.

4.3 The review of effectiveness has also been informed by:

- Reports from the external auditors and other inspection agencies.
- The Council's Corporate Risk Register.

- Directors' Statements of Assurance. An annual assessment of the adequacy of governance arrangements / internal controls in relation to their service areas by each Director.
- An assessment of the Council's compliance with the principles and standards of the CIPFA Financial Management Code, which supports good practice in financial management and demonstrating financial sustainability. Overall, the Council satisfied CIPFA's requirement to demonstrate a direction of travel towards full compliance with the Code and since the assessment was completed, further actions have been taken to ensure that the standards required by the Code are met.
- The work of the Internal Audit Service during 2022-23. The Service works to a risk-based audit plan, which is approved annually by the Council's Audit and Procurement Committee. An annual report is also produced and presented to the Committee. The report identifies those issues, which in the opinion of the Chief Internal Auditor, should be considered when producing the Annual Governance Statement.

4.4 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Procurement Committee and can provide reasonable assurance that the Council's governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework and that a plan to address weaknesses and ensure continuous improvement of the system is in place.

## 5. Significant governance issues

5.1 Table one below provides an update on the governance issues that were raised in the 2021-22 Annual Governance Statement.

**Table one**

No	Governance issues identified in 2021-22	2022-23 update
1	Sustainable improvement in Children's Services	<p>National workforce issues remain. A shortage in the supply of social workers has impacted this.</p> <p>The workforce strategy has been implemented and revised for 23/24.</p> <p>An innovation and improvement forum has not been established and this will carry over to next year. Instead, an engagement piece with the workforce took place in the form of an ideas factory.</p>

		<p>An action plan in response to the Ofsted action plan was developed and actions have largely been completed.</p>
2	<p>Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy</p>	<p>The 2022/23 budgetary control position has included a range of financial pressures resulting in an overspent year-end position. The ongoing elements of this were reflected in the balanced budget for 2023/24 set by the Council in February 2023.</p> <p>The refreshed One Coventry Plan has been approved and the Council's financial plans have continued to be aligned with the objectives in the new plan.</p>
3	<p>Raising educational standards</p>	<p>Implementation of an Early Years Team to focus on improving quality of settings from September 2022.</p> <p>Our post 16 data reflects considerable improvement including low number of NEETs, positive destinations above national average confirming that the system is successful in securing high levels of education, employment, or training. This is despite not meeting national attainment targets by key stage 1, 2 and 4,</p> <p>In Summer 22, as anticipated, primary results saw a widening gap to the national average in some measures as a result of the pandemic, and despite the hard work and commitment our pupils and schools demonstrated during this period. We are confident our primary schools in partnership with ourselves will mitigate this and strong improvement plans are in place.</p> <p>Whilst we anticipate a widening of the gap in Coventry secondary schools too, compared to 2019 (pre-pandemic), the 2022 Coventry GCSE results show improvements across the board in all key measures. This position is consistent across the city, as the majority of schools in the city have seen improvement across all key measures.</p> <p>The Government decided to drop the Schools Bill from the parliamentary process in favour of using existing legislative powers to deliver some changes to statutory provisions and there is not funding available in relation to being an Education Investment Area. The guidance on LA Attendance duties was updated, and we have been implementing a new</p>

		<p>model which will be in place for September 23.</p> <p>As arrangements for working with Schools to raise educational standards are well established and form part of business as usual, this issue will not be carried forward to the 23/24 action plan.</p>
4	Implementation of the Information Management Strategy	<p>The Information Management Strategy Group has made arrangements to undertake a review of Data Protection training with the intention of updating the training strategy.</p> <p>An information risk register was introduced in January 2023 and is now subject to quarterly review by the Information Management Strategy Group. A number of information sources are being used to inform the regular review and update of the information risk register and a process in place to identify risks which the Senior Information Risk Officer (SIRO) should raise for consideration on the corporate risk register.</p> <p>As arrangements are now in place and form part of business as usual, this issue will not be carried forward to the 2023-24 action plan.</p>
5	Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation	<p>The service delivered an underspend in 2022/23 of approximately £1million.</p> <p>The initial 25 3-bed and larger Temporary Accommodation properties were purchased.</p> <p>The private rented sector (PRS) has been very buoyant and therefore the number of households housed in the PRS has reduced.</p> <p>Additional staff were embedded, income recovery and increased move-ons have been achieved.</p> <p>Two separate procurement exercises have been completed and additional properties secured.</p> <p>Due to market conditions the cost of Temporary Accommodation in the PRS has increased.</p> <p>Rent accounting system launched and embedded.</p> <p>Over 90% occupancy achieved across all contracted temporary accommodation.</p>

6	Development of a corporate data access standard	This has not been progressed due to other priorities and resource pressures. The Information Management Strategy Group will consider the scope of a review to develop and implement a corporate access standard at its meeting July 2023.
7	Governance over the programme of capital projects	<p>The Council continues to maintain an ambitious programme of capital projects, to provide long term benefits for the people of Coventry. Whilst providing ongoing regeneration and redevelopment of the city and supporting business rate growth, the scale of the programme requires robust governance and strategic control to ensure that the programme is delivered successfully.</p> <p>Governance arrangements are established with delivery overseen by project boards who report to the responsible cabinet members via established briefing and reporting mechanisms. Governance is also provided via the Council's Capital Programme Delivery Board which is currently chaired by the Chief Operating Officer. It is anticipated that this arrangement will be reviewed once the new Chief Executive joins the Council.</p> <p>In 2022-23 the focus was on ensuring that as the programme continues to move at pace, governance arrangements remain embedded and robust and programme delivery supports the Council's wider aspirations as well as supporting the local economy.</p>
8	City of Culture legacy	<p>St. Mary's Guildhall opened to the public in July 2022, following a £5.5m restoration, with a new visitor offer and Tales of Tea destination café/restaurant in the Undercroft.</p> <p>Charterhouse opened to the public in April 2023 as a new heritage visitor destination with Purnell's Café &amp; Bistro operating from the main building, complementing work on the adjacent Heritage Park.</p> <p>The Albany Theatre capital works are now underway, creating new studios and improving facilities for theatre visitors. The City Centre Cultural Gateway has further received planning consent and has completed RIBA Stage 4 design.</p> <p>The Coventry City of Culture Trust opened the completed Reel Store in May 2022 and delivered a summer programme of activities at the Assembly</p>

		<p>Festival Garden. The Trust encountered financial difficulties early in its legacy period, and despite receiving a £1m cashflow loan from the City Council in October 2022, the Trust entered administration in February 2023. The circumstances surrounding the Trust's financial difficulties are subject to ongoing investigations by the Administrator, by the Charity Commission and by the National Audit Office. The Council is in ongoing discussions with the Department for Culture, Media and Sport and both national and local partners around securing enduring legacies from UK City of Culture and delivering outcomes of Coventry's Cultural Strategy 2017-2027.</p> <p>The Destination Coventry proof of concept pilot continues into 2023/24, with the first cycle of Membership renewals commencing in late December 2022.</p>
<b>9</b>	Strengthening arrangements linked to the programme of health and safety audits undertaken	<p>A formal follow up review of the Council's health and safety audit arrangements was carried out in August 2022 with the final report issued in September 2022. The review found that arrangements for developing and monitoring the audit programme have been improved and moderate assurance was provided that effective systems are in place. The outstanding actions will be subject to the standard Internal Audit follow up process.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
<b>10</b>	Further development of the Council's IT disaster recovery plans and processes	<p>The Council have continued to make significant improvements to the technical components of the ICT &amp; Digital disaster recovery position.</p> <p>The Council's network design and architecture have continued to be reviewed following the completion last year of the move to a new secondary data centre. ICT and Digital have continued to ensure that there is proactive maintenance in place across all of the key infrastructure and the service continually review processes regarding business continuity and disaster recovery from a technical point of view.</p> <p>The Council are part of the strategic organisational planning for large-scale city-wide resilience in conjunction with Coventry, Solihull and Warwickshire and this activity will continue into the new year.</p>

11	Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting	The measures indicated by the Redmond Review have not been legislated for and defined so no action has been implemented yet by the Council.
12	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	<p>The Council have made good progress on its cyber security activities over the past twelve months, and this will continue to be a key focus for the ICT &amp; Digital Service in the new Digital Service plan for 2023/24.</p> <p>The Council continually monitors the cyber security landscape and adapts its plans accordingly to meet industry best practice and align with the National Cyber Security Centre (NCSC) recommendations. Examples of this include updating the plans regarding Multifactor Authentication to use the "number matching" technique as a default rather than push approvals. In line with industry trend, the service are looking to adopt the NCSC Cyber Assessment Framework (CAF) rather than focus on Cyber Essentials Accreditation.</p>
13	Embedding new methods of consultation and engagement	<p>Let's Talk Coventry continues to be the Council's platform for all consultation/engagement activities. As the provider has now merged with Granicus there is now an opportunity to join up our digital channels seamlessly. Coventry Connects is still undergoing development and the platform will be linked in as appropriate moving forwards. The Council are currently in the process of updating the One Coventry performance framework and it has been agreed with the leadership team that this will include softer data including case studies. It is envisioned that the Let's Talk platform will be utilised to collect this insight.</p> <p>Continued support to the Integrated Care Strategy inviting representatives to Community Messenger meetings, stakeholder groups and facilitating better communication with the contacts held. The outcomes of this have been used to influence council led documents and the conclusions made from the engagement support the Council's own findings. Will continue to ensure communication between the council and NHS to ensure alignment continues.</p>

		<p>The Joint Strategic Needs Assessment (JSNA) has been used as a starting point for engaging and involving local partners and stakeholders as well as combining intelligence that is tailored to local needs and uncovers local issues.</p> <p>An evaluation process was undertaken and found that services that used previous years JSNA based on Family Hub areas found it difficult to extract the information that they needed as the boundaries were so large and localities vastly different. Collated stakeholder feedback and understanding of how other services use the profiles so that the Council can support work across teams. As a result, the way in which data is collected has been re-evaluated to utilise work that is already happening in the city and compare outcomes of different areas. Work alongside the Community Resilience Team has also been undertaken, working closely with their coordinators in each of the priority areas feeding back community information and informing the profiles.</p> <p>Moving forward for the next profiles, continue to work with partners on information already gathered and feedback from communities will underpin the profiles and recommendations.</p>
<b>14</b>	Refresh of the One Coventry Plan	<p>In 2022, extensive engagement was undertaken with the Council workforce, partners and the wider public regarding the delivery of the priorities outlined in the draft Plan. This engagement created the opportunity to understand more about how the Council can collectively best deliver its vision and priorities for the city.</p> <p>Following the engagement period, the Plan was updated to reflect feedback and the One Coventry Plan 2022-2030 was formally approved at Full Council in March 2023. The ongoing delivery of the priorities will now form part of business as usual.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
<b>15</b>	Update of the Local Code of Governance	<p>Following engagement with officers across the Council, the code has been updated and now includes a description of the local arrangements in place to meet the principles of good governance.</p>

		<p>The draft code has been reviewed by the Strategic Leadership Team, the One Coventry Leadership Team, the Extended Leadership Team and the One Coventry Policy Forum. The code will be presented to the Audit and Procurement Committee in June 2023 for formal approval and arrangements have been agreed to review the code on an annual basis.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
<b>16</b>	Mandatory training for Waste Services employees returning to work	<p>All returning employees received full workplace training on their return to work. Attendance is recorded in the service training record.</p> <p>As a result, this issue will not be carried forward to the 2023/24 action plan.</p>
<b>17</b>	Employees Code of Conduct	<p>The code is provided to all employees when they start with the organisation and is referenced in the Corporate Induction training.</p>
<b>18</b>	Sustainability and Climate Change Strategy	<p>The draft Strategy was approved by Political Cabinet. The Draft Strategy consultation was completed in the summer of 2023, the outputs of which were reported to Council's Scrutiny Coordination Committee in September. Work is ongoing to update the Strategy in the light of comments made and consultation for an Action Plan, aiming for final approval in the new year. This is slightly later than planned as there is a requirement to align with the Severn Estuary Partnership Strategic Business Plan and recommendations being produced by the city's Independent Advisory Climate Change Board.</p>
<b>19</b>	Whistleblowing procedure	<p>Work has been undertaken to put in place a digital reporting form which can be used to raise concerns, and which automatically directs the report to the Monitoring Officer / Chief Internal Auditor.</p> <p>As this work has now been completed, this issue will not be carried forward to the 2023/24 action plan.</p>

5.2 The Council is seeking to continuously enhance its management arrangements to improve service delivery, efficiency, and value for money, whilst achieving its objectives. The review of effectiveness has informed identification of the following key challenges for 2023-24 (table two), along with the actions planned to address these matters to further enhance our governance arrangements.

**Table Two**

<b>Ref</b>	<b>Governance issue</b>	<b>Planned actions 2023-24</b>	<b>Responsible officer</b>	<b>Timescale</b>
1	Sustainable improvement in Children's Services	<p>The following actions are planned for 2023-24:</p> <ul style="list-style-type: none"> <li>• Develop a confident and competent, experienced, and stable workforce.</li> <li>• Deliver this year's workforce plan.</li> <li>• Strengthen further feedback from the front line in the form of an innovation and improvement forum.</li> <li>• Implement Children's Services strategy 23-26</li> </ul>	Director of Children's Services	March 2024
2	Ensuring delivery of the Council's vision and corporate objectives, in line with the Medium-Term Financial Strategy	<p>The 2023-24 budgetary control position will be closely monitored to ensure that the key financial pressures being experienced by the Council can be mitigated and/or managed. Some underlying trends in areas have emerged in 2022/23 including inflation, adult social care and housing which are indicative of further unbudgeted pressures in 2023/24 which will be a key focus of this activity. At this stage of the monitoring cycle it is expected that the Council will not be able to balance its revenue provision by year-end 2023/24 without the use of reserve contributions.</p> <p>Significant work has been undertaken by senior managers to assess the range of financial scenarios facing the Council for the period from</p>	Chief Operating Officer (S 151 Officer) / Head of Finance	June 2023 to March 2024

		<p>2024-25 and proposals presented to members within the Pre-Budget Report on 12<sup>th</sup> December 2023. The extent to which these proposals will be implemented will be unknown until the government settlement is announced.</p> <p>Assessment will continue of the Council's One Coventry Plan and how the Council's financial plans can be better aligned to the revised objectives of the new Plan. These proposals will be formalised through the 2024-25 Final Budget Setting process in February 2024.</p>		
<b>3</b>	<p>Management of increasing demand in relation to homelessness and the associated costs of housing families in temporary accommodation</p>	<p>The homelessness service is demand led and experienced significant increase in demand during Q3 2022-23. This demand has continued during Q1 2023/24. The following actions are planned for 2023-24:</p> <ul style="list-style-type: none"> <li>• Purchase the second tranche of 3-bed and larger Temporary Accommodation (TA) properties.</li> <li>• Implement detailed actions set out in the TA reduction plan and the Housing &amp; Homelessness Service plan (both developed in June 2023)</li> <li>• Explore alternative procurement routes to ensure value for money for TA for families.</li> <li>• Deliver additional 50 units of TA through a Registered Provider in the city.</li> <li>• Continue to ensure that voids within contracted providers are minimised and meet</li> </ul>	<p>Director of Adult Social Care &amp; Housing</p> <p>Head of Housing &amp; Homelessness</p>	<p>March 2024</p>

		<p>target of 90% occupancy.</p> <ul style="list-style-type: none"> <li>• Seek to eliminate the use of B&amp;B accommodation for families unless in an emergency.</li> <li>• Re-launch Lets Rent scheme to try and increase the properties available for people in temporary accommodation.</li> <li>• Deliver on the Local Authority Housing Fund (LAHF) purchases in partnership with Stonewater.</li> </ul>		
4	Development of a corporate data access standard	Development and implementation of a corporate access standard and protocol for all systems that hold personal data.	Head of Governance	December 2023
5	Governance over the programme of capital projects	In 2023/24 the focus will be on ensuring that as the programme continues to move at pace, governance arrangements remain embedded and robust and programme delivery supports the Council's wider aspirations as well as supporting the local economy.	Chief Executive	Ongoing
6	City of culture legacy	<p>The Albany Theatre capital project to create new studio spaces and improve facilities for theatre visitors is due to complete in 2023/24.</p> <p>The City Centre Cultural Gateway project is (subject to successful appointment of a contractor and entering of Agreements for Lease with the partners) due to mobilise on site within 2023/24, entering the construction phase of the project.</p> <p>The City Council has called for</p>	Strategic Lead – Culture, Sport, Events and Destination	2022-24

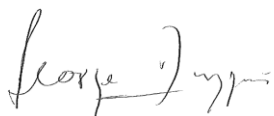
		<p>and is supporting independent investigations into the circumstances surrounding the City of Culture Trust entering administration. The Council remains in ongoing discussions with the Department for Culture, Media and Sport and with national and local partners around securing enduring legacies from UK City of Culture 2021.</p> <p>The City Council is working closely with Coventry University, the University of Warwick and local partners to develop and support new a cultural partnership to refresh and carry forward a three-year Cultural Strategy Action Plan, to deliver next-stage outcomes from the city's Cultural Strategy 2017-2027.</p> <p>The Destination Coventry proof-of-concept pilot will be reviewed and evaluated, leading to decisions on future sustainable Destination Management arrangements for the city.</p>		
7	Further development of the Council's IT disaster recovery plans and processes	Support the work of the business continuity planning across the organisation, ensuring that ICT disaster recovery processes are enhanced, with supporting documents formalised and testing arrangements agreed. The scope of this activity includes supporting resilience planning at a city level in particular in relation to connectivity and digital infrastructure across the city.	Head of ICT & Digital	March 2024

<b>8</b>	Implementation of the Redmond Review into the oversight of local audit and the transparency of local authority financial reporting	The Council will implement the required measures set out in the Redmond Review once these have been legislated for and defined.	Chief Legal Officer / Chief Operating Officer	Ongoing
<b>9</b>	To further strengthen the Council's arrangements and internal control environment around IT / Cyber Security	Implementation of the cyber security activities listed in the Digital Service Plan.	Head of ICT & Digital	March 2024
<b>10</b>	Embedding new methods of consultation and engagement	Development of the new One Coventry performance framework including insight collected via Let's Talk platform.	Consultant in Public Health (Insight and Communities)	March 2024
<b>11</b>	Employees Code of Conduct	Refresh of Employees Code of Conduct and promotion of refresh across the organisation.	Chief People Officer	March 2024
<b>12</b>	Sustainability and Climate Change Strategy	<p>The following actions are planned for 2023-24:</p> <ul style="list-style-type: none"> <li>Analysing responses from consultees to the draft Climate Change Strategy.</li> <li>Drafting a revised Climate Change Strategy and Action Plan following incorporation of feedback, recommendations &amp; Severn Estuary Partnership Strategic Business Plan.</li> <li>Finalising Strategy for Cabinet and Full Council Approval</li> </ul>	Director for Transport, Highways & Sustainability, Strategic Lead – Green Futures & Head of Climate Change & Sustainability	September 2023 – February 2024

<b>13</b>	Officer declarations of gifts and hospitality	Raise awareness around requirements to declare gifts and hospitality.	Chief Legal Officer	March 2024
<b>14</b>	Ethical leadership action plan	Implementation of action plan arising from Ethical Leadership session.	Chief People Officer / Chief Legal Officer	March 2024
<b>15</b>	Risk of use of un-regulated provision in Children's Services due to national, regional and local sufficiency issues	Steps are being taken to increase the Council's internal provision. Alongside this, a sufficiency strategy is being developed to strengthen capacity through commissioning within the private sector.	Director of Children's Services	March 2024
<b>16</b>	Health Check / Assurance Framework for the Council's group of companies	Undertake a health check and develop an assurance framework for the Council's Group of Companies.	Chief Legal Officer / Chief Internal Auditor	March 2024
<b>17</b>	Publication of decisions delegated to officers	Introduce arrangements for publishing decisions delegated to officers by Council, Cabinet and Cabinet members.	Head of Governance	March 2024
<b>18</b>	Transparency Code	Strengthen arrangements for ensuring that the Council complies with the Transparency Code.	Corporate Governance Group / Head of Governance	March 2024
<b>19</b>	Implementation of Action Plan – Statement of Accounts for 2020/21, 2021/22 and 2022-23	<p>The following actions have been agreed with the Auditors:</p> <ul style="list-style-type: none"> <li>• Undertake a root cause analysis of the delays in the 2019/20 financial statements audit and prepare an appropriate action plan in response to these delays. These should particularly focus on the valuation process.</li> <li>• Prepare its 2020/21 group</li> </ul>	Chief Operating Officer (S151 Officer)	September 2024

		<p>accounts for audit as soon as possible.</p> <ul style="list-style-type: none"> <li>• Review the Council's (single entity) financial statements for 2020/21 applying additional quality checks to the accounts and land and property valuations.</li> <li>• Put in place the additional capacity needed to prepare and complete the 2020/21, 2021/22 and the 2022/23 financial statements.</li> <li>• Agree a timetable with Grant Thornton for the completion of the open accounts. Progress against this timetable should be reported to the Audit and Procurement Committee. Where there is slippage against the programme arrangements should be made to resolve these issues.</li> </ul>		
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5.3 We are satisfied that these steps will address the need for improvements that were identified in our review, and we will monitor their implementation and operation, as part of our next annual review.



**Cllr George Duggins**  
Leader of Coventry City Council



**Dr Julie Nugent**  
Chief Executive of Coventry City Council

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## Public report

Audit and Procurement Committee

29 January 2024

**Name of Cabinet Member:**

Cabinet Member Policy and Leadership - Cllr G Duggins

**Director approving submission of the report:**

Chief Legal Officer

**Ward(s) affected:**

N/A

**Title:**

**Information Governance Annual Report 2022/2023**

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**Is this a key decision?**

No

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**Executive summary:**

Information is one of the Council's greatest assets and its correct and effective use is a major responsibility and is essential to the successful delivery of the Council's priorities. Ensuring that the Council has effective arrangements in place to manage and protect the information, both personal and business critical, it holds is a priority.

Data protection legislation sets out the requirements on organisations to manage information assets appropriately and how they should respond to requests for information. The Information Commissioner's Office (ICO) is the UK's independent supervisory authority set up to uphold information rights in the public interest, promote openness by public bodies and data privacy for individuals, and monitors compliance with legislation.

This report provides a summary of the Council's performance during 2022/2023 in responding to requests for information received under the above-mentioned legislation. It also reports on the management of data protection security incidents and/or those reported to the ICO and data protection training.

**Recommendations:**

The Audit and Procurement Committee is recommended to:

- 1) Note the Council's performance on Freedom of Information, Subject Access and other Data Protection Act requests, including the outcomes of internal reviews and the number and outcome of complaints made to the ICO.
- 2) Note the reporting and management of data security incidents.
- 3) Note data protection training compliance.
- 4) Identify any comments or recommendations.

**List of Appendices included:**

None

**Background papers:**

None

**Other useful documents**

None

**Has it or will it be considered by scrutiny?**

None

**Has it or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

## Report title: Information Governance Annual Report 2022-2023

### 1. Background

- 1.1 Information Governance (IG) is the strategy or framework for handling personal information in a confidential and secure manner while ensuring compliance with the relevant statutory and regulatory requirements. IG within the Council is delivered through a distributed model of responsibility rather than through the sole responsibility of the IG Team, with key roles identified and assigned to ensure appropriate oversight and accountability:
- Head of Information Governance
  - Information Governance Team
  - Senior Information Risk Officer (SIRO)
  - Data Protection Officer (DPO)/DPO Team
  - Caldicott Guardian
  - Information Asset Owners (IAO)
  - Information Asset Managers (IAM)
  - Information Management Strategy Group
- 1.2 The function of Information Governance supports the Council's compliance with the UK General Data Protection Regulations GDPR (UK GDPR), Data Protection Act (DPA) 2018, Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations (EIR). The Council has a statutory obligation to comply with the IG framework by responding appropriately to requests and managing personal data lawfully. The IG Team assist the organisation by monitoring internal compliance, informing and advising on data protection obligations, providing advice and guidance and raising awareness on data protection matters.
- 1.3 The FOIA and EIR impose a statutory obligation on the Council to respond to requests for information within 20 working days, subject to relevant exemptions. The Code of Practice, issued by the Secretary of State for Constitutional Affairs under Section 45 of the FOIA, requires public authorities to have a procedure in place to deal with complaints in regard to how their requests have been handled. This process is handled by the Information Governance Team as an FOI or EIR internal review. After an internal review has been completed an applicant has a right to complain to the Information Commissioner's Office (ICO) for an independent ruling on the outcome. Based on the findings of their investigations, the ICO may issue a Decision Notice. The ICO may also monitor public authorities that do not respond effectively and in a timely manner to the FOI/EIR requests they receive and may take enforcement action or issue reprimands accordingly.
- 1.4 The DPA 2018 provides individuals with the right to ask for information that the Council holds about them. These are also known as Subject Access Requests (SARs). The Council should be satisfied about the individual's identity and have enough information about the request. The timescale for responding to these requests is one month, starting on the day of receipt. Authorities can extend the time taken to respond by a further two months if the request is complex or a number of requests have been received from the individual, e.g. other types of requests relating to individuals' rights.
- 1.5 There is no requirement for the Council to have an internal review process for SARs.

However, it is considered good practice to do so. Therefore, the Council informs applicants of the Council's internal review process. However, individuals may complain directly to the ICO if they feel their rights have not been upheld.

- 1.6 The Council also receives one-off requests for personal information from third parties including the police and other government agencies. The IG Team maintains a central log that includes exemptions relied on when personal data is shared with third parties. They provide advice and assess whether the Council can lawfully disclose the information or not.
- 1.7 The Council's management of data protection security incidents is undertaken by the Data Protection Officer Team, they record, investigate and where necessary, recommend actions to be taken based on the impact risk level.
- 1.8 The Data Protection Officer Team supports the Council in understanding the impact of plans, projects and activities on data protection through a process of impact assessments to support decision-making. The Council also has arrangements in place to support the sharing of data where appropriate and the team provide support in the preparation and sign off of on-going and one-off data sharing agreements.

## **2 Information Governance Annual Report 2022-2023**

### **2.1 Context**

- 2.1.1 The landscape in which public authorities are now operating has continued to change since the introduction of the GDPR and subsequently UKGDPR and the new Data Protection Act 2018 (DPA 2018) in 2018.
- 2.1.2 The pandemic particularly during periods of lockdown and subsequently had a significant impact on ways of working and priorities. During this period, the Information Governance Team supported the Council to adapt and keep working effectively, supporting data to flow compliantly for the purposes of the Council's pandemic response. New ways of working were introduced to meet needs while ensuring the continuing protection of information and some of which have been retained and further developed.
- 2.1.3 This landscape will continue to change. Good information governance has an important part to play as the introduction of integrated care systems has brought partnerships of organisations together to plan and deliver joined up health and care services, and to improve the lives of people who live and work in their area and effective cyber security is an increasingly key element in protecting and preventing unauthorised access to personal information.
- 2.1.4 In March 2023, the Government introduced the Data Protection and Digital Information Bill which has since been working its way through the committee process. The Bill's stated aim is to update and simplify the UK's data protection framework with a view to reducing burdens on organisations while maintaining high data protection standards. The Bill aims to provide organisations with greater flexibility on how to comply with certain aspects of the data protection legislation, improve the clarity of the framework and reform the regulator, the Information Commissioner. Implications for local government will be monitored as the Bill progresses to ensure that the City Council is able to meet the new requirements when they are introduced.

## 2.2 Requests for information

2.2.1 The number of Freedom of Information Requests received by the Council, 1196 was slightly higher (29) from the previous 2021/22 year. The Council responded to 86% of FOIA/EIR requests within the target time of 20 working days in 2022/23 which was the same for the previous year (see table 2). While this replicates the improvement in performance seen after the introduction of a new management system, performance remains below the 90% threshold set by the ICO.

2.2.2 The Council received 37 requests for internal reviews in the year 2022/23. The Council responded to these with the following outcomes:

- 16 were not upheld – the exemptions that had been applied were maintained and no further information was provided;
- 3 were not upheld – but advice or clarification was provided;
- 9 were partially upheld – some further information was provided;
- 5 were upheld - information was provided;
- 1 was still open;
- 3 were withdrawn;

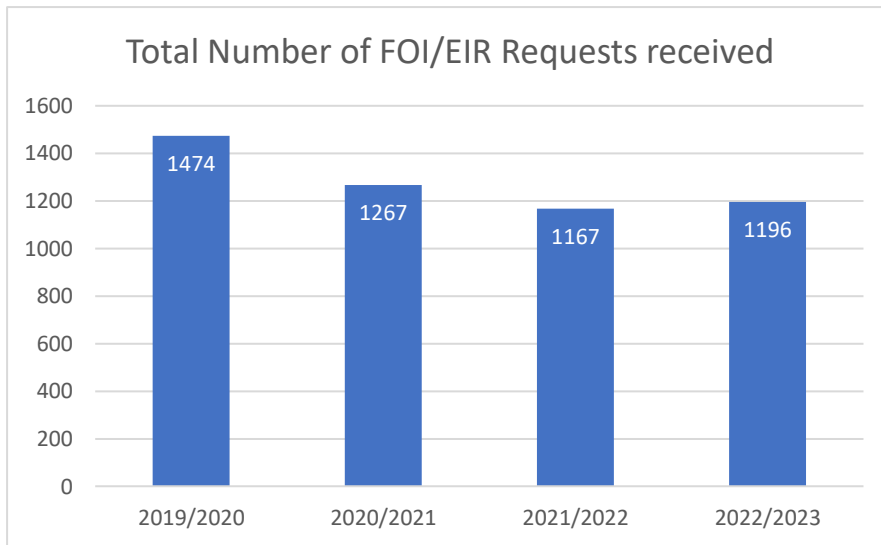
2.2.3 12 complaints were made to the ICO during 2022/23. The reasons and outcomes for these were:

- 7 complaints related to the handling of the FOI/EIR and the exemptions engaged by the Council;
- 5 complaints related to Data Protection obligations and information rights and practices.

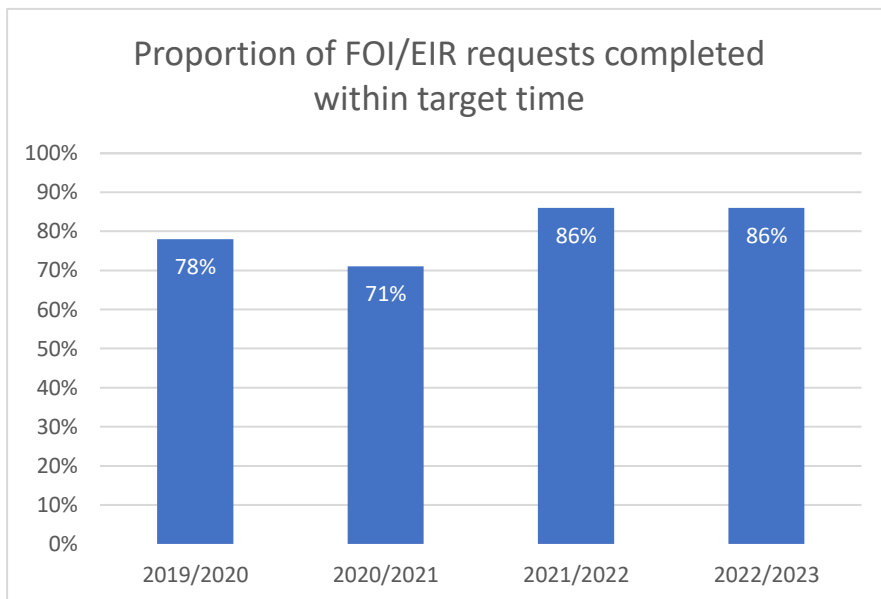
2.2.4 Of the 12 complaints referred to the ICO:

- 6 were not upheld/no further action required (four of these had Decision Notices issued);
- 2 cases were closed by the ICO following no response being received from the complainant;
- 1 complaint was upheld with a Decision Notice being issued to the Council and a direction to disclose the requested information;
- 3 cases were closed following no response being received from the ICO.

**Table 1. Number of FOI/EIR requests received**



**Table 2. Proportion of FOI/EIR requests completed within target time**

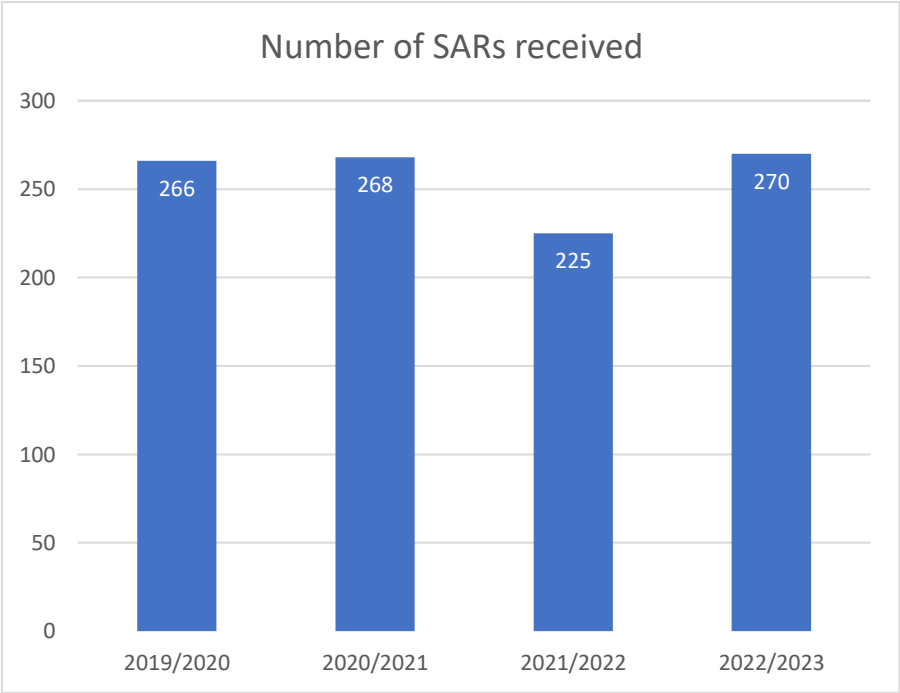


2.2.5 The City Council already publishes a significant amount of information and identifying opportunities to increase the volume and type of information published (subject to legal compliance) will increase transparency and help to reduce the number of FOI's the Council receives because the information will already be available.

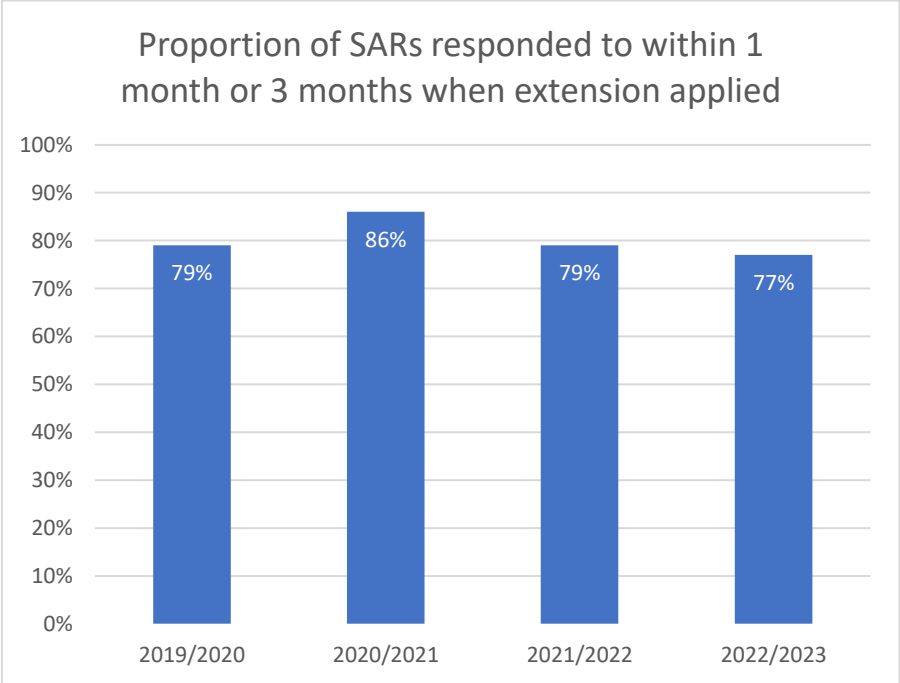
2.2.6 270 valid Subject Access Requests (SARs) were received during 2022/23. After a reduction last year, the number of Subject Access Requests received by the Council returned to the levels seen in the previous two years which reflected the increase seen following the introduction of the GDPR (See table 3). While the Council receives fewer SARs than other information requests, many of these are complex and can involve managing significant amounts of sensitive information. The number

of requests relating to Children’s Social care, as well as the number of SARs to which extensions were applied due to their size and/or complexity remained significant. The completion rate within the target time has seen a slight decrease to 79% (see table 4).

**Table 3. Number of SAR’s received**



**Table 4. Proportion of SARs responded to within target time**



- 2.2.7 The Council received 12 requests to carry out an internal review into a SAR application during 2022/23. In 9 cases, further information was provided which was located through further searches based on information provided by the requester or by reviewing the information which had originally been redacted. Where information was not provided, this was due to the original exemptions being upheld or information not being held by the Council.
- 2.2.8 Three complaints were made to the ICO related to Subject Access Requests in 2022/2023.
- 2.2.9 Two of the complaints related to the handling of the SAR and the statutory timeframes, with one instructing disclosure to be made within 14 days. The letters from the ICO however, arrived after disclosures had ultimately been made. The ICO was notified and no further action was required. One complaint related to failure to respond or provide information however the request was not valid as the requester had failed to provide the necessary identification required. Again, the ICO was notified and we have not received any further correspondence.

### **2.3 Data Security Incidents**

- 2.3.1 Protecting information from theft, loss, unauthorised access, abuse and misuse is crucial in order to reduce the risk of data breaches or financial loss incurred through noncompliance with key legislation.
- 2.3.2 The IG data protection security incident reporting process supports the Council's objective that breaches are managed promptly, and outcomes of investigations are used to inform reviews of the control measures in place to keep personal information secure.
- 2.3.3 In addition, the Council actively encourages the reporting of near misses and potential breaches to identify learning, promote awareness and reduce the likelihood of a serious breach to information even though not all reported incidents will have resulted in a breach. Even where there is no breach, incidents can provide valuable insight into training requirements and processes and procedures which may need to be strengthened as a preventative measure. When investigating data protection security incidents, the Data Protection Team routinely consider resultant training needs and provide advice and guidance as required. Messages continue to be provided to staff alerting them to the need to protect personal data and use it appropriately.
- 2.3.4 In 2022/23, 219 reports of information security incidents were sent to the Data Protection Team, a decrease from 263 in the previous year. Of these, 140 did not involve a breach of personal data. These included for example near misses, loss or theft of equipment, cases where technical measures prevented access to data and incidents where a breach was contained. Of the incidents where a breach of personal data was identified, 76 were identified as low risk, 3 medium and 0 high. The majority of reports were classified as information being disclosed in error with 85 reports relating to technical/procedural errors, 33 reports relating to loss or theft of hardware and six to unauthorised access.

2.3.5 The GDPR introduced requirements for personal data breaches that meet certain thresholds to be reported to the ICO. No self-reports were made to the ICO during 2022/2023.

## **2.4 Training and Awareness**

2.4.1 Data Protection training is key to ensuring staff are aware of their responsibilities. Training is currently delivered through the Council's e-learning platform and annual completion of the data protection course is mandatory for all staff with access to personal data. Staff who do not have access to a computer in their role (not office based) and those with minimal personal data involved in their role are provided with appropriate level training. This ensures that an appropriate level of understanding and awareness is reached that is relevant to their role/responsibilities.

2.4.2 For the 2022/23 year, the Council reported a completion rate of the Council's mandatory data protection training of 95%. The Elected Member Training and Development Strategy, introduced just prior to the start of the year, also includes data protection training.

2.4.4 In addition to the above, ICT have delivered awareness sessions specifically relating to cyber security and regular cyber security messages are issued by ICT to staff. This has included a programme of awareness raising during cyber security month.

## **2.5 Data Security and Protection and Toolkit**

2.5.1 The Data Security and Protection Toolkit is an online tool that allows relevant organisations that process health and care data to measure their performance against data security and information governance requirements which reflect legal rules and Department of Health policy. This self-assessment tool enables the Council to demonstrate that it can be trusted to maintain the confidentiality and security of personal information, specifically health and social care personal records.

2.5.2 All organisations that have access to NHS patient data and systems use this Toolkit to provide assurance that they are practicing good data security and that personal information is handled correctly.

2.5.3 For the 2022/23 reporting period, the Council met all of the mandatory requirements and was assessed as meeting required standards.

## **3. Options considered and recommended proposal**

3.1 It is essential that the Council continues to monitor and report on its performance in relation to access to information requests, information security incidents and training completed in order to promote best practice information governance and drive continuous improvement in the Council's ability to comply with the laws relating to information.

## **4. Results of consultation undertaken**

4.1 None

## **5. Timetable for implementing this decision**

5.1 Not applicable

## **6. Comments from Chief Operating Officer (Section 151 Officer) and Chief Legal Officer**

### **6.1 Financial Implications**

There are no specific financial implications resulting from the issues within this report although it is worth noting that the Information Commissioner's Office is able to levy significant fines for serious non-compliance with the legislation surrounding the management of information.

### **6.2 Legal Implications**

There are no specific legal implications arising out of the recommendations. However, the Council's performance is subject to external scrutiny by the ICO, who have the authority to impose sanctions upon the Council for non-compliance. The monitoring and reporting on the outcomes of ICO complaints represents good practice and promotes good governance and service improvement.

## **7 Other implications**

### **7.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

The monitoring and reporting of the Council's performance regarding responding to, and handling access to information requests under FOIA and DPA 2018, including any complaints made to the ICO will enable continuous improvement, raise awareness and promote high standards of information governance, fostering a culture of openness and transparency within the Council and demonstrating our commitment to best practice information governance, security, and protection.

### **7.2 How is risk being managed?**

The reporting and monitoring on the Council's performance to information laws and outcomes of ICO complaints will help protect information and reduce the risk of the ICO upholding complaints and taking enforcement action against the Council.

### **7.3 What is the impact on the organisation?**

Operating best practice Information Governance and Security will support public confidence in the Council, offering assurance to service users of the council's commitment to Data Protection and Transparency. Partner and client organisations will have the assurance they required in order to engage with the Council and share data. The risks of serious breaches of personal Data/Information Assets should be reduced, protecting information and reducing the likelihood of action by the ICO.

**7.4 Equalities / EIA?**

The Council's responsibilities under Section 149 of the Equality Act 2010 are supported by UK GDPR/DPA2018, requiring that Special Category Data is afforded extra measures of security to protect that data.

**7.5 Implications for (or impact on) climate change and the environment?**

None

**7.6 Implications for partner organisations?**

As set out in paragraph 7.3 above.

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Audit and Procurement Committee

29 January 2024

**Name of Cabinet Member:**

Cabinet Member for Policy and Leadership – Councillor G Duggins

**Director approving submission of the report:**

Director for Streetscene and Regulatory Services and Managing Director for Coventry Municipal Holdings Limited – A Walster

**Ward(s) affected:**

None

**Title:**

**Coventry Municipal Holdings Limited Audit Committee Report**

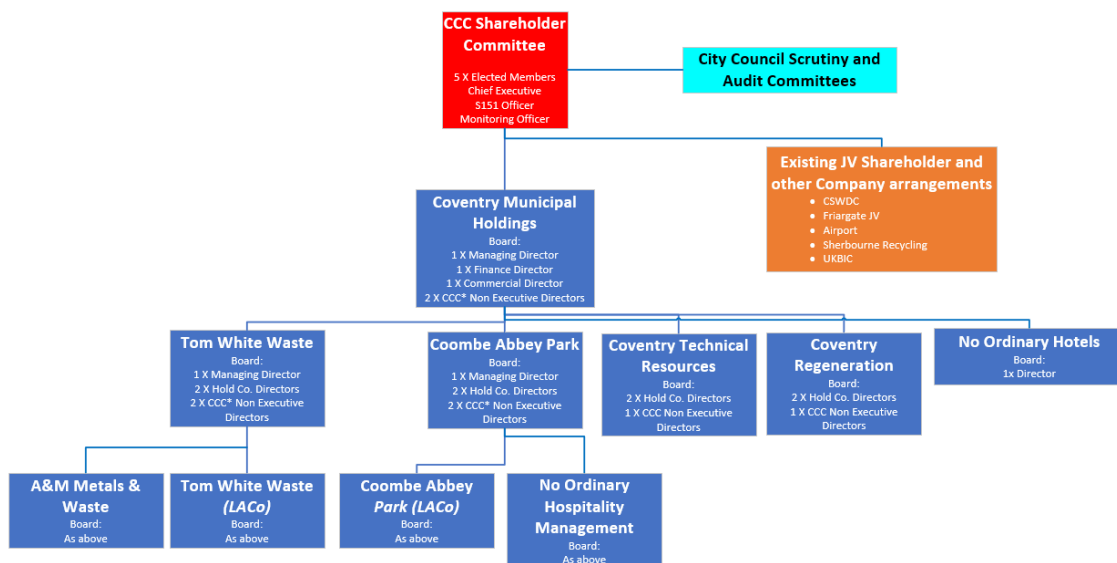
**Is this a key decision?**

No

**Executive Summary:**

On the 5<sup>th</sup> November 2021, Coventry City Council incorporated Coventry Municipal Holdings Limited (CMH) and restructured their wholly owned company investments. The organisational structure in Figure 1 was implemented to strengthen their governance arrangements to ensure companies are managed in a robust and transparent manner.

Figure 1: Structure of the CMH Group of companies



A key legal document called the Group Governance Agreement (GGA) was developed to provide the governance framework for Coventry Municipal Holdings Limited (CMH), the

parent for the Councils wholly owned investments. The GGA stipulates that CMH should produce an Annual Performance Report looking back at the operation of the Group to the year-end and produce a summary to Internal Audit.

This report looks at the year ending 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023 for the CMH group of companies based on their audited accounts which are available at Companies House. The accounts for the year ending 31<sup>st</sup> March 2023 for Coombe Abbey Park Group and Coventry Municipal Holdings Group are currently being audited with an extension for filing granted to the 31<sup>st</sup> March 2024 and as such will not be included in this report. The accounts will be available at Companies House once the audit process has been completed and the numbers are finalised.

**Recommendations:**

Audit and Procurement Committee is recommended to:

- (1) Consider the financial position as reported in the Annual Accounts for the companies to 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2023.
- (2) To make any recommendations to the Coventry Shareholder Committee arising from this meeting.

**List of Appendices included:**

The following appendices are attached to the report:

Appendix 1 – CMH Group accounts for the year ending 31<sup>st</sup> March 2022

Appendix 2 – Coombe Abbey Park Limited Group Accounts for the year ending 31<sup>st</sup> December 2021

Appendix 3 – Tom White Waste group accounts to the year ending 31<sup>st</sup> March 2022

Appendix 4 - Coventry Technical Resources Limited accounts to the year ending 31<sup>st</sup> March 2022

Appendix 5 – Coventry Regeneration accounts for the year ending 31<sup>st</sup> March 2022

Appendix 6 – No Ordinary Hotels Limited accounts to the year ended 31<sup>st</sup> March 2022

Appendix 7– Tom White Waste group accounts to the year ending 31<sup>st</sup> March 2023

Appendix 8 – Coventry Technical Resources Limited accounts to the year ending 31<sup>st</sup> March 2023

Appendix 9 - Coventry Regeneration accounts for the year ending 31<sup>st</sup> March 2023

Appendix 10 – No Ordinary Hotels Limited accounts to the year ended 31<sup>st</sup> March 2023

**Background papers:**

None

**Other useful documents**

None

**Has it or will it be considered by Scrutiny?**

No

**Has it or will it be considered by any other Council Committee, Advisory Panel or other body?**

No, however a report on this matter was considered by Coventry Shareholder Committee 26<sup>th</sup> September 2023 and Scrutiny Co-ordination Committee 25<sup>th</sup> October 2023

**Will this report go to Council?**

No

## Report title: Coventry Municipal Holdings Limited Audit Committee Report

### 1. Context (or background)

- 1.1. Council resolved in September 2021 to create a holding company structure to manage their wholly owned Council investments. Coventry Municipal Holdings Limited was incorporated on the 5<sup>th</sup> November 2021 along with the restructure of the wholly owned subsidiaries from the Council to move under CMH (see **Error! Reference source not found.** in Executive Summary).
- 1.2. The CMH group includes the following companies:
  - Tom White Waste Limited (TWW) and subsidiaries: A&M Metals, TW(LACo) (the Teckal company)
  - Coombe Abbey Park Limited (CAPL) and subsidiaries: No Ordinary Hospitality Management (NOHM), Coombe Abbey Park (LACo) (the Teckal company)
  - Coventry Technical Resources Limited (CTR)
  - Coventry Regeneration Limited (CR)
  - No Ordinary Hotels Limited (effectively a dormant company)
- 1.3. The vision for Coventry Municipal Holdings (CMH) for is;
  - To provide excellent governance across its own activities and those of its subsidiaries in accordance with the Group Governance Agreement
  - To derive value from commercial activity in line with the strategic corporate objectives that may be used to off-set budget pressures and enhance services delivered by Coventry City Council
  - To have a positive social and environmental impact through its undertakings and activities
  - To grow the portfolio of activity of CMH and its subsidiaries in a risk balanced manner through organic growth, further acquisition and investment in business process and infrastructure
  - To provide a vehicle for investment
- 1.4. The reorganisation of the Council's external companies through CMH provides strong strategic leadership which, in turn will:
  - deliver sustainable growth across existing commercial investments
  - identify and execute opportunity for investment in new initiatives and opportunities; and
  - seek to increase the financial return to the shareholder, Coventry City Council, to help offset other frontline service budget pressures
- 1.5. CMH and the trading subsidiaries signed a Deed of Adherence which confirmed their agreement to meet the requirements under the Group Governance Agreement (GGA). This legal document is the framework that each entity complies with in relation to

company governance with information on the make-up and role of the Board of Directors, Shareholder Committee and the delegations for decisions at the various levels in the structure. In addition to this, the GGA also covers the reporting requirements and information for Business Planning and budgets and the Annual Performance Report. Appended to the GGA are the following policies:

- Delegations Policy
- Conflicts Policy
- New Subsidiary Policy
- Council Contracting Policy
- Procurement Policy
- HR Risk Policy

- 1.6. Each of the entities produce their own accounts and then a consolidated set of accounts is created at the CMH group level. A high level review of the accounts for each entity is included below with a consolidated report at CMH.
- 1.7. There were a number of challenges with regards to the financial position for the subsidiaries in the group with the leisure sector recovering from the impact of Covid-19 and Tom White experiencing additional operating costs, higher material disposal costs, together with the correction historic accounting practices. These factors have affected the financial performance as reported.

## **2. Options considered and recommended proposal**

- 2.1. **Adherence to the Group Governance Agreement** – Each of the trading entities has adhered to the requirements under the GGA. Decisions which have required escalation to CMH Board or Shareholder Committee have been taken to the respective Boards for approval. Each of the entities have complied with the Council Contracting Policy and Procurement Policy.
- 2.2. **Coventry Municipal Holdings Limited accounts to the year ending 31<sup>st</sup> March 2022** – the company accounts reflect the consolidated position from the time the company was incorporated 26<sup>th</sup> October 2021 to 31<sup>st</sup> March 2022 (Appendix 1). The key elements of the accounts are summarised below:
  - A consolidated turnover of £12.7m due to the shorter accounting period and a reported loss before income tax of £0.6m mainly due to the loss for TWW (see section 2.4)
  - CMH received a one off working capital grant from the Council to manage cash flow and the operation of the business. This is reflected on the balance under the equity section as capital contribution reserve
  - The accounts have been consolidated based on the merger accounting basis which reflects the movements with entities under common control without inflating the balance sheet. Any movement in the investment value paid for the shares and the net asset value for each entity will be held in a merger reserve rather than under the fixed assets category of the balance sheet as goodwill. As the value of the net assets change year on year, this value would be adjusted as required, in the reserve. This accounting treatment has been adopted as it meets the

requirements for mergers as a result of a business combination. The value of the investment in the company shares is only realised at the point we dispose of them.

- On incorporation CMH acquired shares in the subsidiaries at value of £20.199m, which was equal to the long term investment value on the Council's balance sheet at the time. This will be compared to the net asset value at the point of acquisition with any difference recorded and held in the merger accounting reserve. A movement of £11.5m is reflected on the balance sheet largely due to the impact of Covid-19 on the trading performance for the CAPL and the loss reported in TWW due to the depreciation written off in year.
- Overall the accounts show a total assets position of £45.6m equity and liabilities companies.

2.3. **Coombe Abbey Park Limited Group Accounts to the year ending 31<sup>st</sup> December 2021** – the accounts for the company ran from January to December 2021, but the accounts currently being audited reflect the change in year end to the 31<sup>st</sup> March 2023 to align with the wider group. The accounts covering the 15month period to the 31<sup>st</sup> March 2023 are not available at this time. CAPL has been granted an extension of time for filing for these accounts based on accounting treatment and the impact of a new financial system. The accounts for the company that are available at Companies House to 31<sup>st</sup> December 2021 (See Appendix 2) are summarised below:

- There was limited trading during the first 6 months of 2021 due to the impact of Covid-19 closures and restrictions placed on the hospitality sector, with the hotel being fully operational from July 2021. This has led to a turnover of £6.77m (up from £3.4m in 2020) and a reported loss before tax of £0.47m compared to £2.4m 2020
- The business has been affected by Brexit and the challenges this has bought in relation to supply chain and the new Immigration Policies for Sponsor, minimum wage increases have all affected staffing and costs.
- The company has fixed assets of £8.9m and the liabilities include the commercial loan of £8.1m in place with the Council which was partly refinanced in year. The balance sheet includes £0.07m which was a preference dividend from previous years which continues to sit as a liability on the accounts.
- The company balance sheet shows a reduction in the net assets to £1.8m due to the reported loss in year. This net assets position is made up of £3.3m in share capital and a negative profit and loss reserve balance of £1.5m based on the loss achieved in the current and previous year. For the company to be in a position to declare a dividend the balance on the profit and loss reserve would need to be positive.
- During 2021 the hotel employed 192 people at a cost of £3.25m (including on costs)
- The company ended the year with £0.3m cash on the balance sheet.
- The accounts do not reflect the impact of the contracts secured from January 2022 onwards for St Mary's Guildhall, the food and beverage concessions in War Memorial Park, the contracts with Stoneleigh Abbey or IXL which will all feature in the accounts to the year end of 31<sup>st</sup> March 2022.

**2.4. Tom White Waste Accounts (TWW) to the year end 31<sup>st</sup> March 2022** – the accounts for the company reported (see Appendix 3):

- Turnover of £17.2m (30% increase from the previous year), although gross profit (revenue less the cost of sales) decreased by 4.6% to £3.97m in the year compared to £4.16m the year before
- The reported loss before taxation was £3.44m mainly due to the impact of depreciation in year of £2.24m, which is included in the accounts under administrative expenses. This was due to the company reassessing their accounting policy for the management of fixed assets and changing the useful economic life of the assets to reflect a true position. Leading to a larger proportion of depreciation being written off in the year.
- The company has a strong balance sheet with fixed assets at £12.1m and net assets of £3.34m
- Liabilities include a bank loan which is the mortgage on the site of £3.2m and £3.06m under finance leases mainly for the vehicles and equipment on site
- The accounts reflect the £0.5m dividends declared in the previous year to the Shareholder and a cash balance at the bank of £0.47m
- Overall the company employed 147 people during 2021/22 at a cost of £4.36m (salary and on costs)

**2.5. Coventry Technical Resources Limited Accounts to the year ending 31<sup>st</sup> March 2022** – the accounts for the company (Appendix 5) show:

- a turnover of £0.4m which is the recovery of the costs incurred plus a small margin to provide resource solutions to the Coventry City Council under a series of contracts. The company employed an average of 5 people in the year
- The company generated a small profit of £0.006m in year
- The company does not have any fixed assets and the balance sheet has net assets of £2.78m mainly due to the cash balance of £2.7m which reflects the proceeds from the sale of shares in Arena Coventry Limited which is due to paid to the Council

**2.6. Tom White Waste Accounts (TWW) to the year end 31<sup>st</sup> March 2023** – the latest audited accounts for the Tom White Group are available on Companies House (Appendix 7) and summarised below:

- Revenues increased by 25% from £17.2m to £21.6m in 2023 with a 52% increase in gross profit from £3.97m to £6.03m during the year.
- The consolidated position at year end was a loss of £0.3m for the year ending 31<sup>st</sup> March 23 compared to a loss in the year before of £3.3m.
- The balance sheet remains in a strong position with total assets of £18.9m an increase of £2m from the previous year.
- The accounts make reference to the commercial loan that was approved by Coventry City Council in October 2022 for financing the new material recycling

facility. The Board of Directors for Tom White's took a commercial decision to no longer proceed with this project and as such will not be drawing down any further funds in 2022/23.

**2.7. Coventry Technical Resources Limited Accounts to the year ending 31<sup>st</sup> March 2023** – the accounts for the company (Appendix 8) show:

- A turnover of £0.38m which is the recovery of the costs incurred plus a small margin to provide resource solutions to the Coventry City Council under a series of contracts. The company employed an average of 5 people in the year
- The company generated a small profit of £0.007m in year
- The company does not have any fixed assets and the balance sheet has net assets of £2.77m mainly due to the cash balance of £2.7m which reflects the proceeds from the sale of shares in Arena Coventry Limited which is due to paid to the Council

2.8. As well as the companies discussed above the group also includes Coventry Regeneration which has a small profit before tax of £0.001m and No Ordinary Hotels Limited which is effectively dormant.

2.9. The recommended option is to consider the accounts to the year ending 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2023 (where available) and where required, provide any recommendations to Shareholder Committee that can be considered as part of the .

**3. Results of consultation undertaken**

3.1. No consultation undertaken

**4. Timetable for implementing this decision**

4.1. These accounts are already available on Companies House. The audit is underway for the accounts to the year ended 31<sup>st</sup> March 2023 for Coombe Abbey Park Limited and its subsidiaries and Coventry Municipal Holdings Limited whose accounts cannot be prepared until all the subsidiary accounts are ready as they are consolidated into group accounts for CMH. These accounts have been granted an extension for filing until the 31<sup>st</sup> March 2023 and which will be shared when available.

**5. Comments from Chief Operating Officer (Section 151 Officer) and Chief Legal Officer**

**5.1. Financial Implications**

The accounts have been consolidated based on the merger accounting basis which reflects the movements with entities under common control without inflating the balance sheet. Any movement in the investment value paid for the shares and the net asset value for each entity will be held in a merger reserve rather than under the fixed assets category of the balance sheet as goodwill. As the value of the net assets change year on year, this value would be adjusted as required, in the reserve. This accounting treatment has been adopted as it meets the requirements for mergers as a result of a

business combination. The value of the investment in the company shares is only realised at the point we dispose of them.

On incorporation CMH acquired shares in the subsidiaries at the value that was equal to the long-term investment value on the Council's balance sheet at the time. This will be compared to the net asset value at the point of acquisition with any difference recorded and held in the merger accounting reserve. This would normally be considered as goodwill under the assets of the balance sheet.

The consolidated accounts for CMH are based on International Financial Reporting Standards whereas the entity accounts for TW and CAPL will be based on UK Generally Accepted Accounting Practice (UKGAAP) where there are some differences in the accounting standards being applied, a relevant example of this is IFRS16 accounting for leases standard. Under IFRS 16 there are now a number of leases appearing on the Statement of Financial Position (balance sheet) as part of the non-current (fixed) assets which would not have been treated as such under UK GAAP.

No further dividends were declared in years reported. Although dividends of £0.5m for Tom White Waste and £0.07m for Coombe Abbey Park Limited are due to the Council from previous years. This is in addition to the £1.2m received annually from CMH companies in rent, and financing costs.

## **5.2. Legal Implications**

CMH has acted in accordance with the Group Governance Agreement which sets out the policies and obligations on the group. The decisions being made are in compliance with the Terms of Reference of Shareholder Committee and align with the Group Governance Agreement and the Delegations Policy. The group have submitted their confirmation statements and requirements to Companies House on the submission requirement dates. The audited accounts for the year ending 31<sup>st</sup> March 2023 will be submitted to Companies House as soon as they are finalised.

## **6. Other implications**

### **6.1. How will this contribute to the One Coventry Plan?**

<https://www.coventry.gov.uk/onecoventryplan>

Any income or dividend revenue declared by the entities in the group of companies will support the Council to deliver its core aims. TWW continue to pursue projects which will deliver environmental benefits through greater recycling and extraction of recyclable materials rather than a focus on waste disposal. Coombe Abbey Park continues to support making Coventry an attractive and enjoyable place to be through the leisure offer they provide.

### **6.2. How is risk being managed?**

The risks and mitigations for the entities are detailed in each entity business plan which is presented and approved by Shareholder Committee in March each year.

It is noted that the subsidiary companies are in waste & environment (construction) and in leisure, both of which are sensitive to the geo political global environment and

may be impacted by matters outside the control of the operating companies or of CMH. The Board will monitor these matters and impacts to performance of CMH, mitigate where ever possible, and report the same to the Coventry Shareholder Committee from time to time as appropriate.

### **6.3. What is the impact on the organisation?**

The companies should deliver dividend income along with the existing income streams of rent and financing costs in future years which will go towards delivery of the Council's priorities.

### **6.4. Equalities / EIA?**

No equalities impact assessment has been undertaken.

### **6.5. Implications for (or impact on) climate change and the environment?**

The group is taking steps to reduce energy consumption, waste and increase recycling. The core values for Tom White Waste Limited support this with Project Our Planet being at the heart of how the business operates. Tom white has recycled more than 103,000 tonnes of material in 2022 in the UK.

The entity with the largest energy consumption within the group is Tom White Waste Limited. The company has generated 4,115 tonnes of carbon dioxide from the combustion of fuel equivalent to c30kg of carbon dioxide per tonne of waste during 2021/22. Through the activities of the business the company has consumed c639,000 KWh of electricity equivalent to 161,728kg of carbon dioxide.

Steps have been taken to increase energy efficiency with 80% of the fleet vehicles utilising white diesel now Euro 6 compliant. The company car fleet has been converted from internal combustion engine to hybrid to fully electric.

### **6.6. Implications for partner organisations?**

Any impact on partner organisations is covered in each respective company Business Plans which is being prepared for the forthcoming financial year.

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Councillor G Duggins	Cabinet Member for Policy and Leadership	-	15/01/24	17/01/24

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REGISTERED NUMBER: 13705254 (England and Wales)

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD  
26 OCTOBER 2021 TO 31 MARCH 2022  
FOR  
COVENTRY MUNICIPAL HOLDINGS LIMITED**



**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
for the period 26 October 2021 to 31 March 2022**

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**COVENTRY MUNICIPAL HOLDINGS LIMITED**

**COMPANY INFORMATION**  
for the period 26 October 2021 to 31 March 2022

**DIRECTORS:**

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Mr G W McKelvie  
Mrs P Mudhar  
Ms K G Nelson  
Mr A J Walster

**SECRETARY:**

Mr G S Sangha

**REGISTERED OFFICE:**

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**REGISTERED NUMBER:**

13705254 (England and Wales)

**AUDITORS:**

Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**GROUP STRATEGIC REPORT**  
**for the period 26 October 2021 to 31 March 2022**

The directors present their strategic report of the company and the group for the period 26 October 2021 to 31 March 2022.

**REVIEW OF BUSINESS**

Coventry Municipal Holdings Ltd (CMH) was created to strengthen the governance arrangements to manage Coventry City Council's (the "Council") commercial wholly owned arm's length investments. The reorganisation of the Council's external companies through CMH provides strong strategic leadership which, in turn will:

- deliver sustainable growth across existing commercial investments,
- identify and execute opportunity for investment in new initiatives and opportunities; and
- seek to increase the financial return to the shareholder, Coventry City Council, to help offset other frontline service budget pressures.

The entity accounts for Coventry Municipal Holdings Ltd have been prepared under UK-adopted International Financial Reporting Standards (IFRS). The results for the period ended 31st March 2022 show a profit after tax of £4,923. The company received a one off capital contribution of £150,000 from Coventry City Council during the period to support working capital and the operation of the company. The company has total equity of £18,834,926 and total cash and equivalent balances of £88,763.

The principal activities of the subsidiaries in the group has remained the same throughout the period, with Tom White Waste Limited (TWW) focusing on commercial waste collection and disposal and Coombe Abbey Park Limited (CAPL) focusing on the hospitality. The performance of both companies has been affected by the pandemic and Brexit.

The financial performance of Tom White Waste Ltd has been affected by the availability of plant and vehicles, additional costs in relation to waste disposal and the impact of Brexit affected the availability of drivers to support the business. TWW also supported the Council in continuing to provide a waste collection service while the Council's HGV drivers were on strike. In October 2022 Council approved a loan to TWW to redevelop the existing Material Recycling Facility. This will improve the availability of the plant and increase the volume of waste that can be recycled and diverted away from landfill. The financial impact of this development will be reflected in the accounts in futures years once the construction is underway and the facility is operational.

Coombe Abbey Park Ltd was closed due to Covid 19 and was only fully operational from July 2021. The external catering outlets in Coombe Abbey Park continued to operate successfully when restrictions were eased, while the main hotel was closed. Across the hospitality sector, Brexit affected the availability of certain posts making recruitment difficult. CAPL expanded the company through the creation of No Ordinary Hospitality Management Ltd (NOHM), a new company which successfully secured the management contracts for the Historic Coventry Trust cottages and St Mary's Guildhall. The operational impact of the latter will be in the financial statements next year along with the additional catering outlets that are now operational (from May 22) in the War Memorial Park.

Coventry Technical Resources Ltd has continued to provide resourcing solutions for the Council in line with business need.

The group financial statements have been prepared under UK-adopted International Financial Reporting Standards (IFRS). The results for the period ended 31st March 2022 show a loss after tax of (£783,084). The Coventry Municipal Holdings Ltd group has total equity of £8,097,714 and total cash and equivalent balances of £5,048,307.

There are no plans to change the nature of the activities undertaken within the group, although consideration will be given to opportunities that complement the existing business's and where a business case supports their investment.

**GROUP STRATEGIC REPORT**  
for the period 26 October 2021 to 31 March 2022

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties that the Group is exposed to are listed below along with the approach to mitigate these risks.

- Political global environment - The subsidiary companies operate in waste & environment (construction) and in leisure, both of which are sensitive to the geo political global environment and may be impacted by matters outside the control of the operating companies or of CMH. The Board shall monitor these matters and impacts to performance of CMH, mitigate wherever possible, and report the same to the Shareholder Committee from time to time as appropriate.

- Sector specific risks - The hotel sector operates in a cyclical marketplace, a weakening in demand or an increase in market room supply can lead to a downward pressure on the room rates and in turn a negative impact on the operational performance. This is closely monitored by the management team and sales teams to ensure we consider the rooms rates alongside occupancy and the overall impact on revenue.

- Capital risks - the vision and objectives for CMH includes growth of the portfolio of activity of CMH and its subsidiaries in a risk balanced manner through organic growth, further acquisition and investment in business process and infrastructure. There is a risk that there is insufficient capital to take these opportunities forward. One objective for CMH is to explore the possibility of setting up an investment fund to support the group to provide resource to meet the growth aspirations alongside the subsidiaries seeking to secure capital through their own financial channels.

- Financial risk - the impact of Covid and current inflationary cost pressures will have an impact on the leisure and waste market. All subsidiaries monitor their cashflow on a regular basis to ensure they have sufficient resources to meet the operational requirements. This information is shared with the respective Board of Directors for each company on a regular basis. Where possible the impact of inflationary increases is passed to customers and pricing is reviewed to consider the cost associated with delivery when setting pricing and forecasting the revenue position.

**SECTION 172(1) STATEMENT**

The Directors for the CMH and the respective subsidiary companies have complied with their duties under Section 172(1) of the Companies Act, with their role as Director, any decisions they make and their behaviour promoting the success of the company for the benefit of their members. This includes consideration as the long-term consequences of any decision. The Board of Directors require a business case to support investment decisions and a clear understanding of the risks, benefits, and net financial impact.

All companies in the group consider the interests of their employees and the need to foster business relationships with suppliers, customers, and other key stakeholders. Tom White Waste Ltd rebranded the company in the period which was implemented following consultation with customers and employees to ensure that the brand would be well received, this included a move towards being known as Tom White. The introduction of NOHM company in the group is to create a strong hospitality brand which focuses on more than just operating Coombe Abbey Park Hotel but other hospitality contracts and ventures which would sit under this entity.

All entities consider the impact of their operations on the community and environment and work to maintain high standards of business conduct at all levels.

**ON BEHALF OF THE BOARD:**

Mr A J Walster - Director

Date: .....

21<sup>st</sup> Mar 23'

**COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)**

**REPORT OF THE DIRECTORS  
for the period 26 October 2021 to 31 March 2022**

The directors present their report with the financial statements of the company and the group for the period 26 October 2021 to 31 March 2022.

**INCORPORATION**

The group was incorporated on 26 October 2021.

**PRINCIPAL ACTIVITY**

The new company structure required Coventry Municipal Holdings Ltd (CMH) to acquire 100% of the share capital in the subsidiaries from Coventry City Council (the "Council") by way of a share for share exchange at fair value. The Council approved the decision to create CMH in September 2021.

Coventry Municipal Holdings Limited (CMH) was incorporated on the 26th October 2021, as a holding company to manage the wholly owned arm's length investments made by Coventry City Council.

The group includes the following companies:

- Tom White Waste Limited (TWW) and subsidiaries: A&M Metals & Waste Ltd, Tom White Waste (LACo) Ltd
- Coombe Abbey Park Limited (CAPL) and subsidiaries: No Ordinary Hospitality Management (NOHM), Coombe Abbey Park (LACo) Ltd
- Coventry Technical Resources Limited (CTR)
- Coventry Regeneration Limited (CR)
- No Ordinary Hotels Limited

The Company's main activity is to provide excellent governance across its own activities and those of its subsidiaries. CMH will ensure consistency in reporting, transparency in operations and strong management of the Council's investments, working closely with the subsidiary companies to deliver the outcomes and financial performance approved in the company Business Plans.

CMH will derive value from commercial activity within the subsidiary companies in line with the strategic corporate objectives that may be used to off-set budget pressures and enhance services delivered by Coventry City Council and seek to grow the activity of the group in line with the company vision and objectives.

**DIVIDENDS**

No dividends will be paid out for the year ended 31 March 2022.

**RESEARCH AND DEVELOPMENT**

No specific research and development activities have been undertaken during the year.

**EVENTS SINCE THE END OF THE PERIOD**

The Council has approved a commercial loan to Tom White Waste Ltd in October 2021 which will be considered in future accounts. The development of the Material Recycling Facility supports the Council's Climate Change Strategy, in particular the aspirations in relation to the Circular Economy. Commercial negotiation is currently underway for the value of works to be undertaken and releasing the value of the loan at this stage could be counterproductive.

**DIRECTORS**

The directors who have held office during the period from 26 October 2021 to the date of this report are as follows:

- Mr P Fahy - appointed 5 November 2021
- Mr G W McKelvie - appointed 26 October 2021
- Mrs P Mudhar - appointed 26 October 2021
- Ms K G Nelson - appointed 5 November 2021
- Mr A J Walster - appointed 26 October 2021

**REPORT OF THE DIRECTORS**  
for the period 26 October 2021 to 31 March 2022

**FINANCIAL INSTRUMENTS**

The subsidiaries in the group hold or issue financial instruments to finance their operations and enter contracts to manage risks arising from these operations and its sources of finance in accordance with their respective accounting policies. In addition, various financial instruments such as trade debtors, cash and trade creditors arise directly from the operation of the companies. Cash is only placed in reputable financial institutions to minimise credit risk.

Operations in TWW and CAPL group are financed by a mixture of retained profits, finance leases and long term loans. Working capital requirements are funded principally out of retained profits, however CAPL has a line of credit of £2m that can be accessed at commercial rates. The Council provided CMH with a one-off working capital grant to support the operation of the company.

The Council also approved a refinancing package for CAPL which was executed in April 2021 and was approved by both the Board of CAPL and the Council. It consolidated the existing loans in place along with any deferred payments from 2020 because of the pandemic and limited operation of the business in year.

**LIQUIDITY RISK**

A weekly cashflow is shared with the Board of Directors for Tom White and CAPL to highlight the financial impact of operational performance and to inform any management action that maybe required. The group has a risk register in place to limit the adverse effect of the financial performance of the group by monitoring levels of debt and related finance costs.

**CREDIT RISK**

The group monitors their debtors and creditors on a regular basis to understand any pressures and assess the uncertainty in relation to receipts and payments. The Finance teams are in regular contact with customers and suppliers to ensure that these financial liabilities can be met. All entities in the group have resource to manage any aged debtors and escalate any concerns as necessary and the Board of Directors have oversight in relation to the debtor and creditor position as part of the monthly board packs.

With regards to bank loans and leases both Tom White and CAPL meet the obligations of the respective loans they have in place with regards to sharing management information on the performance of the businesses. Tom White's have regular meetings with their lender and providers of capital asset financing.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5m.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION & ENERGY EFFICIENCY**

The group is taking steps to reduce energy consumption, waste and increase recycling. The core values for Tom White Waste Limited support this with Project Our Planet being at the heart of how the business operates. The investment in the new Material Recycling Facility with Tom White Waste in 2023/24 will help to move this forward and optimise the opportunities to recycle. Tom white has recycled more than 103,000 tonnes of material in 2022 in the UK and the new development will support this figure increasing.

The entity with the largest energy consumption within the group is Tom White Waste Limited. The company has generated 4,115 tonnes of carbon dioxide from the combustion of fuel equivalent to c30kg of carbon dioxide per tonne of waste. Through the activities of the business the company has consumed c639,000 KWh of electricity equivalent to 161,728kg of carbon dioxide.

Fuel consumption for transportation is not measured or reported in KWhrs. Steps have been taken to increase energy efficiency with 80% of the fleet vehicles utilising white diesel now Euro 6 compliant. The company car fleet has been converted from internal combustion engine to hybrid to fully electric.

As a group of companies we continue to consider how we can reduce energy consumption and waste and will continue to consider these opportunities.

**REPORT OF THE DIRECTORS**  
for the period 26 October 2021 to 31 March 2022

**GOING CONCERN**

The Directors of CMH have considered the financial performance of the Company and wider group; along with the market they operate in and any potential plans for development. In addition to this, the risk register for each company has been reviewed along with the mitigating actions. This review supports the Directors' assessment, that the companies are all going concern. There are no material uncertainties that the Directors are aware of that should be considered as part of this assessment.

The companies each prepare a 3 year financial forecast as part of their Business Plan and a detailed budget for the next 12 months. The Business Plan is a key document that is referred to throughout the year to consider if the companies are on track to meet their forecast performance. The Business Plan for the CMH group is approved by the Shareholder Committee each year ahead of the new financial year and then a financial performance report is presented following the year end to support the year end position and any variation from the Business Plan explained along with any proposed actions. This alongside the cashflow which is monitored on a daily or weekly basis is used to determine there are sufficient funds available to demonstrate that the business is of going concern.

**ENGAGEMENT WITH EMPLOYEES**

CMH have complied with the equal opportunities policies of the Council, as the ultimate owner of the Company, that in summary are:

- Everybody should have an equal opportunity to contribute to and benefit from society.
- A diverse community is a positive asset to the City.

The employees in the group are aware of the strong links back to the Council and that any profits paid back as dividends would be utilised within the public sector to deliver front line services "profit with a purpose". The entities undertake briefings to share information that would affect employees and any changes in the business operation they should be aware of to undertake their role or the direction of travel for the organisation.

**Disabled employees**

CMH does not currently have any disabled employees. The Employee Handbook supports the employment of people with disabilities and where possible the company will consider what reasonable adjustments or support may be appropriate.

**ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

CMH's standard terms of payment are the same as Coventry City Council's i.e. 30 days from the date payment is due, receipt of invoice or delivery of goods, whichever is the later. Alternative payment terms are only made if specifically demanded for contractual purposes.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 UK-adopted international accounting standards. 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- 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 and the group'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.

**REPORT OF THE DIRECTORS**  
for the period 26 October 2021 to 31 March 2022

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

.....  
Mr A J Walster - Director

Date: .....

21<sup>st</sup> Mar 22

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COVENTRY MUNICIPAL HOLDINGS LIMITED

### Opinion

We have audited the financial statements of Coventry Municipal Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COVENTRY MUNICIPAL HOLDINGS LIMITED**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COVENTRY MUNICIPAL HOLDINGS LIMITED

### **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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- reference to history and experience of the Entity; and
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity's procedures relating to:
  - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
  - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud; and
  - assessment of the controls and processes that the Entity has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- management override of control; and
- revenue recognition, particularly in respect of rendering of services

These procedures, and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- critically assessed the appropriateness and testing the application of the revenue and cost recognition policies; and
- testing the appropriateness of accounting estimates, journals and other adjustments made in the preparation of the financial statements; and
- reviewing the Entity's accounting policies for non-compliance with relevant standards; and
- making enquiries of management and reviewing correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

In performing an audit in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COVENTRY MUNICIPAL HOLDINGS LIMITED**

**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 a Report of the Auditors 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.

Mr Ashwani Rishiraj FCA (Senior Statutory Auditor)  
for and on behalf of Luckharia Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

Date: 21<sup>st</sup> March 2023.....

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
for the period 26 October 2021 to 31 March 2022

	Notes	£
<b>CONTINUING OPERATIONS</b>		
Revenue	3	12,750,859
Cost of sales		<u>(9,309,702)</u>
<b>GROSS PROFIT</b>		<b>3,441,157</b>
Other operating income	4	372,547
Administrative expenses		<u>(3,953,470)</u>
<b>OPERATING LOSS</b>		<b>(139,766)</b>
Finance costs	6	<u>(486,952)</u>
<b>LOSS BEFORE INCOME TAX</b>	7	<b>(626,718)</b>
Income tax	9	<u>(156,366)</u>
<b>LOSS FOR THE PERIOD</b>		<b>(783,084)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u>(783,084)</u></b>
Loss attributable to: Owners of the parent		<u>(783,084)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(783,084)</u>

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 March 2022

	Notes	£
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Owned		
Property, plant and equipment	11	17,626,414
Right-of-use		
Property, plant and equipment	11, 20	17,575,621
Investments	12	-
		<u>35,202,035</u>
<b>CURRENT ASSETS</b>		
Inventories	13	71,350
Trade and other receivables	14	4,747,864
Tax receivable		509,276
Cash and cash equivalents	15	5,048,307
		<u>10,376,797</u>
<b>TOTAL ASSETS</b>		<u><u>45,578,832</u></u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	16	20,198,503
Merger reserve	17	(11,467,705)
Capital contribution reserve	17	150,000
Retained earnings	17	(783,084)
<b>TOTAL EQUITY</b>		<u>8,097,714</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Financial liabilities - borrowings		
Interest bearing loans and borrowings	19	26,394,378
Deferred tax	22	1,034,481
		<u>27,428,859</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	18	7,470,954
Contract liabilities	3	628,155
Financial liabilities - borrowings		
Interest bearing loans and borrowings	19	1,802,033
Tax payable		151,117
		<u>10,052,259</u>
<b>TOTAL LIABILITIES</b>		<u>37,481,118</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>45,578,832</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 21<sup>st</sup> March 23 and were signed on its behalf by:

The notes form part of these financial statements

**COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**  
**31 March 2022**

.....  
Mrs P Mudhar - Director

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

COMPANY STATEMENT OF FINANCIAL POSITION  
31 March 2022

	Notes	£
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Owned		
Property, plant and equipment	11	-
Right-of-use		
Investments	12	18,680,002
		<u>18,680,002</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	14	124,272
Cash and cash equivalents	15	88,763
		<u>213,035</u>
<b>TOTAL ASSETS</b>		<u><u>18,893,037</u></u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	16	20,198,503
Capital contribution reserve	17	150,000
Fair value reserve	17	(1,518,500)
Retained earnings	17	4,923
		<u>18,834,926</u>
<b>TOTAL EQUITY</b>		<u>18,834,926</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	18	58,111
		<u>58,111</u>
<b>TOTAL LIABILITIES</b>		<u>58,111</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>18,893,037</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 21st March 23 and were signed on its behalf by:

.....  
Mrs P Mudhar - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the period 26 October 2021 to 31 March 2022

	Called up share capital £	Retained earnings £	Merger reserve £	Capital contribution reserve £	Total equity £
<b>Changes in equity</b>					
Issue of share capital	20,198,503	-	-	-	20,198,503
Total comprehensive income	-	(783,084)	-	-	(783,084)
Business combination	-	-	(11,467,705)	-	(11,467,705)
Capital contribution	-	-	-	150,000	150,000
<b>Balance at 31 March 2022</b>	<u>20,198,503</u>	<u>(783,084)</u>	<u>(11,467,705)</u>	<u>150,000</u>	<u>8,097,714</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the period 26 October 2021 to 31 March 2022

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Total equity £
<b>Changes in equity</b>					
Issue of share capital	20,198,503	-	-	-	20,198,503
Total comprehensive income	-	4,923	-	(1,518,500)	(1,513,577)
Capital contribution	-	-	150,000	-	150,000
<b>Balance at 31 March 2022</b>	<u>20,198,503</u>	<u>4,923</u>	<u>150,000</u>	<u>(1,518,500)</u>	<u>18,834,926</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the period 26 October 2021 to 31 March 2022

	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	735,043
Interest paid		(33,978)
Lease interest paid		(302,021)
Tax paid		(20,034)
		<hr/>
Net cash from operating activities		379,010
		<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets		(576,766)
Sale of tangible fixed assets		18,041
Business combination		4,531,241
		<hr/>
Net cash from investing activities		3,972,516
		<hr/>
<b>Cash flows from financing activities</b>		
New loans in year		2,124,345
Loan repayments in year		(1,011,160)
Other Creditors		(82,606)
Bank loan repayments		(60,014)
Payment of lease liabilities		(423,784)
Capital contribution		150,000
		<hr/>
Net cash from financing activities		696,781
		<hr/>
<b>Increase in cash and cash equivalents</b>		<b>5,048,307</b>
<b>Cash and cash equivalents at beginning of period</b>	2	-
		<hr/>
<b>Cash and cash equivalents at end of period</b>	2	<b>5,048,307</b>
		<hr/> <hr/>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
for the period 26 October 2021 to 31 March 2022

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	£
Loss before income tax	(626,718)
Depreciation charges	863,686
Profit on disposal of fixed assets	(18,041)
Government grants	(5,953)
Finance costs	486,952
	<u>699,926</u>
Increase in inventories	(21,186)
Increase in trade and other receivables	(800,506)
Increase in trade and other payables	228,654
Increase in contract liabilities	628,155
	<u>735,043</u>
<b>Cash generated from operations</b>	<b>735,043</b>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 March 2022

	31.3.22	26.10.21
	£	£
Cash and cash equivalents	<u>5,048,307</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
for the period 26 October 2021 to 31 March 2022

1. **STATUTORY INFORMATION**

Coventry Municipal Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparation.**

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

**Basis of consolidation**

The group's financial statements incorporate the results, cash flows, assets and liabilities of Coventry Municipal Holdings Limited and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Business combinations for entities under common control are recognised using the predecessor value method (Merger Accounting). The assets and liabilities of the entities acquired are consolidated using their respective carrying values at the date of acquisition. Any difference between the carrying values of net assets and fair value of consideration is shown as a deduction in equity within a Merger reserve. If the consideration is lower than the carrying amount of the net assets, this is recognised as a contribution to equity.

**Subsidiaries**

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In the individual entity financial statements interests in subsidiaries are measured at fair value through other comprehensive income

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

2. ACCOUNTING POLICIES - continued

**Critical accounting judgements and key sources of estimation uncertainty**

The following judgements (apart from those involving estimates) have been made in the process of applying the accounting policies that have had the most significant effect on amounts recognised in the financial statements:

**Accruals**

Estimation is required in determining an appropriate amount to accrue in respect of uninvoiced expenses. The amounts accrued are based on management's best estimate of such costs after considering works performed to the year-end date.

**Deferred Tax Asset**

The group has tax losses available for offset against future trading profits of approximately £9.1m at 31st March 2022. A deferred tax asset in respect of these losses of £2.3m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

**Revenue recognition**

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The policies adopted for the recognition of revenue are as follows:

**Sale of goods**

Revenue from the sale of goods are recognised when control of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. This is usually on dispatch of the goods.

**Rendering of services**

Revenue from providing services, where performance obligations are satisfied over time, is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule which has usually been set to be broadly aligned with the volume of work performed. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management

**Dividend and interest income**

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established. Each is then shown separately in the statement of profit or loss and other comprehensive income.

**Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

2. ACCOUNTING POLICIES - continued

**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:

Freehold Land and buildings	-	2% straight line basis
Assets under construction	-	not in use
Leasehold Land and buildings	-	over period of the lease or 50 years straight line basis
Plant and machinery	-	3 - 20 years straight line basis
Fixtures and fittings	-	3 - 10 years straight line basis
Motor vehicles	-	3 - 10 years straight line basis or 25% reducing balance

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle.

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 and loss.

Leasehold land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

**Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of impairment. Where impairment is indicated, the recoverable amount of the asset is estimated, which is calculated by the higher of fair value less costs of disposal compared with value in use, to determine the level of the impairment.

In estimating the fair value of an asset, the entity uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the entity engages qualified third-party valuers to perform such valuations. The Board of Directors work with these valuers to establish an appropriate technical approach, understanding of the asset and to establish the inputs.

Value in use is calculated using estimated cash flows. These are discounted using an appropriate long-term pre-tax interest rate. When an impairment arises, the useful life of the asset in question is reviewed and, if necessary, the future depreciation/amortisation charge is accelerated.

When the recoverable amount of an asset is less than its carrying amount, then the carrying amount is reduced to its recoverable value. This reduction is reported in the statement of profit or loss and other comprehensive income as an impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

2. ACCOUNTING POLICIES - continued

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

**Financial assets**

Financial assets are subsequently classified into the following specified categories:

- financial assets at fair value through profit or loss, including held for trading;
- fair value through other comprehensive income; or
- amortised cost.

The classification depends on the nature and purpose of the financial asset (ie. the company's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

Financial assets are classified as at fair value through other comprehensive income, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost or fair value through other comprehensive income are held at fair value through profit or loss.

**Equity investments**

In the individual entity financial statements, investments in subsidiaries are recognised at fair value through other comprehensive income. Gains and losses are recognised in other comprehensive income and credited to the fair value reserve.

A subsidiary is a company controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**Financial liabilities**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at proceeds received net of issue costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or financial liabilities at amortised cost, which are measured using the effective interest method. At present the company does not have any financial liabilities at FVTPL.

**Fair values**

Fair value is the amounts for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques. The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

2. ACCOUNTING POLICIES - continued

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the debt instrument, or a shorter period, on the net carrying amount on initial recognition.

**Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined on a first in first out (FIFO) basis. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

**Leases**

The company applies IFRS 16 Leases. Accordingly leases are all accounted for in the same manner:

- A right of use asset and lease liability is recognised on the statement of financial position, initially measured at the present value of future lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities are recognised in the statement of comprehensive income;
- The total amount of cash paid is recognised in the statement of cash flows, split between payments of principal (within financing activities) and interest (also within financing activities).

The initial measurement of the right of use asset and lease liability takes into account the value of lease incentives such as rent free periods.

The costs of leases of low value items and those with a short term at inception are recognised as incurred.

**Employee benefit costs**

The company's contributions to defined contribution plans are charged to the statement of profit or loss and other comprehensive income in the period to which the contributions relate.

The cost of any unused holiday entitlement is recognised in the financial 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

2. ACCOUNTING POLICIES - continued

**Provisions**

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

**Government grants**

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

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

3. REVENUE

**Revenue from contracts with customers**

The group generates revenue primarily from Waste Management and recycling services and Hospitality services.

	2022 £
Rendering of services	10,499,984
Sale of goods	2,250,875
	<u>12,750,859</u>

**Disaggregation of revenue**

The following table shows revenue from contracts with customers disaggregated by major products and service lines. All revenues are generated in the UK.

<b>Major Service lines</b>	2022 £
Waste management and recycling	8,397,249
Accommodation	1,203,128
Food, beverages and catering	2,250,875
Room and marquee hire	238,670
Management services	434,462
Other services	226,475
	<u>12,750,859</u>

**Timing of Revenue Recognition:**

	2022 £
Revenue recognised at a point in time	12,316,398
Revenue recognised over time	434,461
	<u>12,750,859</u>

The performance obligations from Waste management and recycling revenues are satisfied at a point in time which is generally on collection of waste from customers. This relates to the roll on, roll off service, skips, trade waste revenue and revenue from the inbound gate. Invoices are raised on the date the service is completed and are usually payable within 30 days. For some customers namely for domestic skip hire, payment for hire of the skip would be collected in advance of the service being provided.

The performance obligations from Accommodation revenues are satisfied at a point in time when the rooms are occupied by customers. Invoices are raised on the date the services are completed and are usually payable immediately with no payment terms.

The performance obligations from food, beverage and catering revenues are recognised at a point in time when the goods are transferred to the buyer. Invoices for food and beverage revenues are raised on the date the goods are transferred and are usually payable immediately with no payment terms. Invoices for Catering revenues are partially raised in advance of services resulting in a Contract Liability as shown below, with the remaining balance being invoiced on completion of service and payable immediately.

The performance obligations from room hire and marquee revenues are satisfied at a point in time when the services are provided. Invoices are raised on the date the services are completed and are usually payable immediately with no payment terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

For larger corporate events, the performance obligations are satisfied at a point in time when the services are provided. Invoices are raised on the date the services are completed and are usually payable within 30 days. For weddings the performance obligations are satisfied in advance of the event, with deposits taken at the point of booking and the balance settled before the event. With any additional costs incurred on the day being satisfied at a point in time when the services are provided.

The performance obligations from Management services are satisfied over time as the services are provided. Invoices are usually raised the month the service is provided and payable within 30 days.

**Contract balances**

	£
Receivables included in "Trade and other receivables"	<u>3,805,031</u>
Contract liabilities	
Current	
Deferred income	<u>628,155</u>

A trade receivable is recognised when the group has issued an invoice and has unconditional right to receive payment. The invoice is typically issued as the performance obligations are satisfied.

Deferred revenue is recognised when payment is received from customers before the respective performance obligation is satisfied.

4. **OTHER OPERATING INCOME**

	£
Sundry income	366,594
Government grants	5,953
	<u>372,547</u>

5. **EMPLOYEES AND DIRECTORS**

	£
Wages and salaries	2,924,366
Social security costs	519,029
Other pension costs	54,666
	<u>3,498,061</u>

The average number of employees during the period was as follows:

Directors	6
Finance and administration	39
Management and administration	31
Operations	262
	<u>338</u>

	£
Directors' remuneration	168,139
Directors' pension contributions to money purchase schemes	<u>3,159</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

6. NET FINANCE COSTS

	£
Finance costs:	
Bank interest	31
Bank loan interest	14,324
Interest payable to group companies	170,576
Hire purchase	12,085
Leasing	289,936
	<u>486,952</u>

Interest payable to group represents amount due to Coventry City Council during the period in respect of loans balances owing as shown in note 19.

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	£
Depreciation - owned assets	596,047
Depreciation - assets on hire purchase contracts	267,639
Profit on disposal of fixed assets	(18,041)
Government grants	5,953
Auditors remuneration	32,285
	<u>863,883</u>

8. AUDITORS' REMUNERATION

	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	39,785
Total audit fees	<u>39,785</u>
Taxation compliance services	1,708
Total non-audit fees	<u>1,708</u>
Total fees payable	<u>41,493</u>

9. INCOME TAX

Analysis of tax expense

	£
Current tax:	
Tax	1,775
Adjustment in respect of prior periods	(350,220)
Total current tax	<u>(348,445)</u>
Deferred tax	504,811
Total tax expense in consolidated statement of profit or loss and other comprehensive income	<u>156,366</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

9. INCOME TAX - continued

**Factors affecting the tax expense**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

Loss before income tax	£ (626,718)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(119,076)
Effects of:	
corporation tax rate	
Permanent capital allowances in excess of depreciation qualifying for tax allowances	504,811
Revenue items capitalised	55,819
Change in unrecognised deferred tax assets	(285,188)
Tax expense	<u>156,366</u>

10. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £4,923.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land and buildings £	Assets under construction £	Leasehold Land and buildings £
<b>COST</b>			
Additions	-	146,410	-
Disposals	-	-	-
Reclassification	-	(176,911)	-
Acquisitions from business combination	5,972,903	226,127	22,235,534
At 31 March 2022	<u>5,972,903</u>	<u>195,626</u>	<u>22,235,534</u>
<b>DEPRECIATION</b>			
Charge for period	47,191	-	191,052
Eliminated on disposal	-	-	-
At 31 March 2022	<u>47,191</u>	<u>-</u>	<u>191,052</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>5,925,712</u>	<u>195,626</u>	<u>22,044,482</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

11. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
Additions	2,014,235	73,475	679,441	2,913,561
Disposals	(12,687)	-	(24,257)	(36,944)
Reclassification	-	176,911	-	-
Acquisitions from business combination	1,835,579	679,746	2,202,271	33,152,160
At 31 March 2022	<u>3,837,127</u>	<u>930,132</u>	<u>2,857,455</u>	<u>36,028,777</u>
<b>DEPRECIATION</b>				
Charge for period	288,460	68,424	268,559	863,686
Eliminated on disposal	(12,687)	-	(24,257)	(36,944)
At 31 March 2022	<u>275,773</u>	<u>68,424</u>	<u>244,302</u>	<u>826,742</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>3,561,354</u>	<u>861,708</u>	<u>2,613,153</u>	<u>35,202,035</u>

Coventry City Council hold a fixed and floating charge over leasehold property known as Coombe Abbey, Brinklow Road, Binley, Coventry, CV3 2AB, land registry title WK447538 and a floating charge on all undertakings of Coombe Abbey Park Limited.

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2022 by a member of the Royal Institute of Chartered Surveyors. At 31st March 2022 the fair value of the leasehold land and buildings was not materially different to the carry value.

12. INVESTMENTS

Company

	Shares in group undertakings £
<b>COST OR VALUATION</b>	
Additions	20,198,502
Revaluations	(1,518,500)
At 31 March 2022	<u>18,680,002</u>
<b>NET BOOK VALUE</b>	
At 31 March 2022	<u>18,680,002</u>

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

12. INVESTMENTS - continued

**Company**

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**Tom White Waste Limited**

Registered office: Unit 13a Stonebrook Way, Longford, Coventry, West Midlands, CV6 6LN

Nature of business: Waste management and recycling

Class of shares:	% holding
Ordinary	100.00

	2022
	£
Aggregate capital and reserves	3,264,343
Loss for the period	<u>(641,040)</u>

**Coombe Abbey Park Limited**

Registered office: Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, England, CV3 2AB

Nature of business: Hotels and hospitality services

Class of shares:	% holding
Ordinary shares	100.00
Deferred shares	100.00

	2022
	£
Aggregate capital and reserves	1,729,280
Loss for the period	<u>(237,660)</u>

**Coventry Regeneration Limited**

Registered office: C/O Room 56 Council House, Earl Street, Coventry, England, CV1 5RR

Nature of business: Property development

Class of shares:	% holding
Ordinary	100.00

	2022
	£
Aggregate capital and reserves	48
Profit for the period	<u>1</u>

**Coventry Technical Resources Limited**

Registered office: C/O Room 56 Council House, Earl Street, Coventry, England, CV1 5RR

Nature of business: Resource solutions services

Class of shares:	% holding
Ordinary	100.00

	2022
	£
Aggregate capital and reserves	2,763,070
Loss for the period	<u>(2,103)</u>

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

12. INVESTMENTS - continued

Company

No Ordinary Hotels Limited

Registered office: Coombe Abbey Hotel Brinklow Road, Binley, Coventry, England, CV3 2AB

Nature of business: Hotels and similar accommodation

Class of shares:	%	
Ordinary	holding	
	100.00	
Aggregate capital and reserves		2022 £ <u>2</u>

Investments in subsidiaries were independently valued on a fair value basis at 31st March 2022. Gains and losses are recognised in other comprehensive income and credited to the fair value reserve.

13. INVENTORIES

	<b>Group</b> £
Finished goods and goods for resale	71,350
	<u>71,350</u>

14. TRADE AND OTHER RECEIVABLES

	<b>Group</b> £	<b>Company</b> £
Current:		
Trade debtors	3,805,031	-
Amounts owed by group undertakings	71,213	117,272
Other debtors	274,526	-
Prepayments and accrued income	597,094	7,000
	<u>4,747,864</u>	<u>124,272</u>

15. CASH AND CASH EQUIVALENTS

	<b>Group</b> £	<b>Company</b> £
Cash in hand	5,833	-
Bank accounts	5,042,474	88,763
	<u>5,048,307</u>	<u>88,763</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
20,198,503	Ordinary	£1	<u>20,198,503</u>

20,198,503 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

17. RESERVES

Group

	Retained earnings £	Merger reserve £	Capital contribution reserve £	Totals £
Deficit for the period	(783,084)			(783,084)
Capital contribution	-	-	150,000	150,000
Business combination	-	(11,467,705)	-	(11,467,705)
At 31 March 2022	<u>(783,084)</u>	<u>(11,467,705)</u>	<u>150,000</u>	<u>(12,100,789)</u>

Company

	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Totals £
Profit for the period	4,923			4,923
Revaluation of investments	-	-	(1,518,500)	(1,518,500)
Capital contribution	-	150,000	-	150,000
At 31 March 2022	<u>4,923</u>	<u>150,000</u>	<u>(1,518,500)</u>	<u>(1,363,577)</u>

**Capital Contribution**

The capital contribution reserve relates to contributions to the equity capital of the group, without issue of share capital. On 5th November 2021, Coventry Municipal Holdings Ltd received a capital contribution from Coventry City Council, the parent entity and ultimate controlling party. The purpose of the capital contribution was to fund working capital requirements of Coventry Municipal Holdings Ltd.

**Merger Reserve**

The merger reserve relates to business combinations under common control during the period, as stated below.

**Fair Value Reserve**

The fair value reserve relates to movements in fair value of investments in subsidiaries recognised at fair value through other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

**Business Combination**

On 5th November 2021, Coventry Municipal Holdings Ltd acquired 100% of the issued share capital of the following entities under common control:

- Tom White Waste Limited, and subsidiaries; A&M Metals and Waste Limited and Tom White Waste (LACO) Limited
- Coombe Abbey Park Limited, and subsidiaries; Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited
- Coventry Technical Resources Limited
- Coventry Regeneration Limited
- No Ordinary Hotels Limited

The primary reason for the business combination was to strengthen the governance arrangements to manage the commercial wholly owned arm's length investment of Coventry City Council's, ultimate controlling party.

The reorganisation of the Coventry City Council's external companies through Coventry Municipal Holdings Ltd provides strong strategic leadership which, in turn will:

- deliver sustainable growth across existing commercial investments,
- identify and execute opportunity for investment in new initiatives and opportunities; and
- seek to increase the financial return to the shareholder, Coventry City Council, to help offset other frontline service budget pressures.

The group has adopted the policy to recognised business combinations under common control using the predecessor value method (Merger Accounting). The assets and liabilities of the entities acquired are consolidated using their respective carrying values at the acquisition date. Any difference between the carrying values of net assets and consideration is shown as a deduction in equity within the Merger reserve.

The entities were acquired by way of a share for share exchange, whereby Coventry Municipal Holdings Ltd issued new irredeemable share capital to Coventry City Council in exchange for the whole issued share capital of the acquired entities. The amount of share capital issued was £20,198,502 which represents the fair value of the entities acquired at the date of acquisition. The ultimate controlling party before and after the transactions remained to be Coventry City Council.

The recognised amounts of each major class of assets and liabilities acquired at the acquisition date is shown in the table below. This shows the combined total of all subsidiaries acquired.

<b>Major class of asset or liability acquired:</b>	<b>Totals</b>
	£
Investments	103
Property, plant and equipment	33,120,011
Inventory	50,606
Trade and other receivables	5,062,422
Tax receivable	159,056
Cash and cash equivalents	4,531,241
Trade and other payables	(8,446,534)
Tax payable	(169,376)
Financial liabilities - borrowings	(25,576,732)
<b>Total identifiable net assets</b>	<b>8,730,797</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

18. TRADE AND OTHER PAYABLES

	Group £	Company £
Current:		
Trade creditors	4,539,485	-
Amounts owed to group undertakings	516,273	16,271
Social security and other taxes	722,837	22,154
Other creditors	75,973	1,136
Accruals and deferred income	1,616,386	18,550
	<u>7,470,954</u>	<u>58,111</u>

19. FINANCIAL LIABILITIES - BORROWINGS

	Group £
Current:	
Bank loans	216,624
Other loans	479,171
Leases (see note 20)	1,106,238
	<u>1,802,033</u>
Non-current:	
Bank loans - 1-2 years	3,087,039
Other loans - 1-2 years	7,819,941
Leases (see note 20)	15,487,398
	<u>26,394,378</u>

Terms and debt repayment schedule

Group

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	216,624	240,840	722,520	2,123,679	3,303,663
Other loans	479,171	473,011	1,251,203	6,095,727	8,299,112
Leases	1,106,238	738,195	1,609,767	13,139,436	16,593,636
	<u>1,802,033</u>	<u>1,452,046</u>	<u>3,583,490</u>	<u>21,358,842</u>	<u>28,196,411</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

19. FINANCIAL LIABILITIES - BORROWINGS - continued

**Other Loans**

Other Loans represent amounts payable to Coventry City Council. The loans were refinanced in April 2021 and the loan term has been extended to March 2046. The rate of interest on the loans range between 5.15% and 5.25%. The group benefited from a 12 month interest and repayment holiday which ended on 31st March 2022.

The loan is secured against Property, Plant and Equipment of the group as stated in note 11.

**Bank Loans**

Interest on the bank loans is charged per annum at 2.25% above the Bank of England base rate of interest.

The bank loans and overdraft are secured by the following:

A mortgage debenture, dated 21/01/1991, over the assets of Tom White Waste Ltd.

A first legal mortgage, dated 21/08/2013, over 1 Coronel Avenue, Rowleys Green, Coventry.

A first legal mortgage, dated 30/03/2015, over 75 Longford Road, Coventry.

A first legal mortgage, dated 21/12/2016, over Unit 13A, Stonebrook Way, Longford, Coventry.

A first legal mortgage, dated 28/07/1998, over land ex Grimley Haulage Depot, Off Stonebrook Way, Longford, Coventry vesting in Tom White Waste Ltd.

Guarantee given by company Tom White Waste Limited, Waste Masters Hire Limited dated 17/11/2017.

Collateral warranties relating to a project at 75 Longford Road, Coventry.

20. LEASING

**Group**

**Right-of-use assets**

**Property, plant and equipment**

	£
<b>COST</b>	
Additions	2,336,795
Acquisitions from business combination	15,506,465
	<u>17,843,260</u>
 <b>DEPRECIATION</b>	
Charge for year	<u>267,639</u>
 <b>NET BOOK VALUE</b>	 <u><u>17,575,621</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

20. LEASING - continued

Group  
Lease liabilities

Minimum lease payments fall due as follows:

	£
Gross obligations repayable:	
Within one year	1,868,306
Between one and five years	5,267,226
In more than five years	69,909,783
	<u>77,045,315</u>
Finance charges repayable:	
Within one year	762,068
Between one and five years	2,919,264
In more than five years	56,770,347
	<u>60,451,679</u>
Net obligations repayable:	
Within one year	1,106,238
Between one and five years	2,347,962
In more than five years	13,139,436
	<u>16,593,636</u>

The Group leases Land and Buildings, Plant and Machinery and Motor Vehicles. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Leasehold Land and Buildings include a non-cancellable lease of the Coombe Abbey Hotel from Coventry City Council with a term of 125 years commencing November 2006. The monthly lease rentals are £54,792. The lease includes restrictions on the use of the asset.

Motor Vehicles and Plant and Machinery include non-cancellable leases with terms ranging between one to five years. In some cases, the Group has options to purchase assets at the end of the contract term.

The weighted average incremental borrowing rate applied to measure lease liabilities during the period was 5.25%.

At 31st March 2022 the group is committed to £14,100 relating to leases classified as short term where the right-of-use asset and corresponding lease liabilities are not recognised in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

21. FINANCIAL INSTRUMENTS

The subsidiaries in the group hold or issue financial instruments to finance their operations and enter contracts to manage risks arising from these operations and its sources of finance in accordance with their respective accounting policies. In addition, various financial instruments such as trade debtors, cash and trade creditors arise directly from the operation of the companies. Cash is only placed in reputable financial institutions to minimise credit risk.

Operations in Tom White Waste group (TWW) and Coombe Abbey Park group (CAPL) are financed by a mixture of retained profits, finance leases and term loans. Working capital requirements are funded principally out of retained profits, however CAPL has a line of credit of £2m that can be accessed at commercial rates. Coventry City Council provided Coventry Municipal Holdings Ltd with a one-off working capital grant to support the operation of the company during the period.

Coventry City Council also approved a refinancing package for CAPL which was executed in April 2021 and was approved by both the Board of CAPL and the Council. It consolidated the existing loans in place along with any deferred payments from 2020 because of the pandemic and limited operation of the business in year.

**CREDIT RISK**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The company does not hold any collateral.

The group's main credit risk arises from trade debtors, being amounts owed by customers. The group offers credit terms to customers which are typically 30 days from invoice date.

The group monitors their debtors and creditors on a regular basis to understand any pressures and assess the uncertainty in relation to receipts and payments. The Finance teams are in regular contact with customers and suppliers to ensure that these financial liabilities can be met. All entities in the group have resource to manage any aged debtors and escalate any concerns as necessary and the Board of Directors have oversight in relation to the debtor and creditor position as part of the monthly board packs.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The following table shows a maturity analysis of the group's trade debtors at 31st March 2022.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade debtors	3,805,031	1,884,823	1,174,583	260,072	485,553
	<u>3,805,031</u>	<u>1,884,823</u>	<u>1,174,583</u>	<u>260,072</u>	<u>485,553</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

LIQUIDITY RISK

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group aims to maintain sufficient levels of cash and cash equivalents to meet its obligations as they fall due.

A weekly cashflow is shared with the Board of Directors for Tom White and CAPL to highlight the financial impact of operational performance and to inform management of any action that maybe required. The group has a risk register in place to limit the adverse effect of the financial performance of the group by monitoring levels of debt and related finance costs.

**Trade and other payables**

The group monitors the level of expected cash inflows on trade and other receivables together with expected outflows on trade and other payables. At 31st March 2022, the expected inflows from trade debtors within 30 days was £1,884,823 and the expected outflows from trade creditors within 30 days was £1,638,377. The group holds cash reserves of £5,048,307 at the year end which is sufficient to enable the group to meet its expected cash outflows.

The following table shows a maturity analysis of the group's trade creditors at 31st March 2022.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade creditors	4,539,485	1,638,377	1,279,130	352,747	1,269,231
	<u>4,539,485</u>	<u>1,638,377</u>	<u>1,279,130</u>	<u>352,747</u>	<u>1,269,231</u>

**Exposure to liquidity risk**

The following table shows the contractual maturities of cash outflows of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Total £	Less than 1 year £	1-2 years £	2-5 years £	More than 5 years £
Lease liabilities	77,045,315	1,868,306	1,483,050	3,784,176	69,909,783
Secured bank loans	3,920,920	240,840	240,840	722,520	2,716,720
Other loans	13,132,525	919,190	863,090	2,292,173	9,058,072
	<u>94,098,761</u>	<u>3,028,336</u>	<u>2,586,980</u>	<u>6,798,869</u>	<u>81,684,576</u>

With regards to bank loans and leases both Tom White Waste Ltd and Coombe Abbey Park Ltd meet the obligations of the respective loans they have in place with regards to sharing management information on the performance of the businesses. Tom White Waste Ltd have regular meetings with their lender and providers of capital asset financing.

The group held cash and cash equivalents of £5,048,307 at 31st March 2022.

The group has a line of credit amounting to £2,000,000 which can be accessed at commercial rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

**MARKET RISK**

Market risk is the risk that changes in market prices will affect the Groups income and expenditure or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

**Exposure to Interest rate risk**

The group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the company to interest rate risk. Borrowings obtained at fixed rates expose the company to fair value risk

Interest on Bank Loans is charged at 2.25% per annum above the Bank of England base rate of interest.

Interest on Other Loans is charged at 4.5% per annum above the Bank of England base rate of interest. Other Loans represent amounts payable to Coventry City Council. The loans were refinanced during the period and the loan term has been extended to March 2046.

There has been an increase in the Bank of England base rate since the year end and this will be closely monitored by the group to ensure that the entities are still able to meet these financial obligations. The Board of Directors will consider the impact of proposed changes in the interest rate at each Board meeting and assess the impact this will have on the available cash to meet debt servicing costs alongside the impact on the forecast profits and consider the options available to best manage this.

At 31st March 2022 the Bank of England base rate was 0.75%.

The following table shows a sensitivity analysis of how profit and loss would have been affected by changes in the interest rate on variable-rate instruments at the reporting date.

<b>Sensitivity Analysis: Other loans and Secured Bank Loans</b>	<b>Profit or Loss £</b>	<b>Equity £</b>
Bank of England base rate at 3.0%	(153,233)	(157,377)
Bank of England base rate at 5.0%	(286,834)	(294,662)

22. **DEFERRED TAX**

**Group**

Accelerated capital allowances	£ 1,034,481
Balance at 31 March	<u>1,034,481</u>

From 17 March 2020 the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, the UK corporation tax rate will increase to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at a rate of 25%.

The group has tax losses available for offset against future trading profits of approximately £9.1m at 31st March 2022. A deferred tax asset in respect of these losses of £9.1m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

23. PENSION COMMITMENTS

The company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of profit or loss and other comprehensive income of £54,025 represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31st March 2022 contributions of £10,126 due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

24. RELATED PARTY DISCLOSURES

**Receivable from and payable to related parties**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

**Coventry City Council:**

	Group £	Company £
Current assets		
Trade receivables	417,458	
Amounts owed by Group undertakings	71,213	71,213
Current liabilities:		
Trade payables	887,134	
Amounts owed to Group undertakings	516,273	16,271

**Other entities with common control**

	Group £	Company £
Current assets		
Amounts owed by Group undertakings		46,060

**Loans payable to related parties**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

**Coventry City Council:**

	Group £	Company £
Current liabilities:		
Other loans (see note 19)	479,171	
Lease liabilities (see note 19)	55,677	
Non-current liabilities:		
Other loans (see note 19)	7,819,941	
Lease liabilities (see note 19)	13,279,309	

**Right-of-use assets leased from related parties**

The following right-of-use assets at the reporting date are relation to lease arrangements with related parties:

**Coventry City Council:**

	Group £	Company £
Non-current assets		
Leasehold land and property (see note 20)	13,906,645	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022

**Transactions with related parties**

The following transactions occurred with related parties during the period:

**Coventry City Council:**

	Group	Company
	£	£
<b>Income</b>		
Sales	1,611,107	59,343
<b>Expenditure</b>		
Salary costs recharged	14,416	14,416
Management fees payable	9,773	9,773
Lease liability interest (see note 6)	288,299	
Interest payable to group undertakings (see note 6)	170,576	
Depreciation - right-of-use assets (see note 20)	67,482	
Purchases	318,132	

**Other entities with common control**

	Group	Company
	£	£
<b>Income</b>		
Sales		68,406
<b>Expenditure</b>		
Salary costs recharged		37,307

**Remuneration of key management personnel**

The remuneration of key management personnel of the group, who are also directors, is as follows

	Group	Company
	£	£
Aggregate compensation - short term employee benefits	168,139	63,772

**Capital contribution**

On 5th November 2021, Coventry Municipal Holdings Ltd received a capital contribution of £150,000 from Coventry City Council. The purpose of the capital contribution is to fund working capital requirements of Coventry Municipal Holdings Ltd. The capital contribution is recognised the capital contribution reserve within equity as shown in note 17.

**Terms and conditions**

All transactions were made on normal commercial terms and conditions and at market rates.

25. **EVENTS AFTER THE REPORTING PERIOD**

The Coventry City Council has approved a commercial loan to Tom White Waste Ltd in October 2021 which will be considered in future accounts. The development of the Material Recycling Facility supports the Coventry City Council's Climate Change Strategy, in particular the aspirations in relation to the Circular Economy. Commercial negotiation is currently underway for the value of works to be undertaken and releasing the value of the loan at this stage be counterproductive.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the period 26 October 2021 to 31 March 2022**

**26. ULTIMATE CONTROLLING PARTY**

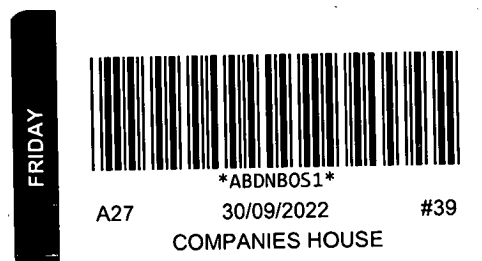
The ultimate parent company and ultimate controlling party is Coventry City Council. The consolidated financial statements of the Coventry City Council are available from the registered office address as follows:

Coventry City Council  
Council House  
Coventry  
CV1 5RR

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Company Registration No. 02700383 (England and Wales)

**COOMBE ABBEY PARK LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**



# COOMBE ABBEY PARK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Gregg R E Harrison P Mudhar A Walster
<b>Secretary</b>	G S Sangha
<b>Company number</b>	02700383
<b>Registered office</b>	Coombe Abbey Hotel Brinklow Road Binley Coventry CV3 2AB
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

# COOMBE ABBEY PARK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the Strategic Report for the year ended 31 December 2021.

On 19 April 2021, the company incorporated two new subsidiaries Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited. These were to assist the company in achieving its objective of securing future developments including but not limited to outside operations within Coventry, enhancements to the existing site and potential acquisitions and/or Management Contracts.

#### **Fair review of the business**

The results for the year are set out on page 10 of the accompanying financial statements.

During the year the hotel has seen turnover improve to £6,767,585 (2020 -£3,416,149).

However, the group is reporting an operating loss of £103,718 (2020 – loss of £2,171,730), an improvement on the previous year despite the effect of the operating conditions experienced due to COVID-19.

We were closed until 12th April 2021 when we could open only for limited numbers outdoors. From mid-May we could open indoor areas but with strict restrictions and no large weddings/conferences or events. It was not until July when we could open to these types of business.

The Statement of Financial Position on page 11 sets out the financial position of the group at the year end. The group has significant amounts of gross and net assets which have moved in line with the financial performance. The group has experienced a net cash inflow of £1,404,107 in the year and cash balances remain robust at a little over £1,700,000.

#### **Principal risks and uncertainties**

The management of the business and execution of group strategy are subject to several risks.

The key business risks and uncertainties affecting the group are considered to relate to the competition from the hotels in the immediate locality of Coombe Abbey Hotel.

#### **Financial risk management**

The group is exposed to financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The group has in place a risk management program that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

#### **The hotel industry supply and demand cycle**

The hotel industry operates in an inherently cyclical marketplace. A weakening of demand or an increase in market room supply may lead to downward pressure on room rates which in turn would lead to a negative effect on operating performance.

Whilst the Brexit Transition period has ended the full effects have yet to filter through to the supply chain and due to the situation with the ongoing pandemic some uncertainty remains. The new Immigration Policies for Sponsor Licence, Minimum Wage increases also provide their own set of challenges.

The group's management prepare timely forecast information and review past levels of business in order to react to the current economic climate.

# COOMBE ABBEY PARK LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Coronavirus pandemic

With the continuation of the pandemic Coombe Abbey Hotel, in common with many other hospitality businesses, had to close its doors from 5th November 2020 and remained closed until 12th April 2021.

The Café business remained open throughout initially for takeaway business in line with government guidelines and remained open through the remainder of the year but changing operation to comply with the Government guidance in place at the time.

We reopened on 12th April for outdoor eating on West Terrace as per guidelines. The main hotel reopened in mid May 2021 and operated with restrictions on event capacity and social distancing in place. Despite these restrictions Coombe Abbey Hotel traded well.

Shareholders and Government, are providing support to help the group manage through the crisis with:

- Government Support to Business through the Furlough Scheme and HMRC Payment Deferrals
- Local Authority Rates Relief for 2020/2021
- LRSG support Grants
- Re financing package with Coventry City Council.

This support is allowing the group to work through the pandemic crisis and establish the business model that will be the foundation for the group as we move forwards.

#### Litigation

The group may be at risk from various parties with which it interacts, either through direct contractual arrangements, the provision of services or failure to comply with regulatory requirements such as health and safety regulations. The group has processes in place to manage the risks associated with its various contractual relationships and appropriate compliance programmes necessary to provide assurance in respect of regulatory obligations.

#### Key performance indicators

The directors monitor the performance of the hotel using standard industry key performance indicators to measure against budgetary expectation and year on year comparisons. They do so with reference to the unique trading circumstances associated with operating a hotel out of a 12th Century Abbey situated in 500 acres of Warwickshire parkland.

#### Financial instruments

The group holds or issues financial instruments to finance its operations and enters into contracts to manage risks arising from those operations and its sources of finance in accordance with its accounting policies.

In addition, various financial instruments such as trade debtors, cash and trade creditors arise directly from the group's operations. Cash is placed only with reputable financial institutions to minimise credit risk.

Operations are financed by a mixture of retained profits, finance leases and term loans. Working capital requirements are funded principally out of retained profits, however, following the change of ownership to Coventry City Council, a line of credit of £2m has been approved through the Council, at commercial rates.

Further to these a refinancing package was executed in April. The proposal was approved by both our Board and Council (Cabinet & Committee). This repaid the existing CAPL loan along with the CCC Covid Drawdown (2020) as well as the main loan & rent payments deferred in 2020. It will provide £1m in cash flow as well as a further £1.5m in a drawdown facility.

#### Future developments

There are no plans to change the nature of the activities of the business from those set out above.

**COOMBE ABBEY PARK LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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On behalf of the board

.....  
A Walster  
**Director**

Date: 30/09/22  
.....

# COOMBE ABBEY PARK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the company and group in the year under review was that of operation of a hotel.

The hotel provides a number of services including accommodation, weddings and conferences, dining services including banquets and afternoon teas, and parkland which includes a Go Ape course.

On 19 April 2021 No Ordinary Hospitality Management Limited and Coombe Abbey Park (LACO) Limited were incorporated and are 100% subsidiaries of Coombe Abbey Park Limited.

#### Results and dividends

The results for the year are set out on page 10.

#### Directors

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

B Hastie	(Resigned 5 November 2021)
J Gregg	(Appointed 5 November 2021)
R E Harrison	(Appointed 5 November 2021)
P Mudhar	(Appointed 5 November 2021)
R E Moon	(Resigned 5 November 2021)
A Walster	

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Auditor

RSM UK Audit LLP were reappointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual 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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Strategic report

Information as requested by schedule 7 of the large and medium-sized companies and groups (Accounts and Reports) Regulations 2008 including future developments and principal risk and uncertainties has been included in the Strategic Report.

# COOMBE ABBEY PARK LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Going concern

The financial statements have been prepared on a going concern basis, notwithstanding £471,182 loss before taxation at 31 December 2021 (2020: £2,417,647), which the directors believe to be appropriate for the following reasons.

The ultimate controlling party, Coventry City Council, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available until the company is in a position to do so. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for repayment.

As with any company placing reliance on its parent entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so. Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

On behalf of the board

.....  
A Walster  
Director

30/09/22  
Date: .....

# **COOMBE ABBEY PARK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report and the Directors' 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 group and company, 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 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED

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## Opinion

We have audited the financial statements of Coombe Abbey Park Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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 group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent 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 group or the parent 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED (CONTINUED)**

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety and hygiene. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition in respect of the existence and valuation of events income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and undertaking substantive tests of detail to ensure that revenue was appropriately recognised in the year.

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.

Andrew Allchin FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Central Square  
5th Floor  
29 Wellington Street  
Leeds  
LS1 4DL  
30/09/22  
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# COOMBE ABBEY PARK LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	6,767,585	3,416,149
Cost of sales		(4,886,939)	(4,042,248)
<b>Gross profit/(loss)</b>		<b>1,880,646</b>	<b>(626,099)</b>
Administrative expenses		(2,845,684)	(2,813,570)
Other operating income		861,320	1,267,939
<b>Operating loss</b>	<b>6</b>	<b>(103,718)</b>	<b>(2,171,730)</b>
Interest receivable and similar income	8	-	3,063
Interest payable to group undertakings	9	(364,531)	(243,314)
Other interest payable and similar expenses	9	(2,933)	(5,666)
<b>Loss before taxation</b>		<b>(471,182)</b>	<b>(2,417,647)</b>
Tax on loss	10	-	-
<b>Loss for the financial year</b>		<b>(471,182)</b>	<b>(2,417,647)</b>

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**COOMBE ABBEY PARK LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12		8,971,222		9,195,882
<b>Current assets</b>					
Stocks	15	69,289		27,798	
Debtors falling due after more than one year	16	183,120		184,800	
Debtors falling due within one year	16	1,133,137		357,229	
Cash at bank and in hand		1,727,275		328,971	
		<u>3,112,821</u>		<u>898,798</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,423,404)</u>		<u>(3,535,156)</u>	
<b>Net current assets/(liabilities)</b>			689,417		(2,636,358)
<b>Total assets less current liabilities</b>			<u>9,660,639</u>		<u>6,559,524</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(7,860,695)</u>		<u>(4,288,398)</u>
<b>Net assets</b>			<u><u>1,799,944</u></u>		<u><u>2,271,126</u></u>
<b>Capital and reserves</b>					
Called up share capital	22		3,295,851		3,295,851
Profit and loss reserves	23		<u>(1,495,907)</u>		<u>(1,024,725)</u>
<b>Total equity</b>			<u><u>1,799,944</u></u>		<u><u>2,271,126</u></u>

The financial statements were approved by the board of directors and authorised for issue on <sup>30/09/22</sup>..... and are signed on its behalf by:

.....  
P Mudhar  
Director

**COOMBE ABBEY PARK LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	12	8,971,222		9,195,882	
Investments	13		2		-
		<u>8,971,224</u>		<u>9,195,882</u>	
<b>Current assets</b>					
Stocks	15	69,289		27,798	
Debtors falling due after more than one year	16	183,120		184,800	
Debtors falling due within one year	16	1,129,288		357,229	
Cash at bank and in hand		1,727,275		328,971	
		<u>3,108,972</u>		<u>898,798</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,423,405)</u>		<u>(3,535,156)</u>	
<b>Net current assets/(liabilities)</b>		<u>685,567</u>		<u>(2,636,358)</u>	
<b>Total assets less current liabilities</b>		<u>9,656,791</u>		<u>6,559,524</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(7,860,695)</u>		<u>(4,288,398)</u>	
<b>Net assets</b>		<u><u>1,796,096</u></u>		<u><u>2,271,126</u></u>	
<b>Capital and reserves</b>					
Called up share capital	22	3,295,851		3,295,851	
Profit and loss reserves	23	(1,499,755)		(1,024,725)	
<b>Total equity</b>		<u><u>1,796,096</u></u>		<u><u>2,271,126</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £475,030 (2020 - £2,417,647 loss).

30/09/22

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

.....  
P Mudhar  
Director

# COOMBE ABBEY PARK LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		<u>3,295,851</u>	<u>1,092,922</u>	<u>4,388,773</u>
<b>Year ended 31 December 2020:</b>				
Loss and total comprehensive income for the year		-	(2,417,647)	(2,417,647)
Dividends	11	-	300,000	300,000
<b>Balance at 31 December 2020</b>		<u>3,295,851</u>	<u>(1,024,725)</u>	<u>2,271,126</u>
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year		-	(471,182)	(471,182)
<b>Balance at 31 December 2021</b>		<u><u>3,295,851</u></u>	<u><u>(1,495,907)</u></u>	<u><u>1,799,944</u></u>

# COOMBE ABBEY PARK LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		<u>3,295,851</u>	<u>1,092,922</u>	<u>4,388,773</u>
<b>Year ended 31 December 2020:</b>				
Loss and total comprehensive income for the year		-	(2,417,647)	(2,417,647)
Dividends	11	-	300,000	300,000
<b>Balance at 31 December 2020</b>		<u>3,295,851</u>	<u>(1,024,725)</u>	<u>2,271,126</u>
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year		-	(475,030)	(475,030)
<b>Balance at 31 December 2021</b>		<u><u>3,295,851</u></u>	<u><u>(1,499,755)</u></u>	<u><u>1,796,096</u></u>

# COOMBE ABBEY PARK LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	24	(313,301)		(980,567)	
Interest paid		(367,464)		(248,980)	
<b>Net cash outflow from operating activities</b>		<b>(680,765)</b>		<b>(1,229,547)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(251,323)		(47,896)	
Proceeds on disposal of tangible fixed assets		3,226		-	
Interest received		-		3,063	
<b>Net cash used in investing activities</b>		<b>(248,097)</b>		<b>(44,833)</b>	
<b>Financing activities</b>					
Proceeds from borrowings		3,645,922		750,000	
Repayment of borrowings		(1,305,056)		(114,671)	
Payment of finance leases obligations		(13,700)		(29,610)	
<b>Net cash generated from financing activities</b>		<b>2,327,166</b>		<b>605,719</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,398,304</b>		<b>(668,661)</b>	
Cash and cash equivalents at beginning of year		328,971		997,632	
<b>Cash and cash equivalents at end of year</b>		<b>1,727,275</b>		<b>328,971</b>	

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Coombe Abbey Park Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, England, CV3 2AB.

The group consists of Coombe Abbey Park Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosure

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Coombe Abbey Park Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

#### Going concern

The financial statements have been prepared on a going concern basis, notwithstanding £471,182 loss before taxation at 31 December 2021 (2020: £2,417,647), which the directors believe to be appropriate for the following reasons.

The ultimate controlling party, Coventry City Council, has provided the group with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the group and in particular will not seek repayment of the amounts currently made available until the group is in a position to do so. This should enable the group to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for repayment.

As with any group placing reliance on its parent entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so. Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts and settlement discounts.

Turnover represents the provision of hotel accommodation, the sale of food and beverages and the provision of room hire and other services. All turnover arises wholly in the United Kingdom.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has passed to the buyer (at the point of sale).

Turnover from the provision of services is recognised in the period in which the services are provided to the customer.

#### Other operating income

Other operating income relates to joint ventures operations. Where the company has a long term interest and shares control under a contractual arrangement over an economic activity which uses the company's assets and resources but is not set up in a separate entity, the company recognises its assets, liabilities and expenses and a share of income earned from the jointly controlled operation.

#### Tangible fixed assets

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

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:

Leasehold improvements	Over 50 years
Plant and equipment	Between 5-20 years straight line
Fixtures and fittings	10 years straight line
Motor vehicles	25% on reducing balance

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

Assets in the course of construction are not depreciated.

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.

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

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.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

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

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***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 group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Dividends on preference shares classified as liabilities are presented within interest payable and other expenses.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

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

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

#### Employee benefits

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

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

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

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies (Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

#### Government grants

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

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Deferred tax asset

The company has tax losses available for offset against future trading profits of approximately £6.4m (2020: £6.3m) at the year end. A deferred tax asset in respect of part of these losses of £1.6m (2020 - £1.2m) has not been recognised as the timing of expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition of these in future years as the current restrictions on trading activity arising from Government policy are reviewed.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Accommodation	1,907,436	1,059,386
Food, beverages and catering	3,957,231	2,130,084
Other services	902,918	226,679
	<u>6,767,585</u>	<u>3,416,149</u>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue (Continued)

	2021	2020
	£	£
<b>Other revenue</b>		
Interest income	-	3,063
Grants received	458,137	1,088,369
Other operating income	403,183	179,570
	<u>403,183</u>	<u>179,570</u>

All turnover arises wholly in the United Kingdom.

During the year, the company received £415,280 (2020: £1,088,369) from the UK Government in respect of the Coronavirus Job Retention Scheme as a result of the Covid-19 pandemic and £42,857 (2020: £Nil) in Local Restriction Support Grant (LRSG).

Other operating income of £403,183 (2020 - £179,570) that relates to a joint venture with Go Ape.

### 4 Employees

The average monthly number of persons (including directors) employed during the year was:

	<b>Group and company 2021 Number</b>	<b>2020 Number</b>
Management and administration	24	42
Hotel and banquets	168	184
Total	<u>192</u>	<u>226</u>

Their aggregate remuneration comprised:

	<b>Group and company 2021 £</b>	<b>2020 £</b>
Wages and salaries	3,020,453	2,883,366
Social security costs	190,880	210,454
Pension costs	38,924	43,528
	<u>3,250,257</u>	<u>3,137,348</u>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	16,042	-
Company pension contributions to defined contribution schemes	726	-
	<u>16,768</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 0).

### 6 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(458,137)	(1,088,369)
Depreciation of owned tangible fixed assets	470,560	490,079
Depreciation of tangible fixed assets held under finance leases	2,842	10,477
Profit on disposal of tangible fixed assets	(645)	-
Operating lease charges	<u>768,777</u>	<u>733,258</u>

### 7 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	<u>38,100</u>	<u>25,000</u>

### 8 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	<u>-</u>	<u>3,063</u>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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**9 Interest payable and similar expenses**

	2021	2020
	£	£
Interest payable to group undertakings	364,531	243,314
Interest on finance leases and hire purchase contracts	2,933	5,666
	<u>367,464</u>	<u>248,980</u>
Total finance costs	<u>367,464</u>	<u>248,980</u>
Disclosed on the income statement as follows:		
Interest payable to group undertakings	364,531	243,314
Other interest payable and similar expenses	2,933	5,666
	<u>367,464</u>	<u>248,980</u>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Taxation

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(471,182)	(2,417,647)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(89,525)	(459,353)
Tax effect of expenses that are not deductible in determining taxable profit	770	1,465
Permanent capital allowances in excess of depreciation	55,122	55,122
Adjustments for deferred tax rates	(379,218)	(80,469)
Deferred tax not recognised	412,851	483,235
Taxation charge	-	-

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 December 2021.

#### 11 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Dividends waived	-	(300,000)
	-	(300,000)

In 2020 the shareholders of the company agreed to waive the £300,000 dividend from 31 December 2019.

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12 Tangible fixed assets

Group and company	Leasehold improvements	Assets under construction	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2021	18,852,173	-	3,183,720	2,516,594	52,918	24,605,405
Additions	-	207,677	-	43,646	-	251,323
Disposals	-	-	-	-	(9,300)	(9,300)
At 31 December 2021	18,852,173	207,677	3,183,720	2,560,240	43,618	24,847,428
<b>Depreciation and impairment</b>						
At 1 January 2021	10,520,487	-	2,843,707	2,011,865	33,464	15,409,523
Depreciation charged in the year	290,115	-	84,140	94,036	5,111	473,402
Eliminated in respect of disposals	-	-	-	-	(6,719)	(6,719)
At 31 December 2021	10,810,602	-	2,927,847	2,105,901	31,856	15,876,206
<b>Carrying amount</b>						
At 31 December 2021	8,041,571	207,677	255,873	454,339	11,762	8,971,222
At 31 December 2020	8,331,686	-	340,013	504,729	19,454	9,195,882

#### 13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	2	-

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2021	-
Additions	2
	<hr/>
At 31 December 2021	2
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	2
	<hr/> <hr/>
At 31 December 2020	-
	<hr/> <hr/>

During the year the parent company incorporated 2 wholly owned subsidiary undertakings each issuing 1 ordinary £1 share at par.

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Coombe Abbey Park (LACO) Limited	Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, United Kingdom, CV3 2AB	Consultancy services	Ordinary	100.00
No Ordinary Hospitality Management Limited	Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, United Kingdom, CV3 2AB	Consultancy services	Ordinary	100.00

On 19 April 2021, the company incorporated two new subsidiaries Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited. These were to assist the company in achieving its objective of securing future developments including but not limited to outside operations within Coventry, enhancements to the existing site and potential acquisitions and/or Management Contracts.

### 15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	69,289	27,798	69,289	27,798
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	409,728	74,050	409,728	74,050
Amounts owed by group undertakings	-	-	47,233	-
Other debtors	429,576	148,803	429,575	148,803
Prepayments and accrued income	293,833	134,376	242,752	134,376
	<u>1,133,137</u>	<u>357,229</u>	<u>1,129,288</u>	<u>357,229</u>
<b>Amounts falling due after more than one year:</b>				
Prepayments and accrued income	183,120	184,800	183,120	184,800
	<u>183,120</u>	<u>184,800</u>	<u>183,120</u>	<u>184,800</u>
<b>Total debtors</b>	<u>1,316,257</u>	<u>542,029</u>	<u>1,312,408</u>	<u>542,029</u>

During the year, an impairment loss of £326 (2020: £117) was recognised in respect of trade receivables due from customers.

#### 17 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Obligations under finance leases	19	4,653	13,700	4,653	13,700
Trade creditors		802,811	950,494	802,811	950,494
Amounts owed to group undertakings		362,169	1,356,375	362,168	1,356,375
Other taxation and social security		174,963	148,835	174,963	148,835
Deferred income	20	700,402	610,149	700,402	610,149
Dividends payable		71,653	71,653	71,653	71,653
Accruals and deferred income		306,753	383,950	306,755	383,950
		<u>2,423,404</u>	<u>3,535,156</u>	<u>2,423,405</u>	<u>3,535,156</u>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	19	2,432	7,085	2,432	7,085
Amounts owed to group undertakings		7,841,304	4,234,586	7,841,304	4,234,586
Deferred income	20	16,959	46,727	16,959	46,727
		<u>7,860,695</u>	<u>4,288,398</u>	<u>7,860,695</u>	<u>4,288,398</u>

The amounts due to group undertakings at 31 December 2021 represents a loan payable to Coventry City Council and was due for maturity in November 2028. During the year, the company refinanced the loan and the loan term is extended to March 2046. The aggregate amount payable after 5 years is £3,312,853. Amounts are repayable in quarterly instalments of £43,954 plus interest of 5.15%. At the year end, £155,028 interest was accrued.

On 1 April 2021 the company advanced a loan from Coventry City Council of £3,124,345 and is due for maturity on March 2046. No payments were made during the year, the aggregate amount payable after 5 years is £2,571,051. Amounts are repayable in quarterly instalments of £34,172 plus interest of 5.15%. At the year end, £116,484 interest was accrued.

On 26 February 2019 the company made a drawdown of £410,000 from the loan facility and the balance is due for maturity on 29 November 2028. During the year, the company restated the loan and the loan term has been extended to 28 November 2030. The aggregate amount payable after 5 years is £126,514 (2020: £164,000). Amounts are repayable in quarterly instalments of £10,543 plus interest at 5.25%.

On 26 February 2019 the company made a drawdown of £322,000 from the loan facility and the balance is due for maturity on 31 December 2023. During the year, the company restated the loan and the loan term has been extended to 31 December 2025. Amounts are repayable in quarterly instalments of £17,173 plus interest at 5.25%.

On 2 December 2019 the company made a drawdown of £211,460 from the loan facility and the balance is due for maturity on 30 September 2024. During the year, the loan was restated and the loan term is extended to September 2025. Amounts are repayable in quarterly instalments of £11,160 plus interest at 5.25%.

Repayments for the above loans commenced in April 2022.

The security on the above obligation is disclosed in note 12.

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Less than one year	4,653	13,700	4,653	13,700
Between one and five years	2,432	7,085	2,432	7,085
	<u>7,085</u>	<u>20,785</u>	<u>7,085</u>	<u>20,785</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The company's obligations under finance leases are secured by the lessor's charges over the leased assets. The net book value of secured assets is disclosed in note 12.

#### 20 Deferred income

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other deferred income	717,361	656,876	717,361	656,876

Deferred income is included in the financial statements as follows:

Current liabilities	700,402	610,149	700,402	610,149
Non-current liabilities	16,959	46,727	16,959	46,727
	<u>717,361</u>	<u>656,876</u>	<u>717,361</u>	<u>656,876</u>

#### 21 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>38,924</u>	<u>43,528</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £10,657 (2020: £5,993) were payable to the fund at the year end are included in other creditors.

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Share capital

	Group and Company			
	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital issued and fully paid</b>				
Ordinary of 1p each	6,001	6,001	60	60
Deferred shares of £1 each	3,295,791	3,295,791	3,295,791	3,295,791
	<u>3,301,792</u>	<u>3,301,792</u>	<u>3,295,851</u>	<u>3,295,851</u>

#### Ordinary shares

Each ordinary share is entitled to one vote, receive dividends and entitles the holder to participate in a return of capital.

#### Deferred shares

Each deferred share is not entitled to vote, is entitled to receive an aggregate fixed cumulative annual dividend of £1 in total and entitles the holder to participate in a return of capital.

#### Preference share

Included in other creditors is £1 of preference shares. On winding up it shall receive no payment other than the nominal amount paid up for the share. It has been classed as a financial liability and is entitled to a payment of dividends linked to the utilisation of tax losses and will be paid at 50% of tax saved by the company as a result of using tax losses.

### 23 Reserves

#### Profit and loss reserves

The profit and loss reserve represents cumulative profits and losses for the company net of distributions to owners.

### 24 Cash absorbed by group operations

	2021 £	2020 £
Loss for the year after tax	(471,182)	(2,417,647)
<b>Adjustments for:</b>		
Finance costs	367,464	248,980
Investment income	-	(3,063)
Gain on disposal of tangible fixed assets	(645)	-
Depreciation and impairment of tangible fixed assets	473,402	500,556
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(41,491)	30,998
(Increase)/decrease in debtors	(774,228)	401,772
Increase/(decrease) in creditors	163,147	(352,312)
(Decrease)/increase in deferred income	(29,768)	610,149
<b>Cash absorbed by operations</b>	<u>(313,301)</u>	<u>(980,567)</u>

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 25 Analysis of changes in net debt - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	328,971	1,398,304	1,727,275
Obligations under finance leases	(20,785)	13,700	(7,085)
Amounts owed to group undertakings	(5,590,961)	1,944,257	(3,918,352)
	<u>(5,282,775)</u>	<u>3,356,261</u>	<u>(2,198,162)</u>

### 26 Operating lease commitments

#### Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	756,495	740,215	756,495	740,215
Between one and five years	1,529,166	2,206,673	1,529,166	2,206,673
In over five years	71,561,241	71,613,325	71,561,241	71,613,325
	<u>73,846,902</u>	<u>74,560,213</u>	<u>73,846,902</u>	<u>74,560,213</u>

The Hotel is leased from Coventry City Council for 125 years commencing November 2006 at £54,791.66 per month.

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2021 £	2020 £
Aggregate compensation	<u>286,017</u>	<u>288,989</u>

### 28 Controlling party

The ultimate controlling party is Coventry City Council. The immediate parent company is Coventry Municipal Holdings Limited, and is the smallest and largest group for which consolidated accounts are prepared. The consolidated accounts of Coventry Municipal Holdings Limited are available from its registered office Council House, Earl Street, Coventry, United Kingdom, CV1 5RR.

# COOMBE ABBEY PARK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 29 Events after the reporting date

Following the year end Coombe Abbey Park Limited has provided funding to its trading subsidiary, Coombe Abbey Park (LACO) Limited to allow that entity to commence trading activities.

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Company Registration No. 01201361 (England and Wales)

**TOM WHITE WASTE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# **TOM WHITE WASTE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr P Helm Mr G W Mckelvie Mr A J Walster Mr A P Williams Mr J A Tranter	(Appointed 5 November 2021) (Appointed 5 November 2021)
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<b>Secretary</b>	Mr G S Sangha
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<b>Company number</b>	01201361
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<b>Registered office</b>	Unit 13a Stonebrook Way Longford Coventry West Midlands United Kingdom CV6 6LN
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<b>Auditor</b>	Azets Audit Services 2 Regan Way Chetwynd Business Park Chilwell Nottingham United Kingdom NG9 6RZ
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# **TOM WHITE WASTE LIMITED**

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# **TOM WHITE WASTE LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present the strategic report for the year ended 31 March 2022.

### **Fair review of the business and key performance indicators**

Turnover has increased by 30% to £17,213,033 and gross profit has decreased by 4.6% to £3,970,839. The loss before tax is £3,440,045 compared with a profit before tax of £602,059 for 2021.

The company had a mixed year. Transitioning the business from a family owned to a corporate entity has been the largest contributor to the loss situation though the Directors recognise that these are largely unique exceptional costs and as such remain positive toward the future opportunity for the company. Assets previously acquired were deemed over-valued on the balance sheet and largely past their economic use. As such a considerable impairment charge has been included in the accounts as well as an acceleration in depreciation for those remaining assets where the useful life was changed to a more realistic level. In the interim, the availability of plant, machinery and vehicles, higher costs for repairs and maintenance, along with the additional costs associated with waste disposal were excessive compared to previous years. Within the year the company assisted its parent to mitigate the effects of industrial action which formed a large proportion of the increased turnover and also the dilution of the gross profit. Directors consider that the position at the balance sheet date is satisfactory based on the operating conditions detailed above. In October 2022 Council approved a loan to Tom White Waste Limited to redevelop the existing Material Recycling Facility. This will improve the availability of the plant and increase the volume of waste that can be recycled and diverted away from landfill. The financial impact of this development will be reflected in the accounts in futures years once the construction is underway and the facility is operational.

The waste disposal trade continues to go through a period of rapid change. The political and ecological pressure is to recycle as many types of waste, such as cardboard, plastics, wood etc., as possible and reduce the amount taken to landfill.

The company is responding to these pressures and has invested and continues to invest in additional plant in order to recycle as much as possible.

### **Principal risks and uncertainties**

The directors are constantly monitoring the risks and uncertainties in their business. The directors believe that the company has adequate financial resources and bank facilities in place to enable continued trading for the foreseeable future and all risks and uncertainties are reasonably covered.

### **EU exit**

The UK's transition period for exiting the European Union ended on the 1st December 2020. The UK national waste industry is heavily reliant upon export of waste offshore, particularly to EU member states. The directors are confident that the business does not rely upon exports of waste to EU member states for its disposal routes. In that respect, the directors are of the view that the impact of the UK's exit from the European Union on the company is minimal.

### **Going concern**

In assessing the going concern assumption, the Directors have reviewed detailed profit and loss forecasts and cash flow forecasts, considering all reasonably foreseeable potential scenarios and uncertainties in relation to revenue and expenditure for a period of at least 12 months from the date these financial statements have been signed. Based on these forecasts, the Directors have a reasonable expectation that the company can meet its liabilities as they fall due and therefore the financial statements have been prepared on the going concern basis.

### **Development and performance**

The company's workforce is constantly trained, particularly in Health and Safety matters, where the company's policies are clearly laid down and are carefully displayed to ensure all employees are constantly aware of the inherent risks in the workplace.

**TOM WHITE WASTE LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2022***

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On behalf of the board

Mr A J Walster  
**Director**

Mr J A Tranter  
Director

14 March 2023

# **TOM WHITE WASTE LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors present their annual report and financial statements for the year ended 31 March 2022.

### **Principal activities**

The principal activity of the company and group continued to be that of waste management and recycling.

### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a further dividend.

### **Directors**

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

Mr P Helm

Mr G W Mckelvie

Mr A J Walster

Mr A P Williams

(Appointed 5 November 2021)

Mr J A Tranter

(Appointed 5 November 2021)

### **Auditor**

Azets Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed 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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

Mr A J Walster

**Director**

Mr J A Tranter

**Director**

14 March 2023

## **TOM WHITE WASTE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **TOM WHITE WASTE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF TOM WHITE WASTE LIMITED**

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#### **Opinion**

We have audited the financial statements of Tom White Waste Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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's and the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **TOM WHITE WASTE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TOM WHITE WASTE LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **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 parent 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **TOM WHITE WASTE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF TOM WHITE WASTE LIMITED**

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##### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

##### **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.

**Mitesh Thakrar (Senior Statutory Auditor)**  
For and on behalf of Azets Audit Services

14 March 2023

**Chartered Accountants**  
**Statutory Auditor**

2 Regan Way  
Chetwynd Business Park  
Chilwell  
Nottingham  
United Kingdom  
NG9 6RZ

## TOM WHITE WASTE LIMITED

### GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	17,213,033	13,239,984
Cost of sales		(13,242,194)	(9,075,965)
<b>Gross profit</b>		<u>3,970,839</u>	<u>4,164,019</u>
Administrative expenses		(7,428,666)	(3,661,278)
Other operating income	<b>3</b>	117,012	154,888
<b>Operating (loss)/profit</b>	<b>4</b>	<u>(3,340,815)</u>	<u>657,629</u>
Interest receivable and similar income	<b>8</b>	-	1,328
Interest payable and similar expenses	<b>9</b>	(99,230)	(56,898)
<b>(Loss)/profit before taxation</b>		<u>(3,440,045)</u>	<u>602,059</u>
Tax on (loss)/profit	<b>10</b>	169,865	(130,887)
<b>(Loss)/profit for the financial year</b>		<u><u>(3,270,180)</u></u>	<u><u>471,172</u></u>

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

## TOM WHITE WASTE LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

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	2022	2021
	£	£
(Loss)/profit for the year	(3,270,180)	471,172
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>(3,270,180)</u>	<u>471,172</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# TOM WHITE WASTE LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		12,162,925		12,033,144
<b>Current assets</b>					
Debtors	16	4,265,806		3,146,979	
Cash at bank and in hand		471,370		362,825	
		<u>4,737,176</u>		<u>3,509,804</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(7,372,659)</u>		<u>(4,269,258)</u>	
<b>Net current liabilities</b>			<u>(2,635,483)</u>		<u>(759,454)</u>
<b>Total assets less current liabilities</b>			9,527,442		11,273,690
<b>Creditors: amounts falling due after more than one year</b>	18		(5,148,066)		(3,463,545)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	1,034,481		695,070	
		<u>(1,034,481)</u>		<u>(695,070)</u>	
<b>Net assets</b>			<u>3,344,895</u>		<u>7,115,075</u>
<b>Capital and reserves</b>					
Called up share capital	23		100		100
Profit and loss reserves			3,344,795		7,114,975
			<u>3,344,895</u>		<u>7,115,075</u>
<b>Total equity</b>			<u>3,344,895</u>		<u>7,115,075</u>

The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:

Mr A J Walster  
Director

Mr J A Tranter  
Director

# TOM WHITE WASTE LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		12,162,925		12,033,144
Investments	14		101		100
			<u>12,163,026</u>		<u>12,033,244</u>
<b>Current assets</b>					
Debtors	16	5,423,227		3,533,998	
Cash at bank and in hand		470,844		318,351	
		<u>5,894,071</u>		<u>3,852,349</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(8,610,207)</u>		<u>(4,692,455)</u>	
<b>Net current liabilities</b>			<u>(2,716,136)</u>		<u>(840,106)</u>
<b>Total assets less current liabilities</b>			<u>9,446,890</u>		<u>11,193,138</u>
<b>Creditors: amounts falling due after more than one year</b>	18		<u>(5,148,066)</u>		<u>(3,463,545)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	21	<u>1,034,481</u>		<u>695,070</u>	
			<u>(1,034,481)</u>		<u>(695,070)</u>
<b>Net assets</b>			<u>3,264,343</u>		<u>7,034,523</u>
<b>Capital and reserves</b>					
Called up share capital	23		100		100
Profit and loss reserves			<u>3,264,243</u>		<u>7,034,423</u>
<b>Total equity</b>			<u>3,264,343</u>		<u>7,034,523</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £3,270,180 (2021 - £390,620 profit).

The financial statements were approved by the board of directors and authorised for issue on 14 March 2023 and are signed on its behalf by:

Mr A J Walster  
Director

Mr J A Tranter  
Director

Company Registration No. 01201361

**TOM WHITE WASTE LIMITED**

**GROUP STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 April 2020</b>	100	6,643,803	6,643,903
<b>Year ended 31 March 2021:</b>			
Profit and total comprehensive income for the year	-	471,172	471,172
<b>Balance at 31 March 2021</b>	100	7,114,975	7,115,075
<b>Year ended 31 March 2022:</b>			
Loss and total comprehensive income for the year	-	(3,270,180)	(3,270,180)
Dividends	11 -	(500,000)	(500,000)
<b>Balance at 31 March 2022</b>	100	3,344,795	3,344,895

# TOM WHITE WASTE LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 April 2020</b>	100	6,643,803	6,643,903
<b>Year ended 31 March 2021:</b>			
Profit and total comprehensive income for the year	-	390,620	390,620
<b>Balance at 31 March 2021</b>	100	7,034,423	7,034,523
<b>Year ended 31 March 2022:</b>			
Loss and total comprehensive income for the year	-	(3,270,180)	(3,270,180)
Dividends	11	(500,000)	(500,000)
<b>Balance at 31 March 2022</b>	100	3,264,243	3,264,343

# TOM WHITE WASTE LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,321,520		1,049,493	
Interest paid		(99,230)		(56,898)	
Income taxes paid		(19,286)		(177,374)	
<b>Net cash inflow from operating activities</b>		<b>2,203,004</b>		<b>815,221</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(646,428)		(693,608)	
Proceeds on disposal of tangible fixed assets		18,008		31,250	
Interest received		-		1,328	
<b>Net cash used in investing activities</b>		<b>(628,420)</b>		<b>(661,030)</b>	
<b>Financing activities</b>					
Repayment of bank loans		121,606		(124,567)	
Payment of finance leases obligations		(1,087,645)		(283,702)	
Dividends paid to equity shareholders		(500,000)		-	
<b>Net cash used in financing activities</b>		<b>(1,466,039)</b>		<b>(408,269)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>108,545</b>		<b>(254,078)</b>	
Cash and cash equivalents at beginning of year		362,811		616,889	
<b>Cash and cash equivalents at end of year</b>		<b>471,356</b>		<b>362,811</b>	
<b>Relating to:</b>					
Cash at bank and in hand		471,370		362,825	
Bank overdrafts included in creditors payable within one year		(14)		(14)	

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

#### Company information

Tom White Waste Limited is a private company limited by shares incorporated in England and Wales. Tom White Waste Group consists of Tom White Waste Limited, A&M Metals and Waste Limited and Tom White Waste (LACO) Limited. The registered office is Unit 13a, Stonebrook Way, Longford, Coventry, West Midlands, United Kingdom, CV6 6LN.

#### 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.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are also consolidated within the financial statements of Coventry Municipal Holdings Limited. These consolidated financial statements are available from its registered office: Council House, Earl Street, Coventry, CV1 5RR.

#### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (Continued)

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Tom White Waste Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

#### 1.4 Going concern

In assessing the appropriateness of the going concern assumption, the Directors have reviewed detailed profit and loss forecasts and cash flow forecasts, considering all reasonably foreseeable potential scenarios and uncertainties in relation to revenue and expenditure for a period of at least 12 months from the date these financial statements have been signed. Based on these forecasts, the Directors have a reasonable expectation that the company can meet its liabilities as they fall due and the Directors have therefore concluded that the Covid-19 pandemic does not create a material uncertainty in relation to going concern and as such have deemed it appropriate for the financial statements to be prepared on the going concern basis.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### 1.6 Tangible fixed assets

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

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:

Freehold land and buildings	2% straight line
Leasehold land and buildings	over period of the lease
Plant and equipment	3 - 10 years straight line
Fixtures and fittings	3 - 10 years straight line
Motor vehicles	3 - 10 years straight line

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 recognised in the profit and loss account.

During the year the group undertook a review of the useful economic life of the fixed assets held (excluding property). As a result of this undertaking there has been an amendment to the useful economic lives depreciation is to be charged over from this financial year going forward.

The impact of this in the financial statements is an additional current year depreciation charge of £1,045,803.

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (Continued)

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

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

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

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

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

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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 group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.11 Equity instruments

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

#### 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 profit and loss account 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 group'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 profit and loss account, 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 if, and only if, there is 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.

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies (Continued)

#### 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 fixed assets.

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

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

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

#### 1.16 Government grants

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

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

#### 1.17 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 in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Accruals

Estimation is required in determining an appropriate amount to accrue in respect of uninvoiced expenses. The amounts accrued are based on managements best estimate of such costs after considering works performed to the year end date.

#### Useful economic lives of fixed assets

Estimation is required in determining the useful economic lives over which assets are depreciated. In estimating the useful economic life of the asset management take into consideration expected condition and use of the asset.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Waste management and recycling	17,213,033	13,239,984
	<u>                    </u>	<u>                    </u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Interest income	-	1,328
Grants received	-	152,603
Sundry income	117,012	-
	<u>                    </u>	<u>                    </u>

### 4 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	-	(152,603)
Depreciation of owned tangible fixed assets	1,431,377	808,321
Depreciation of tangible fixed assets held under finance leases	807,793	385,046
Impairment of owned tangible fixed assets	1,129,751	-
Profit on disposal of tangible fixed assets	(18,008)	(4,488)
Operating lease charges	14,599	2,044
	<u>                    </u>	<u>                    </u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	25,000	16,500
	<u>                    </u>	<u>                    </u>

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Employees

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

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Directors	14	6	4	3
Finance and administration	39	29	39	29
Sales	7	3	7	3
Drivers	46	31	46	31
Transfer yard	36	48	36	48
Workshop	5	7	5	7
Total	<u>147</u>	<u>124</u>	<u>137</u>	<u>121</u>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	3,877,354	3,250,623	3,877,354	3,250,623
Social security costs	395,881	288,194	395,881	288,194
Pension costs	91,207	77,694	91,207	77,694
Total	<u>4,364,442</u>	<u>3,616,511</u>	<u>4,364,442</u>	<u>3,616,511</u>

### 7 Directors' remuneration

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	<u>118,597</u>	<u>54,518</u>

### 8 Interest receivable and similar income

	<b>2022 £</b>	<b>2021 £</b>
<b>Interest income</b>		
Interest on bank deposits	<u>-</u>	<u>1,328</u>

### 9 Interest payable and similar expenses

	<b>2022 £</b>	<b>2021 £</b>
Interest on bank overdrafts and loans	34,379	(10,369)
Interest on finance leases and hire purchase contracts	64,851	67,267
Total finance costs	<u>99,230</u>	<u>56,898</u>

## TOM WHITE WASTE LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	168,627
Adjustments in respect of prior periods	(509,276)	-
Total current tax	<u>(509,276)</u>	<u>168,627</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	91,136	(37,740)
Changes in tax rates	248,275	-
Total deferred tax	<u>339,411</u>	<u>(37,740)</u>
Total tax (credit)/charge	<u>(169,865)</u>	<u>130,887</u>

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
(Loss)/profit before taxation	<u>(3,440,045)</u>	<u>602,059</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(653,609)	114,391
Tax effect of expenses that are not deductible in determining taxable profit	-	1,132
Change in unrecognised deferred tax assets	462,184	-
Effect of change in corporation tax rate	248,275	-
Permanent capital allowances in excess of depreciation	(168,930)	-
Depreciation on assets not qualifying for tax allowances	20,949	53,104
Deferred tax adjustments in respect of prior years	(3,511)	(37,740)
Revenue items capitalised	(75,223)	-
Taxation (credit)/charge	<u>(169,865)</u>	<u>130,887</u>

#### 11 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Final paid	<u>500,000</u>	<u>-</u>

## TOM WHITE WASTE LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Property, plant and equipment	13	1,129,751	-
Recognised in:			
Administrative expenses		1,129,751	-

The impairment losses in respect of financial assets are recognised in administrative expenses in the profit and loss account.

#### 13 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2021	6,773,603	210,657	7,879,371	318,859	4,450,262	19,632,752
Additions	1,150	-	2,364,976	218,939	913,637	3,498,702
Disposals	-	-	(3,194,748)	-	(386,478)	(3,581,226)
At 31 March 2022	6,774,753	210,657	7,049,599	537,798	4,977,421	19,550,228
<b>Depreciation and impairment</b>						
At 1 April 2021	735,782	50,256	4,423,697	214,191	2,175,682	7,599,608
Depreciation charged in the year	113,260	3,420	1,471,472	72,516	578,502	2,239,170
Impairment losses	-	-	1,065,965	-	63,786	1,129,751
Eliminated in respect of disposals	-	-	(3,194,748)	-	(386,478)	(3,581,226)
At 31 March 2022	849,042	53,676	3,766,386	286,707	2,431,492	7,387,303
<b>Carrying amount</b>						
At 31 March 2022	5,925,711	156,981	3,283,213	251,091	2,545,929	12,162,925
At 31 March 2021	6,037,821	160,401	3,455,674	104,668	2,274,580	12,033,144

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 13 Tangible fixed assets (Continued)

Company	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2021	6,773,603	210,657	7,879,371	318,859	4,450,262	19,632,752
Additions	1,150	-	2,364,976	218,939	913,637	3,498,702
Disposals	-	-	(3,194,748)	-	(386,478)	(3,581,226)
At 31 March 2022	<u>6,774,753</u>	<u>210,657</u>	<u>7,049,599</u>	<u>537,798</u>	<u>4,977,421</u>	<u>19,550,228</u>
<b>Depreciation and impairment</b>						
At 1 April 2021	735,782	50,256	4,423,697	214,191	2,175,682	7,599,608
Depreciation charged in the year	113,260	3,420	1,471,472	72,516	578,502	2,239,170
Impairment losses	-	-	1,065,965	-	63,786	1,129,751
Eliminated in respect of disposals	-	-	(3,194,748)	-	(386,478)	(3,581,226)
At 31 March 2022	<u>849,042</u>	<u>53,676</u>	<u>3,766,386</u>	<u>286,707</u>	<u>2,431,492</u>	<u>7,387,303</u>
<b>Carrying amount</b>						
At 31 March 2022	<u>5,925,711</u>	<u>156,981</u>	<u>3,283,213</u>	<u>251,091</u>	<u>2,545,929</u>	<u>12,162,925</u>
At 31 March 2021	<u>6,037,821</u>	<u>160,401</u>	<u>3,455,674</u>	<u>104,668</u>	<u>2,274,580</u>	<u>12,033,144</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and equipment	2,104,912	1,087,459	2,104,912	1,087,459
Motor vehicles	1,462,335	1,022,009	1,462,335	1,022,009
	<u>3,567,247</u>	<u>2,109,468</u>	<u>3,567,247</u>	<u>2,109,468</u>

More information on impairment movements in the year is given in note 12.

### 14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	101	100

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 14 Fixed asset investments (Continued)

#### Movements in fixed asset investments

Company	Shares in subsidiaries
	£
<b>Cost or valuation</b>	
At 1 April 2021	100
Additions	1
At 31 March 2022	101
<b>Carrying amount</b>	
At 31 March 2022	101
At 31 March 2021	100

### 15 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
A&M Metals & Waste Limited	Unit 13a Stonebrook Way Longford Coventry West Midlands CV6 6LN	Ordinary Shares	100.00
Tom White Waste (LACO) Limited	Unit 13a Stonebrook Way Longford Coventry West Midlands CV6 6LN	Ordinary Shares	100.00

### 16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	3,304,218	2,905,782	3,082,017	2,702,901
Corporation tax recoverable	509,276	-	509,276	-
Amounts owed by group undertakings	-	-	1,482,220	589,900
Other debtors	113,321	87,305	10,723	87,305
Prepayments and accrued income	338,991	153,892	338,991	153,892
	<u>4,265,806</u>	<u>3,146,979</u>	<u>5,423,227</u>	<u>3,533,998</u>

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	216,638	290,266	216,638	290,266
Obligations under finance leases	20	1,004,841	753,071	1,004,841	753,071
Trade creditors		3,669,295	1,193,096	3,669,295	1,193,096
Amounts owed to group undertakings		500,000	-	1,857,751	580,783
Corporation tax payable		149,342	168,628	149,342	149,733
Other taxation and social security		544,923	784,832	424,720	646,141
Other creditors		-	21,367	-	21,367
Accruals and deferred income		1,287,620	1,057,998	1,287,620	1,057,998
		<u>7,372,659</u>	<u>4,269,258</u>	<u>8,610,207</u>	<u>4,692,455</u>

Amounts owed to group undertakings represents amounts owed to the Parent company and as such have not been eliminated upon consolidation of these financial statements.

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	3,087,039	2,891,805	3,087,039	2,891,805
Obligations under finance leases	20	2,061,027	548,168	2,061,027	548,168
Accruals and deferred income		-	23,572	-	23,572
		<u>5,148,066</u>	<u>3,463,545</u>	<u>5,148,066</u>	<u>3,463,545</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments		<u>2,201,273</u>	<u>1,656,861</u>	<u>2,201,273</u>	<u>1,656,861</u>
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### 19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	3,303,663	3,182,057	3,303,663	3,182,057
Bank overdrafts	14	14	14	14
	<u>3,303,677</u>	<u>3,182,071</u>	<u>3,303,677</u>	<u>3,182,071</u>
Payable within one year	216,638	290,266	216,638	290,266
Payable after one year	3,087,039	2,891,805	3,087,039	2,891,805

## TOM WHITE WASTE LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 19 Loans and overdrafts

(Continued)

Interest on the bank loans is charged per annum at 2.25% above the Bank of England base rate of interest.

The bank loans and overdraft are secured by the following:

A mortgage debenture, dated 21/01/1991, over the assets of the company.

A first legal mortgage, dated 21/08/2013, over 1 Coronel Avenue, Rowleys Green, Coventry.

A first legal mortgage, dated 30/03/2015, over 75 Longford Road, Coventry.

A first legal mortgage, dated 21/12/2016, over Unit 13A, Stonebrook Way, Longford, Coventry.

A first legal mortgage, dated 28/07/1998, over land ex Grimley Haulage Depot, Off Stonebrook Way, Longford, Coventry vesting in the company name.

Guarantee given by company Tom White Waste Limited, Waste Masters Hire Limited dated 17/11/2017.

Collateral warranties relating to a project at 75 Longford Road, Coventry.

#### 20 Finance lease obligations

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	1,004,841	753,071	1,004,841	753,071
In two to five years	2,061,027	548,168	2,061,027	548,168
	<u>3,065,868</u>	<u>1,301,239</u>	<u>3,065,868</u>	<u>1,301,239</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

#### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022	Liabilities 2021
Group	£	£
Accelerated capital allowances	<u>1,034,481</u>	<u>695,070</u>

## TOM WHITE WASTE LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

<b>21</b>	<b>Deferred taxation</b>	<b>(Continued)</b>	
		<b>Liabilities</b>	<b>Liabilities</b>
		<b>2022</b>	<b>2021</b>
	<b>Company</b>	<b>£</b>	<b>£</b>
	Accelerated capital allowances	1,034,481	695,070
		<u>          </u>	<u>          </u>
		<b>Group</b>	<b>Company</b>
		<b>2022</b>	<b>2022</b>
	<b>Movements in the year:</b>	<b>£</b>	<b>£</b>
	Liability at 1 April 2021	695,070	695,070
	Charge to profit or loss	91,136	91,136
	Effect of change in tax rate - profit or loss	248,275	248,275
		<u>          </u>	<u>          </u>
	Liability at 31 March 2022	1,034,481	1,034,481
		<u>          </u>	<u>          </u>

From 17 March 2020 the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, the UK corporation tax rate will increase to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. As a result, deferred tax has been calculated at a rate of 25%.

<b>22</b>	<b>Retirement benefit schemes</b>	<b>2022</b>	<b>2021</b>
	<b>Defined contribution schemes</b>	<b>£</b>	<b>£</b>
	Charge to profit or loss in respect of defined contribution schemes	91,207	77,694
		<u>          </u>	<u>          </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

<b>23</b>	<b>Share capital</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Ordinary share capital</b>	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
	<b>Issued and fully paid</b>				
	Ordinary shares of £1 each	100	100	100	100
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# TOM WHITE WASTE LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 24 Operating lease commitments

#### Lessee

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	3,600	3,600	3,600	3,600
Between two and five years	10,500	14,100	10,500	14,100
	<u>14,100</u>	<u>17,700</u>	<u>14,100</u>	<u>17,700</u>

### 25 Related party transactions

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
<b>Group</b>		
Entities with control, joint control or significant influence over the group	500,000	-
	<u>500,000</u>	<u>-</u>
<b>Company</b>		
Entities with control, joint control or significant influence over the company	500,000	-
Entities over which the company has control, joint control or significant influence	1,357,751	580,783
	<u>1,857,751</u>	<u>580,783</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2022 Balance £	2021 Balance £
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	1,482,220	589,900
	<u>1,482,220</u>	<u>589,900</u>

#### Other information

The group has taken advantage of the exemption available per paragraph 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

## TOM WHITE WASTE LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

#### 26 Controlling party

The parent company of Tom White Waste Limited is Coventry Municipal Holdings Limited and its registered office is Council House, Earl Street, Coventry, United Kingdom, CV1 5RR.

On 26 October 2021 the group was restructured with a new parent company being incorporated. The shares held in Tom White Waste Limited by Coventry City Council were part of a share for share exchange on 5 November 2021 whereby Coventry Municipal Holdings Limited were transferred 100% of the shares in Tom White Waste Limited.

The ultimate controlling party of the company continues to be Coventry City Council Group by virtue of its shareholding s. The registered address is Coventry City Council, Council House, Coventry, CV1 5RR. A copy of the group financial statements can be obtained from this address.

#### 27 Cash generated from group operations

	2022 £	2021 £
(Loss)/profit for the year after tax	(3,270,180)	471,172
<b>Adjustments for:</b>		
Taxation (credited)/charged	(169,865)	130,887
Finance costs	99,230	56,898
Investment income	-	(1,328)
Gain on disposal of tangible fixed assets	(18,008)	(4,488)
Depreciation and impairment of tangible fixed assets	3,368,921	1,193,367
<b>Movements in working capital:</b>		
Increase in debtors	(609,551)	(831,964)
Increase in creditors	2,920,973	34,949
<b>Cash generated from operations</b>	<b>2,321,520</b>	<b>1,049,493</b>

#### 28 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	New finance leases £	31 March 2022 £
Cash at bank and in hand	362,825	108,545	-	471,370
Bank overdrafts	(14)	-	-	(14)
	362,811	108,545	-	471,356
Borrowings excluding overdrafts	(3,182,057)	(121,606)	-	(3,303,663)
Obligations under finance leases	(1,301,239)	1,087,645	(2,852,274)	(3,065,868)
	(4,120,485)	1,074,584	(2,852,274)	(5,898,175)

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.

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REGISTERED NUMBER: 04931967 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
COVENTRY TECHNICAL RESOURCES LIMITED**



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for the year ended 31 March 2022**

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**COVENTRY TECHNICAL RESOURCES LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2022**

**DIRECTORS:**

Mr G McKelvie  
Mrs P Mudhar  
Ms S Newing

**SECRETARY:**

Mr G S Sangha

**REGISTERED OFFICE:**

c/o Room 56  
Council House  
Earl Street  
Coventry  
West Midlands  
CV1 5RR

**REGISTERED NUMBER:**

04931967 (England and Wales)

**AUDITORS:**

Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**SOLICITORS:**

In-house Legal Team  
Coventry City Council  
The Council House  
Earl Street  
Coventry  
CV1 5RR

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

**CHANGE OF NAME**

The company passed a special resolution on 20 October 2021 changing its name from North Coventry Holdings Limited to Coventry Technical Resources Limited.

**PRINCIPAL ACTIVITY**

The Company is a wholly owned subsidiary of Coventry City Council. The Company's main activity is to provide resource solutions to Coventry City Council under a series of contracts. Resource is either employed by Coventry Technical Resources directly or contracted from time to time as needs arise. The company employed 5 staff on average during the year, which is a decrease of 3 on the previous year. Payroll services are provided by Coventry City Council under contract.

**REVIEW OF BUSINESS**

The accounts have been prepared under International Financial Reporting Standards (IFRS). The results for the year report a net profit after tax of £5,571 for the year ending 31 March 2022. The company has total equity of £2,763,071, and total cash and equivalent balances of £2,742,743.

The pandemic has not had an adverse impact on the bulk of the Company's income which is earned under contracts with Coventry City Council. However, low interest rates in the past 12 months have reduced the level of interest earned by the company and total of profit for the year.

**DIVIDENDS**

No dividends will be paid out for the year ended 31 March 2022.

**RESEARCH AND DEVELOPMENT**

No specific research and development activities have been undertaken during the year.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors who have held office during the period from 1 April 2021 to the date of this report are as follows:

Mr P Helm - resigned 2 November 2021  
Mr R Moon - resigned 2 November 2021  
Mr G McKelvie - appointed 2 November 2021  
Mrs P Mudhar - appointed 2 November 2021  
Ms S Newing - appointed 5 November 2021

**PAYMENTS TO SUPPLIERS**

The company's standard terms of payment are 30 days from the date payment is due, receipt of invoice or delivery of goods, whichever is the later. Alternative payment terms are only made if specifically demanded for contractual purposes.

**CHARITABLE AND POLITICAL DONATIONS**

There have been no charitable or political donations made in the period.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5m.

**EQUAL OPPORTUNITIES**

The Company has complied with the equal opportunities policies of the Council, as the ultimate owner of the Company, that in summary are:

- Everybody should have an equal opportunity to contribute to and benefit from society.
- A diverse community is a positive asset to the City.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2022**

**PARENT COMPANY**

Coventry Municipal Holdings Ltd became the parent company on 5th November 2021.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Report of the Directors 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 UK-adopted international accounting standards. 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr. G. McKelvie - Director.

Date: 6/12/2022

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COVENTRY TECHNICAL RESOURCES LIMITED.

### Opinion

We have audited the financial statements of Coventry Technical Resources Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COVENTRY TECHNICAL RESOURCES LIMITED**

**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 Report of the Directors.

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 been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COVENTRY TECHNICAL RESOURCES LIMITED

### 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- reference to history and experience of the Entity; and
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity's procedures relating to:
  - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
  - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud; and
  - assessment of the controls and processes that the Entity has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- management override of control; and
- revenue recognition, particularly in respect of delivery of services

These procedures, and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- critically assessed the appropriateness and testing the application of the revenue and cost recognition policies; and
- testing the appropriateness of accounting estimates, journals and other adjustments made in the preparation of the financial statements; and
- reviewing the Entity's accounting policies for non-compliance with relevant standards; and
- making enquiries of management and reviewing correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

In performing an audit in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COVENTRY TECHNICAL RESOURCES LIMITED.**

**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 a Report of the Auditors 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.

Mr Ashwani Rishiraj FCA (Senior Statutory Auditor)  
for and on behalf of Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands.  
CV5 6UB

Date: 6/12/22

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
for the year ended 31 March 2022

	Notes	2022 £	2021 £
<b>CONTINUING OPERATIONS</b>			
Revenue	3	419,397	464,572
Other operating income		258	8,370
Administrative expenses		(413,806)	(468,281)
<b>OPERATING PROFIT</b>		<u>5,849</u>	<u>4,661</u>
Finance income	5	-	1,336
<b>PROFIT BEFORE INCOME TAX</b>		<u>5,849</u>	<u>5,997</u>
Income tax	6	(278)	(1,139)
<b>PROFIT FOR THE YEAR</b>		<u>5,571</u>	<u>4,858</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>5,571</u></u>	<u><u>4,858</u></u>

STATEMENT OF FINANCIAL POSITION  
31 March 2022

	Notes	2022 £	2021 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments	8	-	-
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	42,387	66,418
Cash and cash equivalents	10	2,742,743	2,749,935
		2,785,130	2,816,353
<b>TOTAL ASSETS</b>		<b>2,785,130</b>	<b>2,816,353</b>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	1,758,062	1,758,062
Share premium	12	31,430,999	31,430,999
Retained earnings	12	(30,425,990)	(30,431,561)
<b>TOTAL EQUITY</b>		<b>2,763,071</b>	<b>2,757,500</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	21,781	57,714
Tax payable		278	1,139
		22,059	58,853
<b>TOTAL LIABILITIES</b>		<b>22,059</b>	<b>58,853</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,785,130</b>	<b>2,816,353</b>

The financial statements were approved by the Board of Directors and authorised for issue on 5th December 22 and were signed on its behalf by:

.....  
Mrs P Mudhar - Director

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 April 2020</b>	1,758,062	(30,436,419)	31,430,999	2,752,642
<b>Changes in equity</b>				
Total comprehensive income	-	4,858	-	4,858
<b>Balance at 31 March 2021</b>	<u>1,758,062</u>	<u>(30,431,561)</u>	<u>31,430,999</u>	<u>2,757,500</u>
<b>Changes in equity</b>				
Total comprehensive income	-	5,571	-	5,571
<b>Balance at 31 March 2022</b>	<u>1,758,062</u>	<u>(30,425,990)</u>	<u>31,430,999</u>	<u>2,763,071</u>

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(6,053)	11,041
Tax paid		(1,139)	(3,595)
Net cash from operating activities		<u>(7,192)</u>	<u>7,446</u>
<b>Cash flows from investing activities</b>			
Interest received		-	1,336
Net cash from investing activities		<u>-</u>	<u>1,336</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(7,192)</b>	<b>8,782</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>2,749,935</b>	<b>2,741,153</b>
<b>Cash and cash equivalents at end of year</b>	2	<b><u>2,742,743</u></b>	<b><u>2,749,935</u></b>

**NOTES TO THE STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2022

**1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before income tax	5,849	5,997
Finance income	-	(1,336)
	<u>5,849</u>	<u>4,661</u>
Decrease/(increase) in trade and other receivables	24,031	(5,728)
(Decrease)/increase in trade and other payables	(35,933)	12,108
<b>Cash generated from operations</b>	<u><u>(6,053)</u></u>	<u><u>11,041</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2022**

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>2,742,743</u>	<u>2,749,935</u>

**Year ended 31 March 2021**

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>2,749,935</u>	<u>2,741,153</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2022**

**1. STATUTORY INFORMATION**

Coventry Technical Resources Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**(i) Going Concern**

The financial statements have been prepared on a going concern basis and the validity of this depends upon the continuing financial support of the parent organisation of Coventry City Council.

**(ii) Deferred taxation**

IAS 12 "Deferred Tax" has been adopted in preparing these accounts. Subject to specific exceptions, this standard requires deferred tax to be recognised taking into account temporary differences, between the carrying amount of an asset or a liability and its tax base.

Deferred tax assets are only recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

**Preparation of consolidated financial statements**

The financial statements contain information about Coventry Technical Resources Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Revenue recognition**

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The policies adopted for the recognition of revenue are as follows:

**Rendering of services**

Revenue from providing services, where performance obligations are satisfied over time, is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule which has usually been set to be broadly aligned with the volume of work performed. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

**Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

2. ACCOUNTING POLICIES - continued

**Financial instruments**

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

**Financial assets**

The company's financial assets relate to trade and other receivable and cash and cash equivalents. Trade and other receivables are classified as loans and receivables and are measured initially at fair value plus transaction costs and are carried subsequently at amortised cost under the effective interest method, less provision for any impairment. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income. There are no financial assets classified as fair value through the statement of comprehensive income or as held to maturity or available for sale.

**Financial liabilities**

Financial liabilities, which include bank loans, overdrafts and trade and other payables are initially measured at fair value net of transaction costs under the effective interest method and thereafter at amortised cost. Finance charges are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

**Adoption of new and revised international financial reporting standards**

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Boards (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2021.

3. REVENUE

**Revenue from contracts with customers**

Revenue amounting to £419,397 was earned through contracts with Coventry City Council for the provision of business development services.

4. EMPLOYEES AND DIRECTORS

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2022

The Company employed 5 members of staff on average during the year, including directors (2021: 8). Total staff costs were as follows:

	2022	2021
	£	£
Salaries and Wages	315,095	390,075
National Insurance	41,190	47,754
Pension Payments	9,459	11,451
	<u>365,744</u>	<u>449,280</u>

Pensions are provided under the National Employment Savings Trust (NEST) defined contribution scheme, with the Company contributing up to 3% of pensionable pay during the year.

Emoluments of £22,198 paid to Directors for the year ended 31 March 2022 (£8,370 in 2021), are included in the above.

5. **NET FINANCE INCOME**

No interest was earned during the year (2021: £1,336), on the balance of £2.7m.

6. **INCOME TAX**

	2022	2021
	£	£
Current tax expense in respect of the current year	1,112	1,139
Current tax expense in respect of the previous year	-	-
Total income tax	<u>1,112</u>	<u>1,139</u>
<b>Factors affecting the tax charge for the year</b>		
Profit from continuing operations	5,849	5,997
Income tax calculated at 19%	1,112	1,139
Claim to group loss relief	(833)	-
	<u>279</u>	<u>1,139</u>
Adjustment in the current year in relation to the current tax of prior years	-	-
<b>Tax charge per accounts</b>	<u>279</u>	<u>1,139</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

7. ADMINISTRATIVE EXPENSES

Administrative expenses total £48,062 (2021: £19,001) and comprise:

	2022 £	2021 £
Employee travel and subsistence	4,406	3,662
Payments to Coventry City Council	13,000	10,928
Auditor remuneration	3,338	1,864
Payments to Coventry Municipal Holdings Ltd	5,938	-
Recruitment costs	18,000	-
Other	3,380	2,547
	<u>48,062</u>	<u>19,001</u>

Auditor remuneration includes £500 in respect of non-audit services (2021: £219).

8. INVESTMENTS

The company held 100% of the issued share capital in Coventry Regeneration Ltd (formerly Coventry North Regeneration Ltd) during the year. The investment was held at a book value of £nil. The company sold the entire shareholding to Coventry Municipal Holdings Ltd, immediate parent company, on 5th November 2021 for proceeds of £nil.

9. TRADE AND OTHER RECEIVABLES

	2022 £	2021 £
Current:		
Trade receivables	<u>42,387</u>	<u>66,418</u>

Trade receivables of £42,387 (2021: £66,418) represents amounts due from Coventry City Council in respect of services provided to the Council under service contracts.

10. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Bank accounts	<u>2,742,743</u>	<u>2,749,935</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022 £	2021 £
Number:	Class:	Nominal value:		
1,758,062	Ordinary shares	£1	<u>1,758,062</u>	<u>1,758,062</u>

Each Ordinary share confers upon the holder of that share one vote on a show of hands and one vote per share on poll. Each share shall have full rights to receive dividends and capital distributions (including on wind up). They do not confer any rights of redemption.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2021	(30,431,561)	31,430,999	999,438
Profit for the year	5,571		5,571
At 31 March 2022	<u>(30,425,990)</u>	<u>31,430,999</u>	<u>1,005,009</u>

13. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Current:		
Trade payables	666	13,493
Social security and other taxes	11,566	27,173
Other creditors	1,914	2,304
Accruals and deferred income	7,635	14,744
	<u>21,781</u>	<u>57,714</u>

Trade payables includes £666 (2021: £13,493) owing to Coventry City Council.

NOTES TO THE FINANCIAL STATEMENTS - continued.  
for the year ended 31 March 2022

14. FINANCIAL INSTRUMENTS - INFORMATION ON FINANCIAL RISKS

(i) Categories of Financial Instruments

	2022 £	2021 £
<b>FINANCIAL ASSETS</b>		
Trade and other receivables	42,387	66,418
Cash and cash equivalents	2,742,743	2,749,935
	<u>2,785,130</u>	<u>2,816,353</u>
<b>FINANCIAL LIABILITIES</b>		
Trade, other payables and long term borrowing	10,215	30,541
	<u>10,215</u>	<u>30,541</u>

(ii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

(iii) Financial risk management policies

The main market risks to which the Company is exposed are interest rates. There is also exposure to credit risk and liquidity risk. The Company monitors these risks and will take appropriate action to minimise any exposure.

(iv) Credit risk

The Company controls its exposure to credit risk by setting limits on its exposure to individual customers and compliance is monitored by management. As part of the process of setting customer credit limits, different external credit reference agencies are used, according to the country of the customer. There are no significant concentrations of credit risk.

The table below illustrates the financial assets ageing analysis:

	2022 £	2021 £
<b>Financial assets</b>		
Less than 30 days	2,785,130	2,816,353
	<u>2,785,130</u>	<u>2,816,353</u>

(v) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors who have considered an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

15. RELATED PARTY DISCLOSURES

Emoluments paid to Directors for the year ended 31 March 2022 were £22,198 (2021: £8,370).

Transactions and balances between the Company and Coventry City Council, ultimate controlling party, are detailed in the following notes:

- Contract Income (3)
- Administrative Expenses (7)
- Finance Income (5)
- Trade and Other Receivables (9)
- Trade and Other Payables (13)

Transactions and balances between the Company and Coventry Municipal Holdings Ltd, immediate parent undertaking, are detailed in the following notes:

- Administrative Expenses (7)

Under the payroll contract between Coventry City Council and the Company, Coventry City Council paid income tax and national insurance for the year totalling £140,323, with these being reimbursable by the Company to Coventry City Council.

16. POST BALANCE SHEET EVENTS

There are no significant events after the Balance sheet date.

17. ULTIMATE PARENT COMPANY

The Company's ultimate parent undertaking and controlling party is Coventry City Council. Copies of the consolidated financial statements of Coventry City Council can be obtained at the following address:

Director of Finance and Corporate Services  
Coventry City Council  
Council House  
Earl Street  
Coventry  
CV1 5RR

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REGISTERED NUMBER: 04523598 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
COVENTRY REGENERATION LIMITED**



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for the year ended 31 March 2022**

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**COVENTRY REGENERATION LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2022**

**DIRECTORS:** Mr P Helm  
Mr A Walster  
Mrs P Mudhar

**SECRETARY:** Mr G S Sangha

**REGISTERED OFFICE:** c/o Room 56  
Council House  
Earl Street  
Coventry  
West Midlands  
CV1 5RR

**REGISTERED NUMBER:** 04523598 (England and Wales)

**AUDITORS:** Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**SOLICITORS:** In-house Legal Team  
Coventry City Council  
The Council House  
Earl Street  
Coventry  
CV1 5RR

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

**CHANGE OF NAME**

The company passed a special resolution on 3 November 2021 changing its name from Coventry North Regeneration Limited to Coventry Regeneration Limited.

**PRINCIPAL ACTIVITY**

The company's principal activity was to build the Ricoh Arena which was completed in 2005. The company generates income through interest received on a cash balance. The company may be used for undertaking development in the future.

**REVIEW OF BUSINESS**

Coventry City Council provided time limited cashflow assistance to the company totalling £1m at a commercial rate. The company has made repayments, but has retained a balance of £5,000, until it falls due for repayment on the 1st December 2023.

The revenue expenditure incurred by the company during the financial year has been in respect of Company fees and interest.

The accounts have been prepared under International Financial Reporting Standards (IFRS). The results for the year show a profit of £1 (2021: £2).

**DIVIDENDS**

No dividends will be paid out for the year ended 31 March 2022.

**RESEARCH AND DEVELOPMENT**

No specific research and development activities have been undertaken during the year.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

Mr P Helm has held office during the whole of the period from 1 April 2021 to the date of this report.

Other changes in directors holding office are as follows:

Mr R Moon - resigned 2 November 2021

Mr A Walster - appointed 2 November 2021

Mrs P Mudhar - appointed 2 November 2021

**PAYMENTS TO SUPPLIERS**

The company's standard terms of payment are 30 days from the date payment is due, receipt of invoice or delivery of goods, whichever is the later. Alternative payment terms are only made if specifically demanded for contractual purposes.

**CHARITABLE AND POLITICAL DONATIONS**

There have been no charitable or political donations made in the year.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5 million.

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2022**

**EQUAL OPPORTUNITIES**

The company has complied with the equal opportunities policies of the Council, as the ultimate owner of the Company, that in summary are:

- Everybody should have an equal opportunity to contribute to and benefit from society
- A diverse community is a positive asset to the City

**PARENT COMPANY**

Coventry Municipal Holdings Ltd became the parent company on 5th November 2021.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 UK-adopted international accounting standards. 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The sole shareholder, at that time (Coventry City Council), passed an elective resolution on 1 October 2004 to dispense with the holding of Annual General Meetings, the laying of accounts before the Company in general meeting and appointment of auditors annually.

**BY ORDER OF THE BOARD:**

.....  
Mrs P Mudhar - Director

Date: 6th December 2022

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY REGENERATION LIMITED**

### **Opinion**

We have audited the financial statements of Coventry Regeneration Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; 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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Auditors' 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COVENTRY REGENERATION LIMITED**

**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 Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY REGENERATION LIMITED**

### **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 Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- reference to history and experience of the Entity; and
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity's procedures relating to:
  - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
  - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud; and
  - assessment of the controls and processes that the Entity has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- management override of control; and
- revenue recognition, particularly in respect of delivery of services

These procedures, and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- critically assessed the appropriateness and testing the application of the revenue and cost recognition policies; and
- testing the appropriateness of accounting estimates, journals and other adjustments made in the preparation of the financial statements; and
- reviewing the Entity's accounting policies for non-compliance with relevant standards; and
- making enquiries of management and reviewing correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

In performing an audit in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COVENTRY REGENERATION LIMITED**

**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 Auditors' 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.

Mr Ashwani Rishiraj FCA (Senior Statutory Auditor)  
for and on behalf of Luckmans/Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

Date: 6/12/22

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>CONTINUING OPERATIONS</b>			
Revenue		-	-
Other operating income	3	2,935	2,590
Administrative expenses		<u>(2,862)</u>	<u>(2,522)</u>
<b>OPERATING PROFIT</b>		73	68
Interest payable	5	(72)	(68)
Interest receivable	5	-	2
<b>PROFIT BEFORE INCOME TAX</b>	6	1	2
Income tax	7	-	-
<b>PROFIT FOR THE YEAR</b>		1	2
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1</u>	<u>2</u>

The notes form part of these financial statements

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**STATEMENT OF FINANCIAL POSITION**  
31 March 2022

	Notes	2022 £	2021 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	2,378	2,237
Cash and cash equivalents	10	5,048	5,047
		<u>7,426</u>	<u>7,284</u>
<b>TOTAL ASSETS</b>		<u><u>7,426</u></u>	<u><u>7,284</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	5	5
Share premium	12	31,430,995	31,430,995
Profit and loss account	12	(31,430,952)	(31,430,953)
<b>TOTAL EQUITY</b>		<u>48</u>	<u>47</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Borrowings	14	5,000	5,000
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,378	2,237
<b>TOTAL LIABILITIES</b>		<u>7,378</u>	<u>7,237</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>7,426</u></u>	<u><u>7,284</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on ~~6<sup>th</sup> December 2022~~ and were signed on its behalf by:

.....  
Mr P Helm - Director

The notes form part of these financial statements

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2022**

	Called up share capital £	Profit and loss account £	Share premium £	Total equity £
<b>Balance at 1 April 2020</b>	5	(31,430,955)	31,430,995	45
<b>Changes in equity</b>				
Total comprehensive income	-	2	-	2
<b>Balance at 31 March 2021</b>	<u>5</u>	<u>(31,430,953)</u>	<u>31,430,995</u>	<u>47</u>
<b>Changes in equity</b>				
Total comprehensive income	-	1	-	1
<b>Balance at 31 March 2022</b>	<u><u>5</u></u>	<u><u>(31,430,952)</u></u>	<u><u>31,430,995</u></u>	<u><u>48</u></u>

The notes form part of these financial statements

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**STATEMENT OF CASH FLOWS  
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	73	68
Interest paid		<u>(72)</u>	<u>(68)</u>
Net cash from operating activities		<u>1</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>-</u>	<u>2</u>
Net cash from investing activities		<u>-</u>	<u>2</u>
<b>Increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	<u>5,047</u>	<u>5,045</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>5,048</u></u>	<u><u>5,047</u></u>

The notes form part of these financial statements

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE STATEMENT OF CASH FLOWS  
for the year ended 31 March 2022**

**1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2022	2021
	£	£
Profit before income tax	1	2
Interest payable	72	68
Interest receivable	-	(2)
	<u>73</u>	<u>68</u>
(Increase)/decrease in trade and other receivables	(141)	6
Increase/(decrease) in trade and other payables	141	(6)
	<u>73</u>	<u>68</u>
<b>Cash generated from operations</b>	<u><u>73</u></u>	<u><u>68</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2022**

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>5,048</u>	<u>5,047</u>

**Year ended 31 March 2021**

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>5,047</u>	<u>5,045</u>

The notes form part of these financial statements

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2022**

**1. STATUTORY INFORMATION**

Coventry Regeneration Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**Going Concern**

The financial statements have been prepared on a going concern basis and the validity of this depends upon the continuing financial support of the ultimate parent organisation of Coventry City Council.

**Revenue recognition**

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated rebates and other similar allowances. The policies adopted for the recognition of revenue are as follows:

Rendering of services - When the outcome of a transaction can be estimated reliably, revenue is recognised at the balance sheet date.

**Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

**Financial instruments**

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

**Financial assets**

The company's financial assets relate to trade and other receivable and cash and cash equivalents. Trade and other receivables are classified as loans and receivables and are measured initially at fair value plus transaction costs and are carried subsequently at amortised cost under the effective interest method, less provision for any impairment. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income. There are no financial assets classified as fair value through the statement of comprehensive income or as held to maturity or available for sale.

**Financial liabilities**

Financial liabilities, which include bank loans, overdrafts and trade and other payables are initially measured at fair value net of transaction costs under the effective interest method and thereafter at amortised cost. Finance charges are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method.

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

**Adoption of new and revised international financial reporting standards**

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Boards (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2021.

**3. OTHER OPERATING INCOME**

	2022	2021
	£	£
Contributions received	<u>2,935</u>	<u>2,590</u>

The company receives contributions from Coventry City Council to support its payments, with any excess needing to be repaid.

**4. EMPLOYEES AND DIRECTORS**

The company had no employees during the financial year. No emoluments were received by the Directors for the year ended 31st March 2022.

**5. NET FINANCE COSTS**

	2022	2021
	£	£
Interest payable on loans	72	68
Interest received	0	2

**6. PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging:

	2022	2021
	£	£
Auditors' remuneration	<u>2,378</u>	<u>2,237</u>

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022**

**7. INCOME TAX**

	2021 £	2020 £
UK corporation tax at 19%	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	2	10
	<u>2</u>	<u>10</u>
Theoretical tax charge at UK corporation tax rate of 19%	-	2
Effects of:		
Impairment of property, plant and equipment	-	-
Non deductible expenses	-	-
Capital allowances in excess of depreciation	-	-
Unutilised losses	-	(2)
Capital deferred grants	-	-
	<u>-</u>	<u>-</u>
Current tax charge for year	-	-
	<u>-</u>	<u>-</u>

**8. ADMINISTRATIVE EXPENSES**

Administrative expenses total £2,862 (£2,522 in 2021) and comprise:

	2022 £	2021 £
Payments to Coventry City Council	-	-
Auditor remuneration	2,378	2,237
Payments to Coventry Technical Resources Ltd	484	285
	<u>2,862</u>	<u>2,522</u>

Auditor remuneration includes £230 in respect of non-audit services (2021: £230).

**9. TRADE AND OTHER RECEIVABLES**

	2022 £	2021 £
Current:		
Trade receivables	2,378	2,237
	<u>2,378</u>	<u>2,237</u>

Trade receivables of £2,378 represent amounts due from Coventry City Council (2021: £2,237).

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022**

**10. CASH AND CASH EQUIVALENTS**

	2022	2021
	£	£
Bank accounts	<u>5,048</u>	<u>5,047</u>

The company has retained a balance of £5,000 from the loan provided by Coventry City Council. This has been placed in a savings account until it is due for repayment on the 1 December 2023. Interest of £47 has been earned in the savings account.

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
5	Ordinary	£1	<u>5</u>	<u>5</u>

Each Ordinary share shall confer upon the holder of that share one vote on a show of hands and one vote per share on a poll. Each share shall have full rights to receive dividends and capital distributions (including on a winding-up). They do not confer any rights of redemption.

**12. RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 April 2021	(31,430,953)	31,430,995	42
Profit for the year	1		1
	<u>(31,430,952)</u>	<u>31,430,995</u>	<u>43</u>
At 31 March 2022			

**13. TRADE AND OTHER PAYABLES**

	2022	2021
	£	£
Current:		
Accruals and deferred income	<u>2,378</u>	<u>2,237</u>

**14. FINANCIAL LIABILITIES - BORROWINGS**

	2022	2021
	£	£
Non-current:		
Loan	<u>5,000</u>	<u>5,000</u>

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022**

**14. FINANCIAL LIABILITIES - BORROWINGS - continued**

Terms and debt repayment schedule

	1-2 years
Loan	£ <u>5,000</u>

Coventry City Council agreed to provide the Company with time-limited cashflow assistance of up to £1m (at an interest rate of base rate plus 1.25% per annum). £5,000 was retained in a savings account, this is due for repayment on 1 December 2023.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022

15. FINANCIAL INSTRUMENTS

(i) Categories of Financial Instruments

	2022 £	2021 £
<b>FINANCIAL ASSETS</b>		
Trade and other receivables	2,378	2,237
Cash and cash equivalents	5,048	5,047
	<u>7,426</u>	<u>7,284</u>
<b>FINANCIAL LIABILITIES</b>		
Trade, other payables and long term borrowing	<u>7,378</u>	<u>7,237</u>

(ii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity.

(iii) Financial risk management policies

The main market risks to which the Company is exposed are interest rates. There is also exposure to credit risk and liquidity risk. The Company monitors these risks and will take appropriate action to minimise any exposure.

(iv) Credit risk

The Company controls its exposure to credit risk by setting limits on its exposure to individual customers and compliance is monitored by management. As part of the process of setting customer credit limits, different external credit reference agencies are used, according to the country of the customer. There are no significant concentrations of credit risk.

The table below illustrates the financial assets ageing analysis:

	2022 £	2021 £
<b>Financial assets</b>		
Less than 30 days	<u>7,426</u>	<u>7,284</u>
	<u>7,426</u>	<u>7,284</u>

(v) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors who have considered an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2022**

**16. RELATED PARTY DISCLOSURES**

At 31st March 2022 the company was owed £2,378 (2021: £2,237) from Coventry City Council, the ultimate controlling party.

During the year the Company received contributions of £2,935 (2021: £2,590) from Coventry City Council, the ultimate controlling party.

**17. POST BALANCE SHEET EVENTS**

There are no significant events after the Balance sheet date.

**18. ULTIMATE PARENT COMPANY**

The Company's ultimate parent undertaking and controlling party is Coventry City Council. Copies of the consolidated financial statements of Coventry City Council can be located at the following address:

Director of Finance and Corporate Services  
Coventry City Council  
Council House  
Earl Street  
Coventry  
CV1 5RR

**19. DEFERRED TAXATION**

A deferred tax asset of £1,059,625 (2021: £1,059,625) in respect of tax losses has not been recognised in the financial statements as the losses are not expected to be utilised in the foreseeable future. The deferred tax asset has been calculated using the corporation tax rate substantively enacted at the balance sheet date of 19% (2021: 19%).

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**NO ORDINARY HOTELS LIMITED**  
**REPORT OF THE DIRECTOR AND**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



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for the Year Ended 31 December 2021**

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**NO ORDINARY HOTELS LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 December 2021**

**DIRECTOR:** A J Walster

**SECRETARY:** A M Lightbound

**REGISTERED OFFICE:** Coombe Abbey Hotel  
Brinklow Road  
Binley  
Coventry  
CV3 2AB

**REGISTERED NUMBER:** 02532416 (England and Wales)

**BANKERS:** The Co-operative Bank plc  
Olympic House  
6 Olympic Court  
Montford Street  
Salford  
M50 2QP

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**REPORT OF THE DIRECTOR  
for the Year Ended 31 December 2021**

The director presents his report with the financial statements of the company for the year ended 31 December 2021

**DIRECTOR**

A J Walster has held office for the whole of the 2021 calendar year.

There were no other changes in Directors during the year.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A M Lightbound - Secretary .....

~~25<sup>th</sup> March~~ 2022

Date: .....

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**BALANCE SHEET  
31 December 2021**

	Notes	2021 £	2020 £
<b>CURRENT ASSETS</b>			
Cash at bank		347	347
<b>CREDITORS</b>			
Amounts falling due within one year	3	<u>345</u>	<u>345</u>
<b>NET CURRENT ASSETS</b>		<u>2</u>	<u>2</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		<u>2</u>	<u>2</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>2</u>	<u>2</u>

The company is entitled to exemption from audit under Section 480 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 25<sup>th</sup> March 2022 and were signed by:

.....  
A J Walster - Director

**INCOME STATEMENT  
for the Year Ended 31 December 2021**

During the financial year and the preceding financial year the company has not traded and has received no income and incurred no expenditure. Consequently, during those periods the company has made neither a surplus nor a deficit.

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 December 2021**

**1. STATUTORY INFORMATION**

No Ordinary Hotels Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company was dormant throughout the current year and previous year.

**3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Other creditors	<u>345</u>	<u>345</u>

REGISTERED NUMBER: 01201361 (England and Wales)

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
TOM WHITE WASTE LIMITED**

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for the year ended 31 March 2023**

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**TOM WHITE WASTE LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 March 2023**

**DIRECTORS:** Mr P Helm  
Mr G W McKelvie  
Mr J A Tranter  
Mr A J Walster  
Mr A P Williams

**SECRETARY:** Mr G S Sangha

**REGISTERED OFFICE:** Unit 13a Stonebrook Way  
Longford  
Coventry  
West Midlands  
CV6 6LN

**REGISTERED NUMBER:** 01201361 (England and Wales)

**AUDITORS:** Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**GROUP STRATEGIC REPORT  
for the year ended 31 March 2023**

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

**REVIEW OF BUSINESS**

**Strategy**

As a waste management company, Tom White's strategy lies within its vision and values - to offer unparalleled waste solutions that empowers our local customers, ensuring they take accountability for their waste, whilst reaching for their sustainability goals. Minimising our impact on the planet, maximising our impact on the future. People, Planet and Purpose.

People first - we provide a diverse and nurturing work culture and invests in our people's growth and development. We listen to our customers and continue to develop our strategy to better support all waste management requirements and help the local people achieve community and environmental goals.

Protect our Planet - we continue to reduce our carbon emissions, achieve zero waste to landfill, and never export waste outside of the UK, all whilst providing quality waste management solutions. We do this, not because we have to but because it's the right thing to do.

Profit for Purpose - we operate a profit for purpose business model, where 100% of our profit is used to benefit the communities we serve, to support education, health services and community projects. As we grow and expand, so does the impact of our purpose.

**Fair Review of the Business**

The group which comprises of Tom White Waste Limited and its wholly owned subsidiaries, Tom White Waste (LACO) Limited and A&M Metals & Waste Limited, is owned by the immediate parent company Coventry Municipal Holdings Limited. The ultimate parent organisation is Coventry City Council.

The principal activity of the group remained the same throughout the year providing waste management and recycling services to local communities within the Coventry and Warwickshire area.

The group accounts have been prepared under the UK adopted International Financial Reporting Standards (IFRSs). The results for the year ended 31 March 2023 shows group revenues increased by 25% from £17,213,033 in 2022 to £21,567,957 in 2023. Gross profit increased by 52% from £3,970,839 in 2022 to £6,031,337 in 2023. The group made a loss after tax for the year of £313,851 compared to £3,257,042 loss after tax in the previous year. At 31 March 2023 total equity stood at £3,044,182 (2022: £3,358,033) with total cash and cash equivalents of £472,826 (2022: £471,370).

A summary of the Group's key performance indicators are as follows:

	Year ended 31.3.23	Year ended 31.3.22
Group Revenue	£21.568m	£17.213m
Gross Margin	28.0%	23.1%
Operating Margin	1.2%	-19.3%

The results reflect a significant improvement in the group's profitability. By balancing the operational capabilities with its appetite for growth, we were better able to maximize our waste diversion and recovery thereby ensuring minimal landfill. Improvements in materials flow, operational excellence, preventative maintenance, and a focus by our commercial teams on established waste stream inputs in line with our processing capability, yield significant rewards in terms of profitability as well as the liquidity benefits.

With the waste management industry in a state of constant change we continue to invest in our people and systems with a constant focus on safety and compliance. The group engages regularly with its employees via tool box talks, regular drivers' meetings, feedback forums as well as promoting an open door policy to all.

**GROUP STRATEGIC REPORT  
for the year ended 31 March 2023**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors are aware of the various risks and uncertainties affecting the business some of which are inherent to the industry in which the group operates and are likely to affect the financial performance and financial position of the group. The main principal risks and uncertainties that the group is exposed to are listed below along with the approach to mitigate those risks

**Political Risk**

The group is politically exposed by virtue of the fact that the ultimate parent organisation is Coventry City Council. In addition, the group operates in a highly regulated industry and any changes to Government policies requires the Directors to implement laws and regulations set by the Government, which could have an adverse impact on the Group's operations and financial performance. The Directors continually monitor such risk to ensure regulatory compliance is continually achieved and where necessary, assistance from Local Authority, Government Agencies and other external advisors is obtained on a timely basis.

**Economic Environment Risk**

The Group operates in local communities within the Coventry and Warwickshire area. Changes in local economic conditions may have an adverse impact on the Group's operational and financial performance. The Group is exposed to social economic risks where a weakening in the economy could result in reduced provision of waste management and recycling service, subsequently impacting pricing and customer base. To mitigate this risk the Group provides services to customers in both the public and private sector.

**Credit Risk**

The nature of waste management presents the business with both regular high value customers but also smaller one off users wherein both customer type present varying degrees of credit risk. Any customers trading below £1,000 per month are encouraged to pay by direct debit thereby ensuring debts are collected within a 30 day window. The 30 day credit term is the norm for the group and any customers on an open account will have had a credit check undertaken before credit terms are given. Effective credit control and a stop list ensure that the group minimizes its exposure.

**Liquidity Risk**

The group undertakes long range forecasting to ensure its vision and strategic direction of travel deliver benefit to its shareholder. In addition the group undertakes a short range cash forecast of 13 and 26 weeks to ensure liquidity issues, if present, are identified as early as possible thereby presenting the Directors with the ability to adopt a differing course to ensure liquidity levels are maintained.

**Market Risk**

The waste management industry faces price volatility in a number of areas. Legislation changes directly effect the price of disposal as well as changes in classification. In addition the fluctuating price of energy has to be mitigated along with other cost pressures during periods of higher inflation. Fixing contracts for extended periods ensures where possible to provide a stable price and as such can pass this stability on to our customers.

**Financial Risk**

Higher rates of interest impact the group as the assets required to undertake waste collection have provided by asset backed lending. Again these interest rates are taken on a fixed rate where suitable or alternatively if rates are high, the group adopts a variable rate solution with a view to re-finance at a fixed rate if rates the move in the group's favour.

**Currency Risk**

The group does not export waste and processes and recovers waste solely within the UK and as such is not susceptible to foreign currency risk.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**GROUP STRATEGIC REPORT  
for the year ended 31 March 2023**

**FUTURE DEVELOPMENTS**

Significant improvement in results has led us to reconsider the redevelopment of our Materials Recycling Facility ("MRF") and instead focus on deriving further benefits via additional processing of our existing waste streams with a view to becoming a direct supplier of recovered fuel. The investment required to achieve this, whilst still significant, can be achieved via current cashflows and will negate the need to take additional loan facilities from Coventry City Council.

The group's workforce is constantly trained, particularly in Health and Safety matters, where the company's policies are clearly stated and are carefully displayed to ensure all employees are constantly aware of the inherent risks in the workplace.

**ON BEHALF OF THE BOARD:**

Mr A J Walster - Director .....

Date: 15<sup>th</sup> Dec 2023

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

**PRINCIPAL ACTIVITY**

Tom White Waste Limited and its wholly owned subsidiaries (the 'Group') is owned by the immediate parent company Coventry Municipal Holdings Limited and the ultimate parent organisation Coventry City Council. The Group includes the following subsidiaries:

- Tom White Waste (LACO) Limited; and
- A&M Metals & Waste Limited

The principal activity of the Group in the year under review continued to be that of provision of waste management and recycling services.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2023 (2022: £500,000).

**RESEARCH AND DEVELOPMENT**

No specific research and development activities have been undertaken during the year.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr P Helm  
Mr G W McKelvie  
Mr J A Tranter  
Mr A J Walster  
Mr A P Williams

**FINANCIAL INSTRUMENTS**

The Group holds or issues financial instruments to finance its operations and enter contracts with customers and suppliers to manage risks arising from its operations and its sources of finance in accordance with the Group's accounting policies. The Group's financial instruments comprise trade and other receivables, amounts due from group undertakings, trade and other creditors and amounts due to group undertakings all of which arise directly from the operations of the Group. Cash is held with reputable financial institutions to minimise credit risk.

Information on the financial exposure and risk management is disclosed within the Strategic Report.

**POLITICAL DONATIONS AND EXPENDITURE**

During the year under review and the previous period the Group did not make any donations for political purposes.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5m.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

**GOING CONCERN**

During the year ended 31 March 2023, the Group's financial performance markedly improved over the prior year which had materially been impacted by operational and impairment issues. By balancing the feeds to the waste recycling plant, we were able to achieve far greater efficiencies which in turn led to improved profitability and recycling of waste streams.

In determining the appropriate basis of preparation of the financial statements for the group for the year ended 31 March 2023, the directors are required to consider whether the group can continue in operational existence for at least 12 months from the date of approval of the financial statements.

The Directors prepared financial forecasts and projections to 31 March 2027. Within these financial projections, management reviewed profit and net cash flow in the period. The performance trend of March 2023 continues throughout these forecasts and is further supplemented by both expansion, productivity and efficiency initiatives. The Group is proactively driving down the cost of disposal via additional waste separation and additional processing. This additional focus allows the Group to expand its presence in certain waste streams where it can efficiently expand turnover and generate additional revenues and profits above and beyond its current levels with minimal capital investment.

At 31 March 2023 the Group has un-utilised banking facilities available and cash and cash equivalents of £473K and therefore have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. This puts the Group in a position to manage fluctuations in financial performance for at least 12 months from the date of approval of the financial statements.

Having undertaken the going concern assessment, the Directors have concluded that it is appropriate to adopt the going concern basis. They do not consider there to be any material uncertainty relating to the Group's ability to continue as a going concern.

**DISCLOSURE IN THE STRATEGIC REPORT**

In accordance with section 414C(11) of the Companies Act 2006, the Directors have set out certain information in the Group's Strategic Report which would otherwise be required by Schedule 7 to be contained in the Report of the Directors. It has done so in respect of principal risks and uncertainties and future developments.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 UK-adopted international accounting standards. 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 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 and the group'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.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr A J Walster - Director .....

Date: .....

15<sup>th</sup> Dec 2023

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOM WHITE WASTE LIMITED

### Opinion

We have audited the financial statements of Tom White Waste Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TOM WHITE WASTE LIMITED**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOM WHITE WASTE LIMITED

### **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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- Reference to past history and experience of the Entity and Group
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity and Group procedures relating to:
  - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud.
  - assessment of the controls and processes that the Entity and Group has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- Management override of control;
- Revenue recognition, particularly in respect of rendering of services

We design audit procedures by tailored and directed testing to aid and support the determined level of risk. In response to the assessed risk we plan audit tests and procedures that target specific areas where misstatement may occur. These procedures and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- We critically assessed the appropriateness and tested the application of the revenue and cost recognition policies
- We assessed the appropriateness of accounting journals and other adjustments made in the preparation of the financial statements
- We reviewed the Entity and Group accounting policies for non-compliance with relevant standards.
- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations

In performing an audit in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
TOM WHITE WASTE LIMITED**

**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 a Report of the Auditors 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.

Mr Ashwani Rishiraj FCA (Senior Statutory Auditor)  
for and on behalf of Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

Date: .....15/12/2023.....

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
for the year ended 31 March 2023

	Notes	2023 £	2022 £
<b>CONTINUING OPERATIONS</b>			
Revenue	3	21,567,957	17,213,033
Cost of sales		(15,536,620)	(13,242,194)
<b>GROSS PROFIT</b>		<b>6,031,337</b>	<b>3,970,839</b>
Other operating income	4	73,120	117,012
Administrative expenses		(5,837,676)	(7,415,158)
<b>OPERATING PROFIT/(LOSS)</b>		<b>266,781</b>	<b>(3,327,307)</b>
Finance costs	7	(367,056)	(99,600)
Finance income	7	654	-
<b>LOSS BEFORE INCOME TAX</b>	8	<b>(99,621)</b>	<b>(3,426,907)</b>
Income tax	10	(214,230)	169,865
<b>LOSS FOR THE YEAR</b>		<b>(313,851)</b>	<b>(3,257,042)</b>
Loss attributable to: Owners of the parent		(313,851)	(3,257,042)

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the year ended 31 March 2023**

	2023 £	2022 £
<b>LOSS FOR THE YEAR</b>	(313,851)	(3,257,042)
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(313,851)</u>	<u>(3,257,042)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(313,851)</u>	<u>(3,257,042)</u>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
31 March 2023

	Notes	2023 £	2022 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Owned			
Property, plant and equipment	14	8,125,177	8,507,866
Right-of-use			
Property, plant and equipment	14, 22	6,488,701	3,711,259
Investments	15	-	-
		14,613,878	12,219,125
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	3,350,431	3,756,530
Tax receivable		509,276	509,276
Cash and cash equivalents	17	472,826	471,370
		4,332,533	4,737,176
<b>TOTAL ASSETS</b>		18,946,411	16,956,301
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	100	100
Retained earnings	19	3,044,082	3,357,933
<b>TOTAL EQUITY</b>		3,044,182	3,358,033
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	8,058,512	5,175,877
Deferred tax	24	1,248,711	1,034,481
		9,307,223	6,210,358
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	4,895,048	6,001,840
Contract liabilities	3	282,133	-
Financial liabilities - borrowings			
Bank overdrafts	21	-	14
Interest bearing loans and borrowings	21	1,417,825	1,236,714
Tax payable		-	149,342
		6,595,006	7,387,910
<b>TOTAL LIABILITIES</b>		15,902,229	13,598,268
<b>TOTAL EQUITY AND LIABILITIES</b>		18,946,411	16,956,301

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**  
**31 March 2023**

The financial statements were approved by the Board of Directors and authorised for issue on  
...15.12.2023..... and were signed on its behalf by:

Mr A J Walster - Director .....

Mr J A Tranter - Director .....

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

COMPANY STATEMENT OF FINANCIAL POSITION  
31 March 2023

	Notes	2023 £	2022 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Owned			
Property, plant and equipment	14	8,125,177	8,507,866
Right-of-use			
Property, plant and equipment	14, 22	6,488,701	3,711,259
Investments	15	101	101
		<u>14,613,979</u>	<u>12,219,226</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	16	4,843,006	4,913,949
Tax receivable		509,276	509,276
Cash and cash equivalents	17	472,338	470,844
		<u>5,824,620</u>	<u>5,894,069</u>
<b>TOTAL ASSETS</b>		<u>20,438,599</u>	<u>18,113,295</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	18	100	100
Retained earnings	19	3,024,787	3,277,380
<b>TOTAL EQUITY</b>		<u>3,024,887</u>	<u>3,277,480</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	8,058,512	5,175,877
Deferred tax	24	1,248,711	1,034,481
		<u>9,307,223</u>	<u>6,210,358</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	6,406,531	7,239,387
Contract liabilities	3	282,133	-
Financial liabilities - borrowings			
Bank overdrafts	21	-	14
Interest bearing loans and borrowings	21	1,417,825	1,236,714
Tax payable		-	149,342
		<u>8,106,489</u>	<u>8,625,457</u>
<b>TOTAL LIABILITIES</b>		<u>17,413,712</u>	<u>14,835,815</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>20,438,599</u>	<u>18,113,295</u>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**COMPANY STATEMENT OF FINANCIAL POSITION - continued**  
**31 March 2023**

The financial statements were approved by the Board of Directors and authorised for issue on  
.....15/12/2023..... and were signed on its behalf by:

Mr A J Walster - Director .....

Mr J A Tranter - Director .....

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2021</b>	100	7,114,975	7,115,075
<b>Changes in equity</b>			
Dividends	-	(500,000)	(500,000)
Total comprehensive income	-	(3,257,042)	(3,257,042)
<b>Balance at 31 March 2022</b>	<u>100</u>	<u>3,357,933</u>	<u>3,358,033</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(313,851)	(313,851)
<b>Balance at 31 March 2023</b>	<u><u>100</u></u>	<u><u>3,044,082</u></u>	<u><u>3,044,182</u></u>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2021</b>	100	7,034,422	7,034,522
<b>Changes in equity</b>			
Issue of share capital	-	-	-
Dividends	-	(500,000)	(500,000)
Total comprehensive income		(3,257,042)	(3,257,042)
<b>Balance at 31 March 2022</b>	<u>100</u>	<u>3,277,380</u>	<u>3,277,480</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(252,593)	(252,593)
<b>Balance at 31 March 2023</b>	<u>100</u>	<u>3,024,787</u>	<u>3,024,887</u>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2023

		2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,352,993	2,336,968
Interest paid		(166,067)	(34,379)
Lease interest paid		(200,989)	(65,221)
Tax paid		(149,342)	(19,286)
		<hr/>	<hr/>
Net cash from operating activities		836,595	2,218,082
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(352,314)	(646,428)
Sale of tangible fixed assets		371,500	18,008
Interest received		654	-
		<hr/>	<hr/>
Net cash from investing activities		19,840	(628,420)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		533,000	-
Repayment of borrowings		(71,558)	121,606
Repayment of lease liabilities		(1,316,407)	(1,102,737)
Equity dividends paid		-	(500,000)
		<hr/>	<hr/>
Net cash from financing activities		(854,965)	(1,481,131)
		<hr/>	<hr/>
<b>Increase in cash and cash equivalents</b>		1,470	108,531
<b>Cash and cash equivalents at beginning of year</b>	2	471,356	362,825
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	2	472,826	471,356
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS  
for the year ended 31 March 2023**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS	2023	2022
	£	£
Loss before income tax	(99,621)	(3,426,907)
Depreciation charges	1,626,682	2,241,110
Profit on disposal of fixed assets	(121,910)	(18,008)
Impairment of tangible fixed assets	-	1,129,751
Finance costs	367,056	99,600
Finance income	(654)	-
	<u>1,771,553</u>	<u>25,546</u>
Decrease/(increase) in trade and other receivables	406,099	(609,551)
(Decrease)/increase in trade and other payables	(1,106,792)	2,920,973
Increase in contract liabilities	282,133	-
	<u>1,352,993</u>	<u>2,336,968</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 March 2023**

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	472,826	471,370
Bank overdrafts	-	(14)
	<u>472,826</u>	<u>471,356</u>

**Year ended 31 March 2022**

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	471,370	362,839
Bank overdrafts	(14)	(14)
	<u>471,356</u>	<u>362,825</u>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

**1. STATUTORY INFORMATION**

Tom White Waste Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

Tom White Waste Group consists of Tom White Waste Limited, A&M Metals and Waste Limited and Tom White Waste (LACO) Limited.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) using the acquisition method of accounting. All financial statements are made up to 31 March each year. Control is achieved when the Company:

- has power over the entity;
- is exposed to, or has rights to, variable returns from its involvement with the entity; and
- has ability to affect those returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intra-group transactions and balances on transactions between group companies are eliminated on consolidation.

**Going concern**

During the year ended 31 March 2023, the Group's financial performance markedly improved over the prior year which had materially been impacted by operational and impairment issues. By balancing the feeds to the waste recycling plant, we were able to achieve far greater efficiencies which in turn led to improved profitability and recycling of waste streams.

In determining the appropriate basis of preparation of the financial statements for the group for the year ended 31 March 2023, the directors are required to consider whether the group can continue in operational existence for at least 12 months from the date of approval of the financial statements.

The Directors prepared financial forecasts and projections to 31 March 2027. Within these financial projections, management reviewed profit and net cash flow in the period. The performance trend of March 2023 continues throughout these forecasts and is further supplemented by both expansion, productivity and efficiency initiatives. The Group is proactively driving down the cost of disposal via additional waste separation and additional processing. This additional focus allows the Group to expand its presence in certain waste streams where it can efficiently expand turnover and generate additional revenues and profits above and beyond its current levels with minimal capital investment.

At 31 March 2023 the Group has un-utilised banking facilities available and cash and cash equivalents of £473K and therefore have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. This puts the Group in a position to manage fluctuations in financial performance for at least 12 months from the date of approval of the financial statements.

Having undertaken the going concern assessment, the Directors have concluded that it is appropriate to adopt the going concern basis. They do not consider there to be any material uncertainty relating to the Group's ability to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

**Deferred tax asset**

The group has tax losses available for offset against future trading profits of approximately £3.3m at 31 March 2023. A deferred tax asset in respect of these losses of £0.8m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**Accruals**

Estimation is required in determining an appropriate amount to accrue in respect of uninvoiced expenses. The amounts accrued are based on managements best estimate of such costs after considering works performed to the year end date.

**Useful economic lives of fixed assets**

Estimation is required in determining the useful economic lives over which assets are depreciated. In estimating the useful economic life of the asset management take into consideration expected condition and use of the asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Revenue recognition**

The Group's revenue is derived from the collection, transport, and disposal of commercial and domestic waste arising in the United Kingdom.

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Landfill tax is included within cost of sales. The policies adopted for the recognition of revenue are as follows:

**Sale of goods**

Revenue from the sale of goods are recognised when control of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. This is usually on dispatch of the goods.

**Rendering of services**

Revenue from providing services, where performance obligations are satisfied over time, is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule which has usually been set to be broadly aligned with the volume of work performed. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

**Dividend and interest income**

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established. Each is then shown separately in the statement of profit or loss and other comprehensive income.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

**Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	-	2% on cost
Leasehold land and buildings	-	over period of the lease
Plant and machinery	-	3 - 10 years straight line
Fixtures and fittings	-	3 - 10 years straight line
Motor vehicles	-	3 - 10 years straight line

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 charged or credited to profit and loss.

**Impairment of property, plant and equipment**

At each reporting period end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication of impairment. Where impairment is indicated, the recoverable amount of the asset is estimated, which is calculated by the higher of fair value less costs of disposal compared with value in use, to determine the level of the impairment.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified third-party valuers to perform such valuations. The Board of Directors work with these valuers to establish an appropriate technical approach, understanding of the asset and to establish the inputs.

Value in use is calculated using estimated cash flows. These are discounted using an appropriate long-term pre-tax interest rate. When an impairment arises, the useful life of the asset in question is reviewed and, if necessary, the future depreciation/amortisation charge is accelerated.

When the recoverable amount of an asset is less than its carrying amount, then the carrying amount is reduced to its recoverable value. This reduction is reported in the statement of profit or loss and other comprehensive income as an impairment loss.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

**Financial assets**

Financial assets are subsequently classified into the following specified categories:

- financial assets at fair value through profit or loss, including held for trading;
- fair value through other comprehensive income; or
- amortised cost

The classification depends on the nature and purpose of the financial asset (ie. the Group's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

Financial assets are classified as at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are measured at amortised cost if they are held within a business mode whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost or fair value through other comprehensive income are held at fair value through profit or loss.

**Equity investments**

In the individual entity financial statements, investments in subsidiaries are recognised at cost, less provision for impairment losses.

A subsidiary is controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**Financial liabilities**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at proceeds received net of issue costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or financial liabilities at amortised cost, which are measured using the effective interest method. At present the company does not have any financial liabilities at FVTPL.

**Fair values**

Fair value is the amounts for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques. The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or a shorter period, on the net carrying amount on initial recognition.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

**Leases**

The Group applies IFRS 16 Leases. Accordingly leases are all accounted for in the same manner:

- A right of use asset and lease liability is recognised on the statement of financial position, initially measured at the present value of future lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities are recognised in the statement of comprehensive income;
- The total amount of cash paid is recognised in the statement of cash flows, split between payments of principal (within financing activities) and interest (also within financing activities).

The initial measurement of the right of use asset and lease liability takes into account the value of lease incentives such as rent free periods.

The costs of leases of low value items and those with a short term at inception (defined as leases with a lease term of 12 months or less) are recognised as incurred.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

**Employee benefit costs**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

The cost of any unused holiday entitlement is recognised in the financial 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.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Government grants**

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

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying value.

**Provisions**

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

**3. REVENUE**

**Revenue from contracts with customers**

The Group generates revenue from the collection, transport, recycling and disposal of commercial and domestic waste all arising in the UK.

	2023 £	2022 £
Rendering of services	21,567,957	17,213,033

**Timing of Revenue Recognition:**

	2023 £	2022 £
Revenue recognised at a point in time	19,868,540	17,213,033
Revenue recognised over time	1,699,417	-
	<u>21,567,957</u>	<u>17,213,033</u>

The performance obligations from waste management and recycling revenues are satisfied at a point in time which is generally on collection of waste from customers. This relates to the roll on, roll off service, skips, trade waste revenue and revenue from the inbound gate. Invoices are raised on the date the service is completed and usually payable within 30 days. For some customers namely for domestic skip hire, payment would be collected in advance of the service being provided.

The performance obligation from the support provided to the municipal waste collections is satisfied over time as the services are provided. Invoices are usually raised the month the service is provided and payable within 14 days.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**3. REVENUE - continued**

**Contract balances**

	2023 £	2022 £
Receivables included in "Trade and other receivables"	<u>2,862,471</u>	<u>3,304,217</u>

**Contract liabilities**

**Current**

Contract liabilities	<u>282,133</u>	<u>-</u>
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A trade receivable is recognised when the group has issued an invoice and has unconditional right to receive payment. The invoice is typically issued as the performance obligations are satisfied.

Deferred revenue is recognised when payment is received from customers before the respective performance obligation is satisfied.

**4. OTHER OPERATING INCOME**

	2023 £	2022 £
Rents received	16,250	-
Sundry receipts	-	117,012
Management fees receivable	56,870	-
	<u>73,120</u>	<u>117,012</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**5. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	6,013,984	3,861,805
Social security costs	951,282	395,881
Other pension costs	175,374	91,207
	<u>7,140,640</u>	<u>4,348,893</u>

The average number of employees (including directors) employed by the group and company during the year was:

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Directors	4	4	4	4
Finance and administration	29	39	29	39
Sales	4	7	4	7
Drivers	129	46	129	46
Transfer Yard	35	36	35	36
Workshop	4	5	4	5
	<u>205</u>	<u>137</u>	<u>205</u>	<u>137</u>

	2023	2022
	£	£
Directors' remuneration	124,969	113,597
Directors' pension contributions to money purchase schemes	11,741	4,951
	<u>136,710</u>	<u>118,548</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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**6. EXCEPTIONAL ITEMS**

	2023	2022
	£	£
Exceptional Items	205,352	202,903
	<u>205,352</u>	<u>202,903</u>

Exceptional items relate to professional fees for the redevelopment of the Materials Recycling Facility ("MRF"), a project which was subsequently terminated after the balance sheet date.

**7. NET FINANCE COSTS**

	2023	2022
	£	£
Finance income:		
Interest income	654	-
	<u>654</u>	<u>-</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**7. NET FINANCE COSTS - continued**

	2023	2022
	£	£
Finance costs:		
Bank loan interest	150,830	34,379
Other loan interest	9,682	-
Late payment interest	5,555	-
Hire purchase	90,178	64,851
Leasing	110,811	370
	<u>367,056</u>	<u>99,600</u>
 Net finance costs	 <u>366,402</u>	 <u>99,600</u>

Other loan interest represents amounts due to Coventry City Council for the year in respect of 'other loans' outstanding as shown in Note 21.

**8. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation - owned assets	749,442	1,431,374
Depreciation - assets on hire purchase contracts	877,242	809,731
Profit on disposal of fixed assets	(121,910)	(18,008)
Auditors remuneration	30,000	25,000
	<u>734,774</u>	<u>1,219,097</u>

**9. AUDITORS' REMUNERATION**

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	30,000	25,000
Total audit fees	<u>30,000</u>	<u>25,000</u>

**10. INCOME TAX**

**Analysis of tax expense/(income)**

	2023	2022
	£	£
Current tax:		
Adjustments in respect of prior periods	-	(509,276)
Deferred tax	214,230	339,411
Total tax expense/(income) in consolidated statement of profit or loss	<u>214,230</u>	<u>(169,865)</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**10. INCOME TAX - continued**

**Factors affecting the tax expense**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Loss before income tax	(99,621)	(3,426,907)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(18,928)	(651,112)
Effects of:		
Change in unrecognised deferred tax assets	333,797	462,184
Capital allowances in excess of depreciation	(89,360)	(168,930)
Depreciation on assets not qualifying for tax allowance	23,789	20,949
Revenue items capitalised	(8,193)	(75,223)
Effect of change in corporation tax rate	(22,950)	248,275
Other adjustments	(3,925)	(2,497)
Deferred tax adjustment in respect of prior years	-	(3,511)
Tax expense/(income)	<u>214,230</u>	<u>(169,865)</u>

**11. LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(252,593) (2022 - £3,257,042).

**12. DIVIDENDS**

	2023 £	2022 £
Ordinary shares of £1 each		
Final	-	500,000

**13. IMPAIRMENTS**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Note	2023 £	2022 £
In respect of:			
Property, plant and equipment	14	-	1,129,751
Recognised in:			
Administrative expenses		-	1,129,751

The impairment losses in respect of financial assets are recognised in administrative expenses in the profit and loss account.

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
<b>COST</b>			
At 1 April 2022	6,774,753	210,657	7,049,599
Additions	3,476	2,510,152	783,300
Disposals	-	-	(634,000)
At 31 March 2023	<u>6,778,229</u>	<u>2,720,809</u>	<u>7,198,899</u>
<b>DEPRECIATION</b>			
At 1 April 2022	849,041	53,676	3,766,386
Charge for year	117,542	108,010	690,629
Eliminated on disposal	-	-	(407,400)
At 31 March 2023	<u>966,583</u>	<u>161,686</u>	<u>4,049,615</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>5,811,646</u>	<u>2,559,123</u>	<u>3,149,284</u>
At 31 March 2022	<u>5,925,712</u>	<u>156,981</u>	<u>3,283,213</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2022	537,798	5,035,557	19,608,364
Additions	57,518	916,581	4,271,027
Disposals	-	(82,448)	(716,448)
At 31 March 2023	<u>595,316</u>	<u>5,869,690</u>	<u>23,162,943</u>
<b>DEPRECIATION</b>			
At 1 April 2022	286,706	2,433,430	7,389,239
Charge for year	91,503	619,000	1,626,684
Eliminated on disposal	-	(59,458)	(466,858)
At 31 March 2023	<u>378,209</u>	<u>2,992,972</u>	<u>8,549,065</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>217,107</u>	<u>2,876,718</u>	<u>14,613,878</u>
At 31 March 2022	<u>251,092</u>	<u>2,602,127</u>	<u>12,219,125</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**14. PROPERTY, PLANT AND EQUIPMENT - continued**

**Company**

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
<b>COST</b>			
At 1 April 2022	6,774,753	210,657	7,049,599
Additions	3,476	2,510,152	783,300
Disposals	-	-	(634,000)
At 31 March 2023	<u>6,778,229</u>	<u>2,720,809</u>	<u>7,198,899</u>
<b>DEPRECIATION</b>			
At 1 April 2022	849,041	53,676	3,766,386
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Eliminated on disposal	-	-	(407,400)
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<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>5,811,646</u>	<u>2,559,123</u>	<u>3,149,284</u>
At 31 March 2022	<u>5,925,712</u>	<u>156,981</u>	<u>3,283,213</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2022	537,798	5,035,557	19,608,364
Additions	57,518	916,581	4,271,027
Disposals	-	(82,448)	(716,448)
At 31 March 2023	<u>595,316</u>	<u>5,869,690</u>	<u>23,162,943</u>
<b>DEPRECIATION</b>			
At 1 April 2022	286,706	2,433,430	7,389,239
Charge for year	91,503	619,000	1,626,684
Eliminated on disposal	-	(59,458)	(466,858)
At 31 March 2023	<u>378,209</u>	<u>2,992,972</u>	<u>8,549,065</u>
<b>NET BOOK VALUE</b>			
At 31 March 2023	<u>217,107</u>	<u>2,876,718</u>	<u>14,613,878</u>
At 31 March 2022	<u>251,092</u>	<u>2,602,127</u>	<u>12,219,125</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**15. INVESTMENTS**

**Company**

	Shares in group undertaking £
<b>COST</b>	
At 1 April 2022 and 31 March 2023	101
<b>NET BOOK VALUE</b>	
At 31 March 2023	<u>101</u>
At 31 March 2022	<u>101</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Subsidiaries**

**A&M Metals & Waste Limited**

Registered office: Unit 13a Stonebrook Way Longford Coventry West Midlands CV6 6LN  
Nature of business: Waste management and recycling

	%			
Class of shares:	holding			
Ordinary	100.00		31.3.23	31.3.22
			£	£
Aggregate capital and reserves			<u>19,395</u>	<u>80,652</u>

**Tom White Waste (LACO) Limited**

Registered office: Unit 13a Stonebrook Way Longford Coventry West Midlands CV6 6LN  
Nature of business: Waste management and recycling

	%			
Class of shares:	holding			
Ordinary	100.00		31.3.23	31.3.22
			£	£
Aggregate capital and reserves			<u>1</u>	<u>1</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**16. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade debtors	2,862,471	3,304,217	2,755,564	3,082,016
Amounts owed by group undertakings	-	-	1,599,482	1,482,219
Other debtors	92,203	113,322	92,203	10,723
Prepayments and accrued income	395,757	338,991	395,757	338,991
	<u>3,350,431</u>	<u>3,756,530</u>	<u>4,843,006</u>	<u>4,913,949</u>

**17. CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	2023 £	2022 £	2023 £	2022 £
Cash in hand	199	552	199	552
Bank accounts	472,627	470,818	472,139	470,292
	<u>472,826</u>	<u>471,370</u>	<u>472,338</u>	<u>470,844</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2023	2022
Number:	Class:		£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**19. RESERVES**

**Group**

	Retained earnings £
At 1 April 2022	3,357,933
Deficit for the year	(313,851)
	3,044,082
At 31 March 2023	3,044,082

**Company**

	Retained earnings £
At 1 April 2022	3,277,380
Deficit for the year	(252,593)
	3,024,787
At 31 March 2023	3,024,787

**20. TRADE AND OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade creditors	2,420,241	3,669,295	2,420,242	3,669,297
Amounts owed to group undertakings	503,880	500,002	2,135,565	1,857,750
Social security and other taxes	748,009	544,923	627,806	424,720
Other creditors	109,506	-	109,506	-
Accruals and deferred income	1,113,412	1,287,620	1,113,412	1,287,620
	4,895,048	6,001,840	6,406,531	7,239,387

**21. FINANCIAL LIABILITIES - BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	2023 £	2022 £	2023 £	2022 £
Current:				
Bank overdrafts	-	14	-	14
Bank loans	300,840	216,624	300,840	216,624
Leases (see note 22)	1,116,985	1,020,090	1,116,985	1,020,090
	1,417,825	1,236,728	1,417,825	1,236,728

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**21. FINANCIAL LIABILITIES - BORROWINGS - continued**

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Non-current:				
Bank loans - 1-2 years	2,931,265	3,087,039	2,931,265	3,087,039
Other loans - 1-2 years	533,000	-	533,000	-
Leases (see note 22)	4,594,247	2,088,838	4,594,247	2,088,838
	<u>8,058,512</u>	<u>5,175,877</u>	<u>8,058,512</u>	<u>5,175,877</u>

Terms and debt repayment schedule

**Group**

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	300,840	300,840	902,520	1,727,905	3,232,105
Other loans	-	-	533,000	-	533,000
Leases	1,116,985	969,201	2,067,003	1,558,043	5,711,232
	<u>1,417,825</u>	<u>1,270,041</u>	<u>3,502,523</u>	<u>3,285,948</u>	<u>9,476,337</u>

**Company**

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	300,840	300,840	902,520	1,727,905	3,232,105
Other loans	-	-	533,000	-	533,000
Leases	1,116,985	969,201	2,067,003	1,558,043	5,711,232
	<u>1,417,825</u>	<u>1,270,041</u>	<u>3,502,523</u>	<u>3,285,948</u>	<u>9,476,337</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**21. FINANCIAL LIABILITIES - BORROWINGS - continued**

**Bank loans and overdrafts**

Bank loan is repaid in monthly instalments until March 2035 after which time the amount outstanding will be repayable in full. Interest on the loan is charged at 2.25% per annum above the Bank of England base rate.

**Other loans**

Other loans represents amount payable to Coventry City Council under a loan facility agreement dated 15th December 2022 for the redevelopment of the Materials Recycling Facility ("MRF") which was subsequently terminated after the balance sheet date. Under the terms of the agreement interest rate on the loan is 6.50% per annum, however, the repayment term varied depending on the drawdown from the facility. Following termination of the project, the loan term was revised to three years. The loan is secured against plant and equipment of the company under a charge dated 21st December 2016.

**Secured debts:**

Bank loans and overdraft are secured by the following:

- A mortgage debenture, dated 21/01/1991, over the assets of the company.
- A first legal mortgage, dated 21/08/2013, over 1 Coronel Avenue, Rowleys Green, Coventry.
- A first legal mortgage, dated 30/03/2015, over 75 Longford Road, Coventry.
- A first legal mortgage, dated 21/12/2016, over Unit 13A, Stonebrook Way, Longford, Coventry.
- A first legal mortgage, dated 28/07/1998, over land ex Grimley Haulage Depot, Off Stonebrook Way, Longford, Coventry vesting in the company name.
- Guarantee given by company Tom White Waste Limited, Waste Masters Hire Limited dated 17/11/2017.
- Collateral warranties relating to a project at 75 Longford Road, Coventry.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**22. LEASING**

**Group**

**Right-of-use assets**

**Property, plant and equipment**

	2023 £	2022 £
<b>COST</b>		
At 1 April 2022	5,519,026	3,118,081
Additions	3,918,713	2,400,945
Disposals	(309,000)	-
Transfer to ownership	(79,295)	-
	<u>9,049,444</u>	<u>5,519,026</u>
<b>DEPRECIATION</b>		
At 1 April 2022	1,807,767	998,036
Charge for year	877,242	809,731
Eliminated on disposal	(82,400)	-
Transfer to ownership	(41,866)	-
	<u>2,560,743</u>	<u>1,807,767</u>
<b>NET BOOK VALUE</b>	<u>6,488,701</u>	<u>3,711,259</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**Company**

**Right-of-use assets**

**Property, plant and equipment**

	2023 £	2022 £
<b>COST</b>		
At 1 April 2022	5,519,026	3,118,081
Additions	3,918,713	2,400,945
Disposals	(309,000)	-
Transfer to ownership	(79,295)	-
	<u>9,049,444</u>	<u>5,519,026</u>
 <b>DEPRECIATION</b>		
At 1 April 2022	1,807,767	998,036
Charge for year	877,242	809,731
Eliminated on disposal	(82,400)	-
Transfer to ownership	(41,866)	-
	<u>2,560,743</u>	<u>1,807,767</u>
 <b>NET BOOK VALUE</b>	 <u><u>6,488,701</u></u>	 <u><u>3,711,259</u></u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**22. LEASING - continued**

**Group  
Lease liabilities**

Minimum lease payments fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	1,396,209	1,090,081
Between one and five years	3,881,151	2,277,097
In more than five years	1,850,162	-
	<u>7,127,522</u>	<u>3,367,178</u>
Finance charges repayable:		
Within one year	279,224	69,991
Between one and five years	844,947	188,259
In more than five years	292,119	-
	<u>1,416,290</u>	<u>258,250</u>
Net obligations repayable:		
Within one year	1,116,985	1,020,090
Between one and five years	3,036,204	2,088,838
In more than five years	1,558,043	-
	<u>5,711,232</u>	<u>3,108,928</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**22. LEASING - continued**

**Group**

The Group leases land and buildings, plant and machinery and motor vehicles. All leases are on fixed repayments terms with no arrangements being entered into for contingent rental payments.

In July 2022, the Group entered into a ten year lease agreement with a third party for open storage and ancillary site offices for annual minimum lease payments of £353,000. The lease liability is recognised in the financial statements at the present value of future minimum lease payments at 31 March 2023.

In February 2023, the Group entered into a five year sub-lease agreement with a third party for part of the open storage site for annual rental income of £65,000. The Group has classified the lease by reference to the right-of-use asset arising from the head lease and the sub-lease as lease income. During the term of the sub lease, the Group retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position, recognising depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sub lease. The leases include restrictions on the use of asset.

Plant and machinery and motor vehicles include non-cancellable leases with terms ranging usually between one to five years. In some cases, the Group has entered into lease agreements ending in more than five years.

The average rate applied to measure lease liabilities during the year was 3.75% per annum (2022: 3% per annum).

During the year, the Group entered into a short term lease agreement where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2023, total undiscounted lease payments due under this agreement is £8,334 (2022: £Nil).

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**22. LEASING - continued**

**Company  
Lease liabilities**

Minimum lease payments fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	1,396,209	1,090,081
Between one and five years	3,881,151	2,277,097
In more than five years	1,850,162	-
	<u>7,127,522</u>	<u>3,367,178</u>
Finance charges repayable:		
Within one year	279,224	69,991
Between one and five years	844,947	188,259
In more than five years	292,119	-
	<u>1,416,290</u>	<u>258,250</u>
Net obligations repayable:		
Within one year	1,116,985	1,020,090
Between one and five years	3,036,204	2,088,838
In more than five years	1,558,043	-
	<u>5,711,232</u>	<u>3,108,928</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**22. LEASING - continued**

**Company**

The company leases land and buildings, plant and machinery and motor vehicles. All leases are on fixed repayments terms with no arrangements being entered into for contingent rental payments.

In July 2022, the company entered into a ten year lease agreement with a third party for open storage and ancillary site offices for annual minimum lease payments of £353,000. The lease liability is recognised in the financial statements at the present value of future minimum lease payments at 31 March 2023.

In February 2023, the company entered into a five year sub-lease agreement with a third party for part of the open storage site for annual rental income of £65,000. The company has classified the lease by reference to the right-of-use asset arising from the head lease and the sub-lease as lease income. During the term of the sub lease, the company retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position, recognising depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sub lease. The leases include restrictions on the use of asset.

Plant and machinery and motor vehicles include non-cancellable leases with terms ranging usually between one to five years. In some cases, the company has entered into lease agreements ending in more than five years.

The average rate applied to measure lease liabilities during the year was 3.75% per annum (2022: 3% per annum).

During the year, the company entered into a short term lease agreement where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2023, total undiscounted lease payments due under this agreement is £8,334 (2022: £Nil).

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**23. FINANCIAL INSTRUMENTS**

The Group holds or issues financial instruments to finance its operations and enter contracts with customers and suppliers to manage risks arising from its operations and its sources of finance in accordance with the Group's accounting policies. The Group's financial instruments comprise trade and other receivables, amounts due from group undertakings, trade and other creditors and amounts due to group undertakings all of which arise directly from the operations of the Group. Cash is held with reputable financial institutions to minimise credit risk.

The Group's operations are financed by various sources which include finance leases, long term loans and retained earnings. Working capital requirements are principally funded out of retained earnings, however, during the year, the Group was granted an approved loan facility of £22.7m by Coventry City Council for the purpose of improving the Material Recycling Facility ("MRF"), a project which was subsequently terminated after the balance sheet date, with only £0.5m drawn down for development of the project.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not hold any collateral.

The group's main credit risk arises from trade receivables, being amounts owed by customers. The group offers credit terms to customers which are typically 30 days from invoice date.

The group monitors their trade receivables and trade payables on a regular basis to understand any pressures and assess the uncertainty in relation to receipts and payments. The Finance team are in regular contact with customers and suppliers to ensure that the group's financial liabilities can be met. The group has resources to manage its aged debtors and escalate any concerns as necessary. The Board of Directors have oversight in relation to the group's debtors and creditors position as part of the monthly board packs.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The following table shows a maturity analysis of the group's trade receivables:

	2023	2022
	£	£
1 - 30 days	1,667,126	1,625,955
31 - 60 days	563,340	1,148,832
61 - 90 days	261,430	225,616
91 - 120 days	370,575	303,814
	<u>2,862,471</u>	<u>3,304,217</u>

**Liquidity risk**

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group aims to maintain sufficient levels of cash and cash equivalents to meet its obligations as they fall due. At 31 March 2023 that group had cash and cash equivalents of £472,826 (2022: £471,370).

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

A weekly cashflow is shared with the Board of Directors to highlight the financial impact of operational performance and to inform management of any action that maybe required. The group has a risk register in place to limit the adverse effect of the financial performance of the group by monitoring levels of debt and related finance costs.

**Trade and other payables:**

The group monitors the level of expected cash inflows on trade and other receivables together with expected outflows on trade and other payables. At 31 March 2023, the expected inflows from trade debtors within 30 days was £1,667,126 and the expected outflows from trade creditors within 30 days was £1,283,173. The group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows

The following table shows a maturity analysis of the group's trade payables:

	2023	2022
	£	£
1 - 30 days	1,283,173	1,188,996
31 - 60 days	777,579	918,578
61 - 90 days	123,855	344,488
91 - 120 days	235,634	1,217,233
	<u>2,420,241</u>	<u>3,669,295</u>

**Exposure to liquidity risk**

The following tables show the group's remaining contractual maturities of cash outflows of financial liabilities at the reporting date. The amounts are net and undiscounted, and do not include contractual interest payments and exclude the impact of netting agreements.

2023	Total £	1 year or	1-2 years £	2-5 years £	More than 5
		less £			years £
Lease liabilities	5,711,232	1,116,985	969,201	2,067,003	1,558,043
Bank loans and overdrafts	3,232,105	300,840	300,840	902,520	1,727,905
Other loans	533,000	-	-	533,000	-
	<u>9,476,337</u>	<u>1,417,825</u>	<u>1,270,041</u>	<u>3,502,523</u>	<u>3,285,948</u>

2022	Total £	1 year or	1-2 years £	2-5 years £	More than 5
		less £			years £
Lease liabilities	3,108,928	1,020,090	657,071	1,431,767	-
Bank loans and overdrafts	3,303,677	216,638	216,624	649,872	2,220,543
Other loans	-	-	-	-	-
	<u>6,412,605</u>	<u>1,236,728</u>	<u>873,695</u>	<u>2,081,639</u>	<u>2,220,543</u>

The group continues to meet its obligations in respect of its financial borrowings. Management and directors have regular meetings with their lenders and providers of capital asset financing. Cash flows in the maturity analysis are not expected to occur significantly earlier than contractually disclosed above.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**Market risk**

Market risk is the risk that changes in market prices will affect the group's income and expenditure or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

**Exposure to Interest rate risk**

The group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the group to interest rate risk. Borrowings obtained at fixed rates expose the group to fair value risk

Interest on bank loans is charged at 2.25% per annum above the Bank of England base rate of interest.

Interest on other loans is charged at 6.50% per annum. Other loans represent amounts payable to Coventry City Council under the terms of the approved loan facility agreement dated 15 December 2022 for the redevelopment of the Materials Recycling Facility ("MRF"), a project which was subsequently terminated after the balance sheet date.

At 31 March 2023 the Bank of England base rate was 4.25% compared to 0.75% at the previous reporting date. During the current financial year, there has been a series of further interest rate rises by the Bank of England. This is closely monitored by management and directors to ensure the group continues to meet its financial obligations for the foreseeable future. The directors will consider the impact of proposed changes in interest rate at each board meeting to assess the impact this will have on the available cash reserves to meet debt servicing costs alongside the impact on the forecast profits and consider the options available to best manage this.

**Sensitivity Analysis: Other loans and Secured Bank Loans**

The following table shows a sensitivity analysis of how profit and loss would have been affected by changes in the interest rate on variable-rate instruments at the reporting date.

	Profit or Loss £	Equity £
Bank of England base rate at 6.0%	(120,185)	(203,003)
Bank of England base rate at 8.0%	(184,827)	(267,645)

**24. DEFERRED TAX**

**Group**

	2023 £	2022 £
Balance at 1 April	1,034,481	695,070
Charge to profit or loss	214,230	91,136
Effect of change in tax rate	-	248,275
Balance at 31 March	<u>1,248,711</u>	<u>1,034,481</u>

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**24. DEFERRED TAX - continued**

**Company**

	2023	2022
	£	£
Balance at 1 April	1,034,481	695,070
Charge to profit or loss	214,230	91,136
Effect of change in tax rate	-	248,275
	<hr/>	<hr/>
Balance at 31 March	<u>1,248,711</u>	<u>1,034,481</u>

From 17 March 2020 the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, the UK corporation tax rate increased to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. As a result, deferred tax has been calculated at a rate of 25%.

The company has taxable trading losses available for offset against future taxable trading profits of approximately £3.3m at 31 March 2023. A deferred tax asset in respect of these losses of £0.8m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

**25. PENSION COMMITMENTS**

The company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the company are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of profit or loss and other comprehensive income of £175,373 (2022: £91,207) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2023 contributions of £25,709 (2022: £10,126) due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**26. RELATED PARTY DISCLOSURES**

**Receivables from and payables to related parties**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

**Entities with common control:**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Current assets:				
Amounts owed by group undertakings	-	-	1,599,482	1,482,219
Current liabilities:				
Amounts due to group undertakings	-	-	1,631,685	1,357,750

**Coventry City Council:**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Current assets:				
Trade debtors	245,612	644,957	245,612	644,957
Current liabilities:				
Amounts owed by group undertakings	503,880	500,000	503,880	500,000
Trade creditors	663,519	887,134	663,519	887,134
Accruals	800,000	680,000	800,000	680,000

**Loans to and from related parties**

The following balances are outstanding at the reporting date in relation to transactions with related parties:

**Coventry City Council:**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Non-current liabilities				
Other loans	533,000	-	533,000	-

**Transactions with related parties**

The following transactions occurred with related parties during the year:

**Entities with common control:**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
Income				
Management fees	-	-	2,701,678	338,772

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**Coventry City Council:**

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Company 2023 £</b>	<b>Company 2022 £</b>
<b>Income</b>				
Sales	2,701,678	338,772	-	-
<b>Expenditure</b>				
Management charge	72,323	-	72,323	-
Interest payable on other loans(see note 7)	9,682	-	9,682	-

**Terms and conditions**

All transactions were made on normal commercial terms and conditions and at market rates.

**27. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the reporting date, the directors performed a detailed review of its plans to improve the Material Recycling Facility ("MRF"). It concluded that it was no longer a viable project and therefore made the decision not to proceed with its implementation.

**28. ULTIMATE CONTROLLING PARTY**

The immediate parent company is Coventry Municipal Holdings Limited whose registered office address is Council House, Coventry, CV1 5RR. The consolidated financial statements of Tom White Waste Limited are incorporated in the consolidated financial statements of Coventry Municipal Holdings Limited which are available from its address.

The ultimate parent company and ultimate controlling party of Tom White Waste Limited is Coventry City Council whose registered office address is Coventry City Council, Council House, Coventry, CV1 5RR. The consolidated financial statements of the group are available from this address.

**29. FIRST YEAR ADOPTION**

These are the Group's first financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the UK. The last financial statements prepared under FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" was for the year ended 31 March 2022. The date of transition to IFRS was 1 April 2021. Changes arising from this transition relate to the right-of-use assets and corresponding lease liability obligations in accordance with IFRS 16 Leases.

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**RECONCILIATION OF EQUITY  
1 April 2021  
(DATE OF TRANSITION TO IFRSS)**

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12,033,144	-	12,033,144
<b>CURRENT ASSETS</b>			
Trade and other receivables	3,146,979	-	3,146,979
Cash and cash equivalents	362,839	-	362,839
	<u>3,509,818</u>	-	<u>3,509,818</u>
<b>TOTAL ASSETS</b>	<u>15,542,962</u>	-	<u>15,542,962</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	100	-	100
Retained earnings	7,114,975	-	7,114,975
	<u>7,115,075</u>	-	<u>7,115,075</u>
<b>TOTAL EQUITY</b>	<u>7,115,075</u>	-	<u>7,115,075</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	23,572	-	23,572
Financial liabilities - borrowings			
Interest bearing loans and borrowings	3,439,973	-	3,439,973
Deferred tax	695,070	-	695,070
	<u>4,158,615</u>	-	<u>4,158,615</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	2,272,461	-	2,272,461
Financial liabilities - borrowings			
Bank overdrafts	14	-	14
Interest bearing loans and borrowings	1,043,337	-	1,043,337
Tax payable	953,460	-	953,460
	<u>4,269,272</u>	-	<u>4,269,272</u>
<b>TOTAL LIABILITIES</b>	<u>8,427,887</u>	-	<u>8,427,887</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>15,542,962</u>	-	<u>15,542,962</u>

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

RECONCILIATION OF EQUITY - continued  
31 March 2022

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12,162,928	56,197	12,219,125
<b>CURRENT ASSETS</b>			
Trade and other receivables	3,756,530	-	3,756,530
Tax receivable	509,276	-	509,276
Cash and cash equivalents	471,370	-	471,370
	4,737,176	3,625,213	4,737,176
<b>TOTAL ASSETS</b>	<b>16,900,104</b>	<b>3,681,410</b>	<b>16,956,301</b>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	100	-	100
Retained earnings	3,344,795	13,138	3,357,933
	3,344,895	13,138	3,358,033
<b>TOTAL EQUITY</b>	<b>3,344,895</b>	<b>13,138</b>	<b>3,358,033</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	5,148,066	27,811	5,175,877
Deferred tax	1,034,481	-	1,034,481
	6,182,547	27,811	6,210,358
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6,001,841	(1)	6,001,840
Financial liabilities - borrowings			
Bank overdrafts	14	-	14
Interest bearing loans and borrowings	1,221,465	15,249	1,236,714
Tax payable	149,342	-	149,342
	7,372,662	15,248	7,387,910
<b>TOTAL LIABILITIES</b>	<b>13,555,209</b>	<b>43,059</b>	<b>13,598,268</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,900,104</b>	<b>56,197</b>	<b>16,956,301</b>

The notes form part of these financial statements

**TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)**

**RECONCILIATION OF LOSS  
for the year ended 31 March 2022**

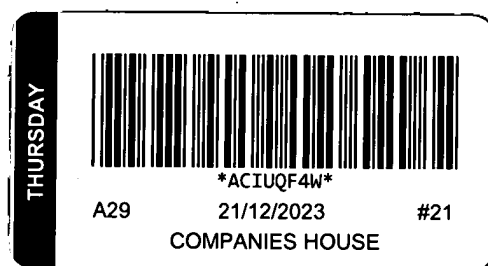
	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
Revenue	17,213,033	-	17,213,033
Cost of sales	(13,242,194)	-	(13,242,194)
<b>GROSS PROFIT</b>	<b>3,970,839</b>	<b>-</b>	<b>3,970,839</b>
Other operating income	117,012	-	117,012
Administrative expenses	(7,428,666)	13,508	(7,415,158)
Finance costs	(99,230)	(370)	(99,600)
<b>LOSS BEFORE TAX</b>	<b>(3,440,045)</b>	<b>13,138</b>	<b>(3,426,907)</b>
Income tax	169,865	-	169,865
<b>LOSS FOR THE YEAR</b>	<b>(3,270,180)</b>	<b>13,138</b>	<b>(3,257,042)</b>
Loss attributable to: Owners of the parent	(3,270,180)	13,138	(3,257,042)

The notes form part of these financial statements

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REGISTERED NUMBER: 04931967 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
COVENTRY TECHNICAL RESOURCES LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

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**COVENTRY TECHNICAL RESOURCES LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 March 2023**

**DIRECTORS:** Mr G McKelvie  
Mrs P Mudhar  
Ms S Newing

**SECRETARY:** Mr G S Sangha

**REGISTERED OFFICE:** c/o Room 56  
Council House  
Earl Street  
Coventry  
West Midlands  
CV1 5RR

**REGISTERED NUMBER:** 04931967 (England and Wales)

**AUDITORS:** Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**SOLICITORS:** In-house Legal Team  
Coventry City Council  
The Council House  
Earl Street  
Coventry  
CV1 5RR

**COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

**PRINCIPAL ACTIVITY**

The Company is a wholly owned subsidiary of Coventry City Council. The Company's main activity is to provide resource solutions to Coventry City Council under a series of contracts. Resource is either employed by Coventry Technical Resources directly or contracted from time to time as needs arise. The company employed 5 staff on average during the year, consistent with previous year. Payroll services are provided by Coventry City Council under contract.

**REVIEW OF BUSINESS**

The accounts have been prepared under FRS 101. The results for the year ended 31 March 2023 report a net profit after tax of £7,358 compared to £5,571 for the previous year. At the balance sheet date, the company has total equity of £2,770,429 (2022: £2,763,071), and total cash and equivalent balance of £2,663,963 (2022: £2,742,743)

**RESEARCH AND DEVELOPMENT**

No specific research and development activities have been undertaken during the year.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr G McKelvie  
Mrs P Mudhar  
Ms S Newing

**PAYMENTS TO SUPPLIERS**

The company's standard terms of payment are 30 days from the date payment is due, receipt of invoice or delivery of goods, whichever is the later. Alternative payment terms are only made if specifically demanded for contractual purposes.

**CHARITABLE AND POLITICAL DONATIONS**

There have been no charitable or political donations made in the period.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5m.

**EQUAL OPPORTUNITIES**

The Company has complied with the equal opportunities policies of the Council, as the ultimate owner of the Company, that in summary are:

- Everybody should have an equal opportunity to contribute to and benefit from society.
- A diverse community is a positive asset to the City.

**PARENT COMPANY**

Coventry Municipal Holdings Ltd became the parent company on 5th November 2021. There was no change in ownership of the company throughout the year or since the balance sheet date.

**COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Report of the Directors 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITORS**

The auditors, Luckmans Duckett Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

Mr G McKelvie - Director

Date: 18/12/2023

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COVENTRY TECHNICAL RESOURCES LIMITED

### Opinion

We have audited the financial statements of Coventry Technical Resources Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COVENTRY TECHNICAL RESOURCES LIMITED**

**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 Report of the Directors.

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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COVENTRY TECHNICAL RESOURCES LIMITED

### **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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- reference to history and experience of the Entity; and
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity's procedures relating to:
  - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
  - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud; and
  - assessment of the controls and processes that the Entity has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- management override of control; and
- revenue recognition, particularly in respect of delivery of services

These procedures, and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- critically assessed the appropriateness and testing the application of the revenue and cost recognition policies; and
- testing the appropriateness of accounting estimates, journals and other adjustments made in the preparation of the financial statements; and
- reviewing the Entity's accounting policies for non-compliance with relevant standards; and
- making enquiries of management and reviewing correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

In performing an audit in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COVENTRY TECHNICAL RESOURCES LIMITED**

**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 a Report of the Auditors 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.

Mr Ashwani Kishraj (Senior Statutory Auditor)  
for and on behalf of Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

Date: 18 / 12 / 2023

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

STATEMENT OF COMPREHENSIVE  
INCOME  
for the year ended 31 March 2023

	Notes	2023 £	2022 £
<b>TURNOVER</b>		380,865	419,397
Administrative expenses		373,507	413,806
		<u>7,358</u>	<u>5,591</u>
Other operating income		-	258
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>	4	7,358	5,849
Tax on profit	5	-	278
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>7,358</u>	<u>5,571</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>7,358</u></u>	<u><u>5,571</u></u>

The notes form part of these financial statements

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

BALANCE SHEET  
31 March 2023

	Notes	£	2023 £	£	2022 £
<b>CURRENT ASSETS</b>					
Debtors	6		131,160		42,387
Cash at bank			2,663,963		2,742,743
			<u>2,795,123</u>		<u>2,785,130</u>
<b>CREDITORS</b>					
Amounts falling due within one year	7		24,694		22,059
			<u>2,770,429</u>		<u>2,763,071</u>
<b>NET CURRENT ASSETS</b>					
			<u>2,770,429</u>		<u>2,763,071</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>2,770,429</u>		<u>2,763,071</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		1,758,062		1,758,062
Share premium			31,430,999		31,430,999
Retained earnings	9		(30,418,632)		(30,425,990)
			<u>2,770,429</u>		<u>2,763,071</u>
<b>SHAREHOLDERS' FUNDS</b>					
			<u>2,770,429</u>		<u>2,763,071</u>

The 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 18th December 23 and were signed on its behalf by:

.....  
Mrs P Mudhar --Director

The notes form part of these financial statements

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 April 2021</b>	1,758,062	(30,431,561)	31,430,999	2,757,500
<b>Changes in equity</b>				
Total comprehensive income	-	5,571	-	5,571
<b>Balance at 31 March 2022</b>	<u>1,758,062</u>	<u>(30,425,990)</u>	<u>31,430,999</u>	<u>2,763,071</u>
<b>Changes in equity</b>				
Total comprehensive income	-	7,358	-	7,358
<b>Balance at 31 March 2023</b>	<u>1,758,062</u>	<u>(30,418,632)</u>	<u>31,430,999</u>	<u>2,770,429</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023

1. STATUTORY INFORMATION

Coventry Technical Resources Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

**Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going Concern**

The financial statements have been prepared on the going concern basis. The company is dependent on the continuing financial support of the ultimate parent organisation of Coventry City Council.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 74(b) of IAS 16;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

**Turnover**

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The policies adopted for the recognition of revenue are as follows:

**Rendering of services**

Revenue from providing services; where performance obligations are satisfied over time, is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule which has usually been set to be broadly aligned with the volume of work performed. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

**Financial instruments**

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

**Financial assets**

The company's financial assets relate to trade and other receivable and cash and cash equivalents. Trade and other receivables are classified as loans and receivables and are measured initially at fair value plus transaction costs and are carried subsequently at amortised cost under the effective interest method, less provision for any impairment. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income. There are no financial assets classified as fair value through the statement of comprehensive income or as held to maturity or available for sale.

**Financial liabilities**

Financial liabilities, which include bank loans, overdrafts and trade and other payables are initially measured at fair value net of transaction costs under the effective interest method and thereafter at amortised cost. Finance charges are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	283,381	315,095
Social security costs	37,645	41,190
Other pension costs	9,149	9,459
	<u>330,175</u>	<u>365,744</u>

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2023	2022
Business development	5	5

	2023	2022
	£	£
Directors' remuneration	-	22,198
Directors' pension contributions to money purchase schemes	-	641

4. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2023	2022
	£	£
Audit Fees	3,835	3,338

5. TAXATION

Analysis of tax expense

	2023	2022
	£	£
Current tax: Tax	-	278
Total tax expense in statement of comprehensive income	-	278

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade receivables	131,160	42,387

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade payables	-	666
Tax	-	278
Social security and other taxes	12,807	11,566
Other creditors	1,492	1,914
Accruals and deferred income	10,395	7,635
	24,694	22,059

**COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**8. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2023	2022
		£1	£	£
1,758,062	Ordinary shares		1,758,062	1,758,062
			<u>          </u>	<u>          </u>

Each Ordinary share confers upon the holder of that share one vote on a show of hands and one vote per share on poll. Each share shall have full rights to receive dividends and capital distributions (including on wind up). They do not confer any rights of redemption.

**9. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2022	(30,425,990)	31,430,999	1,005,009
Profit for the year	7,358	-	7,358
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2023	(30,418,632)	31,430,999	1,012,367
	<u>          </u>	<u>          </u>	<u>          </u>

**10. POST BALANCE SHEET EVENTS**

There are no significant events after the Balance sheet date.

**11. PARENT COMPANY**

The smallest group undertaking in which the results are consolidated is that headed by Coventry Municipal Holdings Limited. These consolidated financial statements are available to the public and may be obtained from Council House, Earl Street, Coventry, United Kingdom, CV1 5RR.

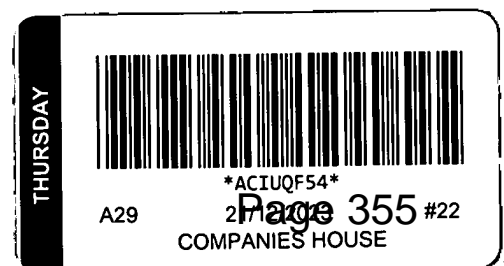
The ultimate parent entity is Coventry City Council.

**12. FIRST YEAR ADOPTION**

The financial statements were prepared in accordance with UK-adopted International accounting standards in the previous year. There were no adjustments required as a result of the transition to FRS 101. The effective date of transition was 1st April 2021.

REGISTERED NUMBER: 04523598 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
COVENTRY REGENERATION LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 31 March 2023**

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**COVENTRY REGENERATION LIMITED**

**COMPANY INFORMATION**  
for the year ended 31 March 2023

**DIRECTORS:** Mr P Helm  
Mr A Walster  
Mrs P Mudhar

**SECRETARY:** Mr G S Sangha

**REGISTERED OFFICE:** c/o Room 56  
Council House  
Earl Street  
Coventry  
West Midlands  
CV1 5RR

**REGISTERED NUMBER:** 04523598 (England and Wales)

**AUDITORS:** Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

**SOLICITORS:** In-house Legal Team  
Coventry City Council  
The Council House  
Earl Street  
Coventry  
CV1 5RR

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

**PRINCIPAL ACTIVITY**

The company's principal activity was to build the Ricoh Arena which was completed in 2005. The company generates income through interest received on a cash balance. The company may be used for undertaking development in the future.

**REVIEW OF BUSINESS**

Coventry City Council provided time limited cashflow assistance to the company totalling £1m at a commercial rate. The company has made repayments, but has retained a balance of £5,000, until it falls due for repayment on 1st December 2024.

The revenue expenditure incurred by the company during the financial year has been in respect of Company fees and interest.

The accounts have been prepared under FRS 101. The results for the year show a profit of £93 (2022: £1).

**RESEARCH AND DEVELOPMENT**

No specific research and development activities have been undertaken during the year.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr P Helm  
Mr A Walster  
Mrs P Mudhar

**PAYMENTS TO SUPPLIERS**

The company's standard terms of payment are 30 days from the date payment is due, receipt of invoice or delivery of goods, whichever is the later. Alternative payment terms are only made if specifically demanded for contractual purposes.

**CHARITABLE AND POLITICAL DONATIONS**

There have been no charitable or political donations made in the year.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Directors' and Officers' Liability Insurance policy covers damages and costs arising from any 'wrongful act' by the Directors. Wrongful act covers libel, slander, error, misstatement, misleading statement, misrepresentation, omission, neglect, breach of warranty of authority or other act attempted or committed by any or all of the Directors when acting or serving in that capacity. The limit of indemnity is £5 million.

**EQUAL OPPORTUNITIES**

The company has complied with the equal opportunities policies of the Council, as the ultimate owner of the Company, that in summary are:

- Everybody should have an equal opportunity to contribute to and benefit from society
- A diverse community is a positive asset to the City

**PARENT COMPANY**

Coventry Municipal Holdings Ltd became the parent company on 5th November 2021. There was no change in ownership of the company throughout the year or since the balance sheet date.

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2023**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**BY ORDER OF THE BOARD:**

.....  
Mrs P Mudhar - Director

Date: 15/12/2023

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY REGENERATION LIMITED

### Opinion

We have audited the financial statements of Coventry Regeneration Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Auditors' 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COVENTRY REGENERATION LIMITED**

**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 Report of the Directors.

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 from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVENTRY REGENERATION LIMITED

### **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 Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to designing audit procedures by tailoring and directing testing to aid and support the determined level of risk. In response, the procedures we perform to determine the level of risk include:

- reference to history and experience of the Entity; and
- enquiry of management, including obtaining and reviewing supporting documentation concerning the Entity's procedures relating to:
  - identifying and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
  - detection and response to risk of fraud and whether they were aware of any actual or suspected instances of fraud; and
  - assessment of the controls and processes that the Entity has in place to mitigate risk.

Our assessments included the identification of the following potential areas for fraud:

- management override of control; and
- revenue recognition, particularly in respect of delivery of services

These procedures, and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- critically assessed the appropriateness and testing the application of the revenue and cost recognition policies; and
- testing the appropriateness of accounting estimates, journals and other adjustments made in the preparation of the financial statements; and
- reviewing the Entity's accounting policies for non-compliance with relevant standards; and
- making enquiries of management and reviewing correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations.

In performing an audit in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act, we exercise professional judgement and maintain professional scepticism throughout the audit process.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COVENTRY REGENERATION LIMITED**

**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 Auditors' 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.

Mr Ashwani Rishiraj FCA (Senior Statutory Auditor)  
for and on behalf of Luckmans Duckett Parker Limited  
Chartered Accountants  
Statutory Auditors  
1110 Elliott Court  
Herald Avenue  
Coventry Business Park  
Coventry  
West Midlands  
CV5 6UB

Date: 15/12/2023

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

STATEMENT OF COMPREHENSIVE  
INCOME  
for the year ended 31 March 2023

	Notes	2023 £	2022 £
<b>TURNOVER</b>		-	-
Administrative expenses		8,083	2,862
		(8,083)	(2,862)
Other operating income		8,348	2,935
<b>OPERATING PROFIT</b>		265	73
Interest receivable and similar income		22	-
		287	73
Interest payable and similar expenses	4	194	72
<b>PROFIT BEFORE TAXATION</b>	5	93	1
Tax on profit	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		93	1
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		93	1

The notes form part of these financial statements

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

BALANCE SHEET  
31 March 2023

	Notes	2023 £	2022 £
<b>CURRENT ASSETS</b>			
Debtors	7	10,726	2,378
Cash at bank		5,070	5,048
		<u>15,796</u>	<u>7,426</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	10,655	2,378
		<u>5,141</u>	<u>5,048</u>
<b>NET CURRENT ASSETS</b>			
		<u>5,141</u>	<u>5,048</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>5,141</u>	<u>5,048</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	5,000	5,000
		<u>141</u>	<u>48</u>
<b>NET ASSETS</b>			
		<u>141</u>	<u>48</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	5	5
Share premium		31,430,995	31,430,995
Retained earnings	12	(31,430,859)	(31,430,952)
		<u>141</u>	<u>48</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>141</u>	<u>48</u>

The 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 15/12/2023 and were signed on its behalf by:

.....  
Mr P Helm - Director

The notes form part of these financial statements

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 April 2021</b>	5	(31,430,953)	31,430,995	47
<b>Changes in equity</b>				
Total comprehensive income	-	1	-	1
<b>Balance at 31 March 2022</b>	<u>5</u>	<u>(31,430,952)</u>	<u>31,430,995</u>	<u>48</u>
<b>Changes in equity</b>				
Total comprehensive income	-	93	-	93
<b>Balance at 31 March 2023</b>	<u>5</u>	<u>(31,430,859)</u>	<u>31,430,995</u>	<u>141</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2023

1. **STATUTORY INFORMATION**

Coventry Regeneration Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going Concern**

The financial statements have been prepared on the going concern basis. The company is dependent on the continuing financial support of the ultimate parent organisation of Coventry City Council.

**Revenue recognition**

Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The policies adopted for the recognition of revenue are as follows:

**Rendering of services**

Revenue from providing services, where performance obligations are satisfied over time, is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule which has usually been set to be broadly aligned with the volume of work performed. If the services rendered exceed the payments, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 74(b) of IAS 16;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

**Financial instruments**

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

**Financial assets**

The company's financial assets relate to trade and other receivable and cash and cash equivalents. Trade and other receivables are classified as loans and receivables and are measured initially at fair value plus transaction costs and are carried subsequently at amortised cost under the effective interest method, less provision for any impairment. Any change in their value through impairment or reversal of impairment is recognised in the statement of comprehensive income. There are no financial assets classified as fair value through the statement of comprehensive income or as held to maturity or available for sale.

**Financial liabilities**

Financial liabilities, which include bank loans, overdrafts and trade and other payables are initially measured at fair value net of transaction costs under the effective interest method and thereafter at amortised cost. Finance charges are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method.

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**3. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 March 2023 nor for the year ended 31 March 2022.

The average number of employees during the year was NIL (2022 - NIL).

	2023	2022
	£	£
Directors' remuneration	<u>          -</u>	<u>          -</u>

**4. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Loan interest	<u>          194</u>	<u>          72</u>

**5. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	2023	2022
	£	£
Auditors' remuneration	<u>          5,202</u>	<u>          2,378</u>

**6. TAXATION**

**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the year ended 31 March 2022.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade receivables	<u>         10,726</u>	<u>          2,378</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Amounts owed to group undertakings	4,006	-
Accruals and deferred income	<u>         6,649</u>	<u>         2,378</u>
	<u>         10,655</u>	<u>          2,378</u>

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Other loans (see note 10)	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

**10. FINANCIAL LIABILITIES - BORROWINGS**

	2023	2022
	£	£
Non-current: Loan	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

Terms and debt repayment schedule

	1-2 years
	£
Loan	5,000
	<u>5,000</u>

Coventry City Council agreed to provide the Company with time-limited cashflow assistance of up to £1m (at an interest rate of base rate plus 1.25% per annum). £5,000 was retained in a savings account, this is due for repayment on 1st December 2024.

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2023	2022
Number:	Class:	£1	£	£
5	Ordinary	£1	5	5
			<u>5</u>	<u>5</u>

Each Ordinary share shall confer upon the holder of that share one vote on a show of hands and one vote per share on a poll. Each share shall have full rights to receive dividends and capital distributions (including on a winding up). They do not confer any rights of redemption.

**12. RESERVES**

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2022	(31,430,952)	31,430,995	43
Profit for the year	93	-	93
	<u>(31,430,859)</u>	<u>31,430,995</u>	<u>136</u>

**13. POST BALANCE SHEET EVENTS**

There are no significant events after the Balance sheet date.

**COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2023**

**14. PARENT COMPANY**

The smallest group undertaking in which the results are consolidated is that headed by Coventry Municipal Holdings Limited. These consolidated financial statements are available to the public and may be obtained from Council House, Earl Street, Coventry, United Kingdom, CV1 5RR.

The ultimate parent entity is Coventry City Council.

**15. DEFERRED TAXATION**

From 17 March 2020 the substantively enacted UK corporation tax rate was 19% as announced by the Government in the Spring Budget 2020. However, the UK corporation tax rate increased to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. As a result, deferred tax has been calculated at a rate of 25%.

The company has taxable losses available for offset against future taxable trading profits of approximately £6.5m at 31 March 2023. A deferred tax asset in respect of these losses of £1.6m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

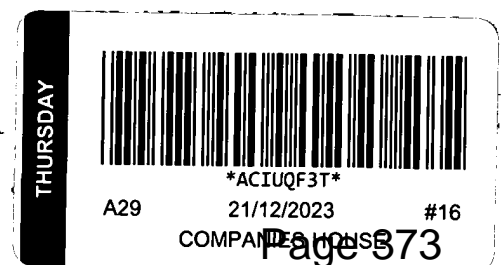
**16. FIRST YEAR ADOPTION**

The financial statements were prepared in accordance with UK-adopted International accounting standards in the previous year. There were no adjustments required as a result of the transition to FRS 101. The effective date of transition was 1st April 2021.

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REGISTERED NUMBER: 02532416 (England and Wales)

REPORT OF THE DIRECTOR AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 JANUARY 2022 TO 31 MARCH 2023  
FOR  
NO ORDINARY HOTELS LIMITED



**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the period 1 January 2022 to 31 March 2023**

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**NO ORDINARY HOTELS LIMITED**

**COMPANY INFORMATION**  
**for the period 1 January 2022 to 31 March 2023**

**DIRECTOR:** Mr. A J Walster

**SECRETARY:** Mr G S Sangha

**REGISTERED OFFICE:** Coombe Abbey Hotel  
Brinklow Road  
Binley  
Coventry  
CV3 2AB

**REGISTERED NUMBER:** 02532416 (England and Wales)

**ACCOUNTANTS:** LDP Luckmans  
1110 Elliott Court  
Coventry Business Park  
Herald Avenue  
Coventry  
West Midlands  
CV5 6UB

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**REPORT OF THE DIRECTOR  
for the period 1 January 2022 to 31 March 2023**

The director presents his report with the financial statements of the company for the period 1 January 2022 to 31 March 2023.

**DIRECTOR**

Mr A J Walster held office during the whole of the period from 1 January 2022 to the date of this report.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

.....  
Mr A J Walster - Director

Date: .....

15<sup>th</sup> Dec 2023

NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)

STATEMENT OF COMPREHENSIVE  
INCOME  
for the period 1 January 2022 to 31 March 2023

	Notes	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
<b>TURNOVER</b>		-	-
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>	4	-	-
Tax on profit	5	-	-
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		-	-
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-

The notes form part of these financial statements

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**BALANCE SHEET  
31 March 2023**

	Notes	£	2023 £	£	2021 £
<b>CURRENT ASSETS</b>					
Cash at bank and in hand			347		347
<b>CREDITORS</b>					
Amounts falling due within one year	6		<u>345</u>		<u>345</u>
<b>NET CURRENT ASSETS</b>			<u>2</u>		<u>2</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2</u>		<u>2</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		<u>2</u>		<u>2</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2</u>		<u>2</u>

The company is entitled to exemption from audit under Section 480 of the Companies Act 2006 for the period ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The 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 director and authorised for issue on ..... and were signed by:

*15<sup>th</sup> Dec 2023*

.....  
Mr A J Walster - Director

The notes form part of these financial statements

NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)

STATEMENT OF CHANGES IN EQUITY  
for the period 1 January 2022 to 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	2	-	2
Changes in equity			
Balance at 31 December 2021	2	-	2
Changes in equity			
Balance at 31 March 2023	2	-	2

The notes form part of these financial statements

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the period 1 January 2022 to 31 March 2023**

**1. STATUTORY INFORMATION**

No Ordinary Hotels Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IAS 7 Statement of Cash Flows.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

**3. EMPLOYEES AND DIRECTORS**

There were no staff costs for the period ended 31 March 2023 nor for the year ended 31 December 2021.

The average number of employees during the period was NIL (2021 - NIL).

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Director's remuneration	<u>          </u>	<u>          </u>

**4. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
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**5. TAXATION**

**Analysis of tax expense**

No liability to UK corporation tax arose for the period ended 31 March 2023 nor for the year ended 31 December 2021.

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2021 £
Other creditors	<u>345</u>	<u>345</u>

**NO ORDINARY HOTELS LIMITED (REGISTERED NUMBER: 02532416)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the period 1 January 2022 to 31 March 2023**

**7. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2023 £	2021 £
2	Ordinary		<u>2</u>	<u>2</u>

**8. RESERVES**

	Retained earnings £
Profit for the period	-
At 31 March 2023	<u>-</u>

**9. FIRST YEAR ADOPTION**

The financial statements were prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" in the previous year. There were no adjustments required as a result of the transition to FRS 101. The effective date of transition was 1st January 2021.

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