
Scrutiny Co-ordination Committee

Time and Date

2.00 pm on Thursday, 6th March, 2025

Place

Diamond Rooms 1 and 2 - Council House

Public Business**1. Apologies and Substitutions****2. Declarations of Interest****3. Minutes** (Pages 3 - 14)

(a) To agree the Minutes of the previous meetings held on 21 and 30 January, 2025

(b) Matters Arising

4. Local Government Association (LGA) Corporate Peer Challenge 2024- Outcome of Progress Review (Pages 15 - 38)

Report of the Interim Director of Planning and Performance

5. Coventry Municipal Holdings Limited - Accounts for the Year Ending 31st March 2024 (Pages 39 - 346)

Director for City Services and Commercial and Director for Coventry Municipal Holdings Limited

6. Artificial Intelligence (Pages 347 - 364)

Briefing Note of the Director of Digital Services

7. Scrutiny Co-ordination Committee - Work Programme and Outstanding Issues 2024/25 (Pages 365 - 372)

Report of the Director of Law and Governance.

8. Any Other Items of Public Business

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

Julie Newman, Director of Law and Governance, Council House, Coventry

Tuesday, 25 February 2025

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett, Governance Services - Telephone: 024 7697 2299 E-mail: suzanne.bennett@coventry.gov.uk

Membership: Councillors M Ali, A Jobbar, L Kelly (Deputy Chair), J Lepoidevin, G Lloyd (Chair), C Miks, E M Reeves, G Ridley, R Singh and CE Thomas

By invitation: Councillors R Brown, G Duggins, P Hetherton and E Reeves

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>

Suzanne Bennett, Governance Services - Telephone: 024 7697 2299
E-mail: suzanne.bennett@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Scrutiny Co-ordination Committee held at 3.15 pm on
Tuesday, 21 January 2025

Present:

Members:

- Councillor G Lloyd (Chair)
- Councillor M Ali
- Councillor J Gardiner (Substitute for Councillor G Ridley)
- Councillor A Jobbar
- Councillor L Kelly (Deputy Chair)
- Councillor J Lepoidevin
- Councillor C Miks
- Councillor R Singh
- Councillor CE Thomas

Other Members Present: Councillor P Hetherton (Cabinet Member for City Services)

Councillor E Reeves (By invitation – Green Group non-voting representative)

- Councillor F Abbott
- Councillor J Blundell
- Councillor A Hopkins
- Councillor M Lapsa
- Councillor T Sawdon
- Councillor R Thay

Employees (by Service Area):

City Services and Commercial: A Walster (Director), M O'Connell, T Wetherhill

Law and Governance: J Newman (Director), S Bennett, G Holmes, E Jones, A West

Apologies: Councillors S Nazir and G Ridley

Public Business

67. Declarations of Interest

There were no disclosable pecuniary interests.

68. **Minutes**

The Minutes of the meeting held on 18 December 2024 were agreed and signed as a true record.

There were no matters arising.

69. **Consideration of Stage 2 Call -in - Binley Cycleway - Section 7 (Clifford Bridge Road)**

The Scrutiny Co-ordination Committee considered a Briefing Note of the Director of City Services and Commercial which indicated that the decision by Cabinet Member for City Services to approve the construction of Section 7 – Clifford Bridge Road cycleway had been the subject of two call-ins. The Committee also considered a Briefing Note of the Director of Law and Governance which detailed the call-in procedure.

The call-ins related to a report approved by the Cabinet Member for City Services on 9 December 2024 entitled 'Binley Cycleway – Section 7 (Clifford Bridge Road)' (Minute 35/24 of that meeting refers), a copy of which was appended to the Briefing Notes. The Cabinet Member had agreed to:

- 1) Note progress in response to the recommendations made within the 15 November 2023 Binley Cycleway – Section 7 (Clifford Bridge Road) report.
- 2) Consider the responses, representations and objections to the Tree Felling Notices, Notice of Proposal and Notices of Intent.
- 3) Consider the petitioners concerns relating to the proposed cycleway and tree felling.
- 4) Approve the construction of Section 7 – Clifford Bridge Road Cycleway.

The first call-in was from Councillors J Blundell, M Lapsa and T Sawdon, all of whom were present at the meeting and spoke in support of the call-in. The reasons given for the call-in were as follows:

- The report fails to take account of a key safety report which is omitted from the report.
- The report contains misleading information regarding the health of the trees
- The report does not give sufficient weight and fails to evaluate and cost the alternative routes as set out in the report

The second call in was from Councillors F Abbott, A Hopkins and R Thay, all of whom were present at the meeting and spoke in support of the call-in. The reasons given for the call-in were as follows:

- There has been no consideration of any disability reports. Sight of these reports has not been forthcoming, and freedom of information requests have not been fulfilled. A decision cannot be made without a disability assessment. (It had been clarified that this relates to “the outcome of consultation with disability groups and their views”)
- The report does not sufficiently evidence that residents’ concerns have been resolved, particularly considering residents at the meeting were saying that their concerns had not been resolved to their satisfaction and issues remain at specific properties along the road. (It had been clarified that this relates to “the ability of people at specific properties to have safe access to and from their drives”)

The Committee considered the decision made by the Cabinet Member on 9 December 2024; the reasons for the call-ins; and the contents of the Briefing Note, which included the background to the Cabinet Member’s decision and material facts relating to the specific reasons for the call-in.

The Councillors responsible for the call-ins and the Committee asked questions, received answers and made comments on a number of issues including:

- The Stage 2 Road Safety Audit (RSA2) – It was confirmed that this would be undertaken by an external company prior to the construction commencing and any recommendations arising from that Audit would be considered and responded to by the Council’s design team. This process was a standard and best practice approach undertaken nationally by Local Authorities and was no different to that followed for every other significant transport scheme within the Council’s capital programme. Construction would not commence until the RSA2 had been completed and any issues identified in that, considered and responded to.
- Why the cycle route to the UHCW Hospital was proposed and the funding available for the route. It was noted that Clifford Bridge Road was a key route to the Hospital, which was the City’s largest employer, and formed part of the Council’s strategy to find and encourage alternative travel modes across the City.
- Detail was provided in relation to potential alternative routes available and investigated and why these had been discounted/not proceeded with.
- It was noted that the Council’s Disability Equality Action Partnership (DEAP) had not been consulted on the proposals so far. Officers indicated that it was intended to take the proposals to DEAP once detailed design was completed and prior to construction commencing.
- The reasons earlier designs for the cycleway had been rejected/amended following public consultation and in response to petitions received.

- It was confirmed that there were “pinch points” in the scheme, which were unavoidable due to existing infrastructure, but which had been accepted by the funding body. These would be further considered as part of the RSA2.
- It was confirmed that none of the trees proposed to be removed were the subject of a Tree Preservation Order. Details of the replacement trees were provided. It was confirmed that the trees were only being removed to facilitate the scheme.
- Details of the consultation undertaken since 2019 were outlined.
- Clarification was provided in relation to a number of technical questions including reversing manoeuvres and being able to stop on the cycleway as part of those manoeuvres to ensure safety; the “floating” bus stop, which had been designed in accordance with guidelines; the width of the roads running lanes, which would not change; and recommendations from disability groups which had been accepted. It was also confirmed that there would be more parking bays than currently provided and that these would be suitable and, where there are existing marked disabled bays, these would be fit for purpose for disabled parking.
- It was noted that an EIA had been completed and was an iterative process.
- The implications of not proceeding with the cycleway were sought and provided.

Following the detailed and comprehensive discussion, the Committee then considered all of the points raised within the call-ins, noting that, in accordance with the Constitution, the following options were open to the Committee:

- a) To accept the original decision of the Cabinet Member.
- b) To make recommendations to the Cabinet Member to amend the decision.

RESOLVED that, having carefully considered the reasons detailed in the call-ins and the issues raised at the meeting, together with the information provided in the Briefing Note and at the meeting, the Scrutiny Co-ordination Committee accepts the decision of the Cabinet Member for City Services made on 9 December 2024 in relation to the “Binley Cycleway – Section 7 (Clifford Bridge Road”, enabling that decision to become effective immediately.

70. **Scrutiny Co-ordination Committee Work Programme and Outstanding Issues 2024/2025**

The Scrutiny Co-ordination Committee received and noted their Work Programme and outstanding issues for 2024/25.

71. **Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

(Meeting closed at 6.05pm)

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Coventry City Council
Minutes of the Meeting of Scrutiny Co-ordination Committee held at 2.00 pm on
Thursday, 30 January 2025

Present:

Members: Councillor G Lloyd (Chair)

Councillor A Jobbar
Councillor R Lakha (Substitute for Councillor L Kelly)
Councillor J Lepoidevin
Councillor C Miks
Councillor G Ridley
Councillor R Singh
Councillor CE Thomas

Other Members: Councillor S Agboola (Deputy Cabinet Member for Housing and Communities)
Councillor N Akhtar (Cabinet Member for Housing and Communities)
Councillor E Reeves (Green Party non-voting representative)

Employees (by Services Area):

Chief Executives: J Nugent (Chief Executive)

Business and Investment: A Williams (Director), D Nuttall, S Virman

Human Resources: M Chouhan, A Le Cras

Law and Governance: S Bennett, E Jones

Apologies: Councillors M Ali, G Duggins, L Kelly and S Nazir

Public Business

72. Declarations of Interest

There were no disclosable pecuniary interests.

73. Coventry Cultural Strategy - Progress Report

The Scrutiny Co-ordination Committee considered a Briefing Note of the Director of Business and Investment which provided an update on the delivery of the Coventry Cultural Strategy 2017-2027, including progress on new governance arrangements and the development of a new Strategy Action plan 2025-2027.

The Cultural Strategy set out a ten year-vision for the cultural life of Coventry, building on the existing heritage and culture of the city. The Strategy was structured around the following Five Goals for cultural growth in the city, each of which was under-pinned by 'Seven Big Ideas' that support the transformation of the cultural life of the City:-

- Partnership
- Lifelong Learning
- Diversity
- Health and Well-Being
- Economic Growth

The Seven Big Ideas outlined in the Strategy are:

- Place Partnership
- Creative Production Hubs
- City is a Festival
- Seven Years Younger
- Nation in Coventry
- Diverse City
- Getting Coventry Moving

Work to refresh the implementation of the Strategy in 2022 identified the need for an enhanced focus on climate change and Coventry's Green Future, creating a greater alignment for the Strategy with Coventry's Climate Strategy objectives. A further refresh is now required to respond to subsequent and evolving changes in the operating environment for the sector. This includes the impact for the sector of the City of Culture Trust going into administration in 2023; the cost-of-living crisis and other societal changes; and the appointment in July 2024 of a new Head of Culture and Creative Economy at Coventry City Council (a post jointly funded by the City Council, Coventry University and the University of Warwick – to support delivery of the Strategy and sector development). The need for new governance aligned to this required refresh has also been a central consideration – specifically in relation to the forming of a Coventry Cultural Compact through close collaboration between the city's cultural sector and wider partners.

Cultural Compacts are partnerships designed to support the local cultural sector and enhance its contribution to development and delivery of City outcomes, with a special emphasis on cross-sector engagement beyond the cultural sector itself and the local authority. The Briefing Note outlined events led by local creatives, focussing on the future of culture in Coventry and which aimed to secure a mandate from the cultural sector and key stakeholders for the next steps, including:-

- Testing that the aims of the Cultural Strategy were still relevant, and seeking sector input to future delivery plans, with the Council playing a convening and enabling role.
- Putting forward a refreshed governance model for the Culture Works cultural compact, with feedback being gathered and taken into consideration in terms of next steps.

- Introducing a new piece of work to develop a culture-specific communications strategy for Culture Works and wider Strategy implementation.

Following these events and the refresh, it is proposed that “Cultural Engagement and Opportunity” is added as an overt Strategy Goal in the refresh. This will support increased focus on cultural participation and the infrastructure required to support this. To ensure both diversity and partnership are established as central to the delivery plan (particularly given the joint ownership of the partnership Strategy), it is further proposed that these areas of focus are both positioned as Foundations for the Strategy, cutting across the other focus areas.

The Briefing Note also detailed work undertaken to create a more democratically representative body, ensuring that the Cultural Strategy is held as a joint responsibility between stakeholders, organisations and residents. It is proposed that the Culture Works Collective will have shared, delegated responsibility for overseeing the delivery of the partnership Coventry Cultural Strategy and the proposed membership of the Collective, with people representing the interests of different stakeholder groups, ranging from residents to private businesses and the cultural sector was outlined in the Briefing Note. Following recruitment of the representatives, the group will recruit a Chair from within the existing membership, develop its formal Terms of Reference and sub-group governance structures.

Funding from the Commonwealth Games Legacy Enhancement Funding, via the West Midlands Combined Authority Cultural Pillars programme, has supported the commissioning of specific co-created cultural programming, along with key elements of strategic research and planning, in support of future sector development. The work commissioned includes:-

- Cultural Programming
- Cultural Infrastructure mapping
- A Joint Cultural Needs Assessment
- Development of a Communications Strategy and Delivery Plan
- A Cultural Sector Skills Development Programme
- The delivery of a Community and Culture Mixer event

Other additional development work was also outlined in the Briefing Note, including further potential grant applications to Arts Council England.

The Committee asked question, received answers and made statements on a number of issues, including:-

- How the knowledge and experience of local people, including Councillors, can add value to the Strategy.
- The important role that culture can play in community cohesion.
- How Councillors can be made aware and informed of cultural matters and events, particularly within Wards, and how this knowledge can be utilised.
- How Coventry is a centre of excellence for co-creation and has a recognised wealth of data, experience and skills in this area, which had been recognised by UNESCO. Information in relation to mapping data was sought and it was noted that this would be circulated to the Committee.

- The importance of ensuring Coventry's expertise in music production is included and that local artists and experts, both established and emerging, are involved in future developments.
- How Coventry's food and drink culture can be included.
- The importance of including more Coventry residents and groups, including Councillors, in all consultation exercises, to ensure a broader reach of, and collaboration with, Coventry's population. Councillors were encouraged to identify interested persons to Officers.
- Consultation work currently being undertaken was noted.
- Information relating to the recruitment of representatives to the Cultural Works Collective was sought.
- Information regarding how the £307k Commonwealth Games Legacy Enhancement Funding was spent was sought.

RESOLVED that the Scrutiny Co-ordination Committee:-

- 1) Notes progress on delivery of the Coventry Cultural Strategy and the revised focus area.**
- 2) Notes progress on delivery of the Culture Works Collective governance arrangements.**
- 3) Requests that, going forward, work is undertaken and put in place to ensure that Councillors are involved in and keep informed of cultural matters/events and that the local knowledge Ward Councillors have is utilised.**
- 4) Requests that the Committee receive a further progress report on this issue in 3 months.**

74. Review of Statutory Complaints Report 2023-24

The Scrutiny Co-ordination Committee considered a Briefing Note of the Director of Human Resources which:-

- Provided an oversight of published complaint reports and outcomes for 2023-24
- Outlined the additional reporting and oversight requirements arising from the new Local Government and Social care Ombudsman (LGSCO) Complaint Handling Code (the Code)
- Provided information relating to the complaints system and how recommendations arising from complaints that have been investigated have been progressed.

The Briefing Note indicated that the Council is expected to address complaints in accordance with the relevant statutory complaints processes (The Children Act 1989 Representations Procedure (England) Regulations 2006 or Local Authority Social Services and National Health Service Complaints (England) Regulations 2009) and / or the advice and guidance issued by the LGSCO under their powers under section 23(12A) of the 1974 Local Government Act.

Statute requires preparation of an annual report on the operation of the complaints process and the lessons learnt or service improvements arising from them for both Children's Services and Adult Social Care complaints. These are required to be publicly available, and are published on the Comments, Compliments and Complaints area of the Council's website.

In addition, the LGCSO issues an Annual Review letter each July in respect of those complaints (both statutory and non-statutory) which have exhausted the Council's complaints process and been escalated to, investigated and decided by the Ombudsman. A report similar to those noted above is prepared following receipt of the LGCSO's letter.

The following three reports were appended to the Briefing Note:-

- Children's Services Complaints and Representations Annual Report 2023-24
- Adult Social Services Complaints and Representations Annual Report 2023-24
- Complaints to the LGSCO Annual Report 2023-24

The Briefing Note indicated that in February 2024, the LGSCO issued their new 'Complaint Handling Code' ('the Code') setting out their expectations for complaint handling by local Councils, together with new overview and scrutiny guidance. Councils are encouraged to adopt the Code as soon as practicable, with the LGSCO considering adherence to the Code as part of their complaint investigations from April 2026 onwards. Under the Code it is expected that all Councils will now produce an overall annual complaints performance and service improvement report for scrutiny and challenge. This is to be reported through the appropriate governance arrangements and published on the complaints section of the Council website, alongside the response to the report from the relevant governance arrangement.

In addition to this the Code stipulates that Council's should assign lead responsibility for complaints in governance arrangements in order to "support a positive complaint handling culture". The Code refers to this role as the "Member Responsible for Complaints", and that it is for each Council to decide whether the role is carried out by an individual or committee depending on the governance arrangements in place. The Briefing Note indicated that, given that Scrutiny Co-ordination Committee already review the existing annual complaints reports, it would appear appropriate that they are designated to review and respond to the Council's overall annual complaints performance and service improvement report moving forward.

The Committee asked questions, received answers and made comments on a number of issues including:-

- Comparative information in relation to children's services and service improvement trends.
- Information regarding complaints received that relate to agencies/ service providers (rather than internal Council services). It was noted that this would be circulated to the Committee.

- Difficulties in relation to attaining equality and diversity data was recognised. It was noted that work was being undertaken in this regard. It was acknowledged that this information was important in relation to ensuring service improvement.
- The proactive work being undertaken to resolve “issues” at first point of contact and deal with them as service requests, before they become formal complaints, was recognised and welcomed.
- The importance of ensuring that lessons are learnt was noted.
- Information relating to the ratio of telephone/on-line complaints received was sought and it was noted that this would be circulated to the Committee.
- The low number of complaints received in relation to Adult Services was commended.
- The quality of the Briefing Note and information provided at the meeting was commended.
- Officers were invited to review how the West Midlands Fire Service present complaints info/data.

RESOLVED that the Scrutiny Co-ordination Committee:-

- 1) **Notes the contents of the Children’s Services, Adult Social Care and LGSCO Complaints reports for 2023-24.**
- 2) **Notes that the Scrutiny Co-ordination are assigned lead responsibility for complaints within the Council’s governance arrangements to support a positive complaints handling culture, in accordance with the new Local Government and Social Care Ombudsman Complaint Handling Code.**
- 3) **Requests that in future, when the Committee consider this issue, appropriate officers from service areas be invited to attend the meeting.**

75. Work Programme and Outstanding Issues 2024/2025

The Scrutiny Co-ordination Committee considered their Work Programme and Outstanding Issues for 2024/25.

Further to Minute 73/24 above, it was noted that a 3 month progress report on the Cultural Strategy would be added to the Work Programme.

76. Any Other Items of Urgent Public Business

There were no other items of urgent public business.

(Meeting closed at 4.15pm)



Public report Cabinet

Scrutiny Co-ordination Committee
Cabinet
Council

06 March 2025
18 March 2025
25 March 2025

Name of Cabinet Member:

Cabinet Member for Policy and Leadership – Councillor G Duggins

Director approving submission of the report:

Chief Executive

Ward(s) affected:

All

Title:

Local Government Association (LGA) Corporate Peer Challenge 2024 – Outcome of Progress Review

Is this a key decision?

No – although the proposals affect more than two electoral wards, the impact is not expected to be significant.

Executive summary:

The Local Government Association (LGA) is the national voice of local government, working with Councils to support, promote, and improve local government. The LGA's Corporate Peer Challenge offer is effective and well regarded by the sector and provides robust, strategic and credible challenge and support to Councils.

It is expected that all Councils receive a Corporate Peer Challenge at least every five years covering core areas and any specific areas requested by the Council. Coventry City Council's second Corporate Peer Challenge took place from 15th to 18th January 2024.

The visit focused on five core themes (local priorities and outcomes, organisational and place leadership, governance and culture, financial planning and management, and capacity for improvement). These areas are critical to Councils' performance and improvement.

We also asked the Peer Team to provide feedback on the organisation's corporate capacity and plans for service transformation, recognising the opportunity to receive some external challenge and feedback on future delivery plans.

At the time of the Corporate Peer Challenge in January, the Peer Team recognised that Coventry is an ambitious place that is on the up, with examples of innovation and a willingness to embrace change, whilst not forgetting its heritage. The Peer Team also noted that the Council is well-run, with strong officer and political leadership.

Following the Peer Challenge, the Council reflected on the Peer Team's findings in order to determine its response to the recommendations that were made. The link to the Council response is provided below (see background papers).

Corporate Peer Challenge – Progress Review

All Corporate Peer Challenges now include a progress review which takes place approximately 10 months after the original Peer Challenge visit. This review provides space for a Council's senior leadership to report to the Peer Team on the progress made against the key recommendations, discuss early impact or learning and receive feedback on the implementation of the action plan.

The LGA Corporate Peer Challenge progress report is provided as an appendix to this report (Appendix A). This report provides a detailed response on findings, including a number of observations and suggestions within the main section of the report.

Overall, the Peer Team were impressed at the level of progress made by Coventry City Council since the Corporate Peer Challenge. Work has been undertaken to respond to the recommendations including actions which were already underway prior to the original Peer Challenge and the Peer Team acknowledged the structured approach for making improvements and changes to achieve the Peer Team's recommendations.

In summary, during the progress review, the Peer Team:

- heard more examples of improvement and success, which was gratifying;
- saw that the Council was showing a confidence to make adjustments to its improvement journey where this was necessary, for example in reconsidering its approach to transformation;
- also heard again of the strong and visible leadership provided by the Leader of the Council and the Chief Executive;
- noted that the Council continues to be financially well managed but is facing similar demand and inflation pressures as other Councils and there is a strong recognition that the Council's use of reserve to balance the accounts is not sustainable and that it must continue to work to ensure meaningful service and organisational transformation.

More detailed feedback was provided under six key themes which includes acknowledgment of the progress made and some suggestions for continued improvement. These areas are described in the 'Progress Review - Feedback' section of the LGA's progress review report (see Appendix A to the report) and a summary of these findings can be found from section 1.14 below.

Recommendations:

Scrutiny Co-ordination Committee is requested to:

- 1) Support the recommendations to Cabinet.
- 2) Identify any further recommendations to Cabinet in relation to the outcome of the Progress Review.

Cabinet is requested to:

- 1) Support the work to deliver the actions which respond to the recommendations made by the Peer Team.
- 2) Consider any comments made by Scrutiny Co-ordination Committee in relation to the outcome of the Peer Challenge.

Council is requested to:

- 1) Note the content of the Peer Team's progress review report and support the work to deliver the actions which respond to the recommendations made by the Peer Team.

List of Appendices included:

The following appendix is attached to the report:

Appendix A – LGA Corporate Peer Challenge Progress Report

Background papers:

LGA Corporate Peer Challenge Feedback Report –

<https://edemocracy.coventry.gov.uk/documents/s60841/04%20Appendix%20A.pdf>

Council Response to Peer Team Recommendations –

<https://edemocracy.coventry.gov.uk/documents/s60842/04%20Appendix%20B.pdf>

Other useful documents

Local Government Association (LGA) Corporate Peer Challenge 2024 – Outcome of Peer Challenge: Cabinet Report

<https://edemocracy.coventry.gov.uk/documents/s60840/04%20Local%20Government%20Association%20LGA%20Corporate%20Peer%20Challenge%202024%20Outcome%20of%20Peer%20Challenge.pdf>

Has it or will it be considered by Scrutiny? Yes – 06 March 2025

Has it or will it be considered by any other Council Committee, Advisory Panel or other body? No

Will this report go to Council?

Yes – 25 March 2025

Report title: LGA Corporate Peer Challenge 2024 – Outcome of Progress Review

1. Context (or background)

- 1.1. Peer Challenge is a core element of the LGA's sector-led improvement offer to local authorities. The activity is improvement focused, with the scope being agreed by the Council and tailored to reflect local needs and specific requirements.
- 1.2. Coventry City Council invited the LGA to undertake a Corporate Peer Challenge in January 2024.
- 1.3. The core components of each Corporate Peer Challenge relate to local priorities, organisational leadership, governance, financial resilience and capacity for improvement. These elements help Councils to check they have the capacity to continue to deliver their priorities.
- 1.4. In addition, Coventry City Council asked the LGA to provide feedback on the organisation's corporate capacity and plans for service transformation, recognising the opportunity to receive some external challenge and feedback on future delivery plans.
- 1.5. The original LGA feedback report highlighted 10 main recommendations, specifying areas for improvement, arising from the Peer Challenge. The recommendations were as follows:

1. City Centre masterplan

The Council should continue to work at pace to develop a city centre masterplan with the support and involvement of partners.

2. One Coventry Plan

The next iteration of the One Coventry Plan needs to include a corporate delivery plan supported by consistently developed service plans and should include a review of the corporate strategy framework to ensure strategies are linked and gaps are identified.

3. Employees

The Council has rich data from the recent workforce survey and should develop actions to address the issues it highlights. A key element of this would be ensuring there is further support for the employee networks.

4. Medium Term Financial Strategy (MTFS)

Future financial modelling within the MTFS should consider the full impact and risk of key underlying assumptions e.g. demographic change, inflation, and policy on issues such as real living wage.

5. Financial accounts

The Council should make swift progress to sign off and publish their outstanding

financial accounts.

6. Transformation programme

The transformation programme is at a very early stage of development, and the Council should focus on rapid engagement and mobilisation of the right skills, capacity and capability needed to deliver.

7. Communications

The Council should develop a refreshed external communication strategy.

8. Performance management

The Council should use the established performance framework to drive improvement and bring greater prioritisation and visibility to areas that require improvement.

9. Elected Member training

Elected Members are keen to engage with opportunities for training and development and the Council should review barriers to take up of the current offer and how these can be addressed.

10. Workforce Diversity

The Council should take further steps to improve diversity across the organisation at all levels.

- 1.6. The Council's response (see link in background papers) describes the work that is being undertaken to address each recommendation. Many of the actions set out in the action plan were already in progress before the Peer Challenge and were not initiated as a direct result of Peer Challenge feedback.
- 1.7. All Corporate Peer Challenges now include a progress review which takes place approximately 10 months after the original Peer Challenge visit. The purpose of this is to help the Council assess the impact of the Peer Challenge and demonstrate the progress it has made against the areas of improvement and development identified by the Peer Team.
- 1.8. The LGA and the Council worked together to agree the timetable of activities for this one day progress review which took place on 22 November 2024.
- 1.9. Four members of the original Corporate Peer Challenge team returned to Coventry for the Progress Review.
- 1.10. The Progress Review focused on each of the recommendations from the Corporate Peer Challenge, under the following theme headings:

- 1.City Centre
- 2. Workforce
- 3.Finance and the Medium Term Financial Strategy
- 4. Transformation
- 5. Communication
- 6. Performance Management

1.11. The LGA's progress review report was received following the Peer Team's return visit (Appendix A). This report provides a detailed response regarding these findings and includes recognition of progress and suggestions for the Council to consider. The LGA will also publish the progress report on their website.

1.12. Overall, the Peer Team were impressed at the level of progress made by Coventry City Council since the Corporate Peer Challenge. Work has been undertaken to respond to the recommendations including actions which were already underway prior to the original Peer Challenge and the Peer Team acknowledged the structured approach for making improvements and changes to achieve the Peer Team's recommendations.

1.13. Extracts from the Peer Team's findings from the progress review are summarised below.

1.14. Theme 1) City Centre

- Since the Peer Team's visit in January 2024 some great work has been done: the Council has begun work on setting out its vision and objectives for the city centre.
 - It approved a reserved matters application for Phase 1 of Coventry City Centre South at the beginning of March 2024; on site work for the City Centre South development is due to start in the new year and to be completed in 2034.
 - High level scoping work has started on a 50-acre, mixed-use regeneration which will be an opportunity for the Council, working with investors, to create new communities in a vibrant city centre.
- The Council's approach will need to enable it to work towards a vision with partners that ensures inclusivity and commercial and physical regeneration that goes hand in hand with meeting the Council's housing ambitions.

1.15. Theme 2) Workforce

- The peer team recognise that a lot of work has been done to change human resource and organisational development practices within the Council. Amongst other actions, the Council has:
 - developed an action plan to address the issues raised in the staff survey;
 - established a leadership development programme;
 - been introducing a more targeted and challenging appraisal process;
 - introduced a psychological safe place programme; and
 - established an approach to talent management.

- Diversity remains a key issue for the Council as it seeks to meet the expectations of its communities and workforce. The Council has sought to improve its recruitment processes and has provided training for recruitment panels, to enable them to be more diverse in their make-up and more aware of the equalities, diversity and inclusion issues. In the view of the peer team the Council has not yet seen the full impact of these changes on the workforce composition.
- The peer team recognises the work being done to support staff networks, which includes additional support and training for network chairs and continuing sponsorship from senior staff.

1.16. Theme 3) Finance and the Medium-Term Financial Strategy

- The Council continues to be financially well-managed.
- As with most other Councils, it has faced significant in-year (2024/25) pressures in services such as Adults and Children's Social Care and Housing, as a result of inflationary pressures, increased demand and the complexity of cases.
- The in-year position also reflects that some of the savings projected at the beginning of the financial year have been slower to materialise.
- The statement of accounts for 2020/21, 2021/22 and 2022/23 were approved by Audit and Procurement Committee in November 2024 and were subsequently published, meeting the December backstop date. The accounts for 2023/24 were also published in November and are now subject to audit by the Council's external auditor.
- The financial position of the Council is well understood by Members and officers and there is a shared commitment to managing the Council's finances effectively.

1.17. Theme 4) Transformation

- The Council has recognised a need for the approach to transformation to be more focused and pacier.
- New governance arrangements for the programme have been put in place. There is now a smaller and more tightly drawn Change Board with senior representation from Finance, Organisational Development and the continued involvement of the Chief Executive. The Peer Team thought these changes made sense and that they should improve the focus and pace.
- The Peer Team thought that there was still a need for a clearer narrative on transformation in terms of the distinction between improvement and savings and the link to the Medium Term Financial Strategy.
- Achieving savings through the transformation programme will be critical to supporting the Council to meet financial challenges.
- The peer team consider that there will be a need to bring in additional external expertise, with the right skills, energy and drive so that delivery can be accelerated.

1.18. Theme 5) Communication

- Much progress has been made on internal and external communications. The new communications strategy has led to greater visibility and channel reach. The intention has been to make external communications more strategic, to further develop the narrative and to be more responsive through a range of channels.
- The Council is undertaking a residents' survey, and this will give further feedback on the new communications approach.
- The Peer Team considered that building on the progress so far, the next steps are how to get further focus on communities that are harder to reach and to gain more customer feedback to improve policy insight, traction and communication on transformation.
- The Council is also strengthening its internal communications. The Peer Team found that there was good and continued visibility of the leadership of the Council and the roadshows have helped with this. The Council recognises that there is still more to do to ensure better internal coordination.

1.19. Theme 6) Performance Management

- The Peer Team heard that the Council recognises the need for a strengthened corporate drive to performance management and to achieve this the Council is harnessing its directorate performance capacity to improve its corporate understanding.
- The Council recognises that it requires the leadership skills to drive the use of data and to embed this across the organisation. To achieve this the Council is seeking to recruit those skills into the organisation.
- The Council has been reviewing its corporate performance management products, including the Leadership dashboard with a view to being able to identify areas for improvement and prioritisation.
- Going forward the changes to programme governance and the plans for strategic recruitment will place the Council in a stronger position to ensure that performance informs resource allocation and the Council can focus on areas that require improvement.

1.20. The Peer Challenge process has given us a valuable opportunity to reflect and helped us to identify our strengths to leverage progress to date with renewed momentum. It has also helped us to identify specific areas of focus where we could look to optimise how we work. The Council will continue to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

2. Options considered and recommended proposal

- 2.1. There is an expectation that all Councils will take up the Peer Challenge offer, at a time of their choosing, as an effective tool for improvement. Independent evaluations of the LGA's Corporate Peer Challenge programme have previously concluded that there is a positive impact and a range of benefits from the Council receiving a Peer Challenge.
- 2.2. Cabinet is recommended to support the ongoing work to deliver the actions which respond to the recommendations made by the Peer Team.

3. Results of consultation undertaken

- 3.1. A range of partner organisations and stakeholders were engaged in the original Peer Challenge which included Council employees, Elected Members, Trade Unions, partners and residents. The progress review was lighter touch and involved a small number of meetings with Council employees and Elected Members.

4. Timetable for implementing this decision

- 4.1. The improvement plan associated with the Peer Challenge will continue to be monitored through the Council's Leadership Board.
- 4.2. The current LGA sector-led improvement support offer includes an expectation that all Councils will have a Corporate Peer Challenge or Finance Peer Review every 4 to 5 years. It is therefore anticipated that Coventry will commission its next Peer Challenge by 2029.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1. Financial Implications

There are no specific financial implications associated with this report. Should it transpire that the delivery of any of the specific actions require additional resources, these will be sought from within existing resources, ensuring appropriate organisational governance is in place to identify the requirement and the associated funding source.

5.2. Legal Implications

There are no specific legal implications associated with this report.

6. Other implications

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

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

Progressing the areas identified during the Peer Challenge will make a positive contribution to the delivery of the Council's priorities, particularly in relation to promoting the growth of a sustainable Coventry economy and improving the quality of life and outcomes for Coventry people.

6.2. How is risk being managed?

The Council's Leadership Board will be responsible for oversight of delivery of Peer Challenge recommendations. Where recommendations are associated with other change or improvement programmes, risk will be managed through individual programme governance arrangements.

6.3. What is the impact on the organisation?

There are no direct implications at this stage.

6.4. Equalities / EIA?

No specific analysis of equality impacts was completed in the course of the Peer Challenge or follow-up visit.

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

None

6.6. Implications for partner organisations?

Although led by the City Council, the original Peer Challenge included a number of partner organisations as well as representatives from various partnership boards across the city and wider geographical area. Progressing the improvements identified will require input and leadership from everyone.

Report author:

Michelle McGinty

Interim Director of Planning and Performance

Service Area:

Planning and Performance

Tel and email contact:

Tel: 02476 971409

Email: Michelle.McGinty@coventry.gov.uk

Enquiries should be directed to the above person

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Michelle Salmon	Governance Services Officer	Law and Governance	07/02/25	10/02/25
Vanessa Millar	Project Support Officer, Transformation	Planning and Performance	31/01/25	04/02/25
Debbie Horton-Rayner	Programme Manager, Transformation	Planning and Performance	31/01/25	04/02/25
Ewan Dewar	Head of Finance	Finance and Resources	11/02/25	12/02/25
Sue Chilton	Director of People	-	11/02/25	13/02/25
Names of approvers for submission: (officers and members)				

Barry Hastie	Director of Finance and Resources	-	20/02/25	21/02/25
Julie Newman	Director of Law and Governance	-	20/02/25	24/02/25
Julie Nugent	Chief Executive	-	21/02/25	25/02/25
Councillor G Duggins	Cabinet Member for Policy and Leadership	-	19/02/25	21/02/25

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LGA Corporate Peer Challenge – Progress Review

Coventry City Council

22 November 2024

Feedback



Corporate Peer Challenge



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1. Introduction

The council undertook an LGA Corporate Peer Challenge (CPC) during 15-18 January 2024 and promptly published the full report with an action plan.

The Progress Review is an integral part of the Corporate Peer Challenge process. Taking place approximately ten months after the CPC, it is designed to provide space for the council's senior leadership to:

- Receive feedback from peers on the early progress made by the council against the CPC recommendations and the council's RAG rated CPC Action Plan.
- Consider peer's reflections on any new opportunities or challenges that may have arisen since the peer team were 'on-site' including any further support needs
- Discuss any early impact or learning from the progress made to date.

The LGA would like to thank Coventry Council for their commitment to sector led improvement. This Progress Review was the next step in an ongoing, open and close relationship that the council has with LGA sector support.

2. Summary of the approach

The Progress Review at Coventry council took place (onsite) on 22 November 2024

The Progress Review focussed on each of the recommendations from the Corporate Peer Challenge, under the following theme headings:

- City Centre working
- Workforce
- Finance and the MTFS
- Transformation
- Communication
- Performance management

For this Progress Review, the following members of the original CPC team were

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18 Smith Square, London, SW1P 3HZ www.local.gov.uk Telephone 020 7664 3000 Email info@local.gov.uk

Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

Chair: Councillor Louise Gittins

Chief Executive: Joanna Killian

President: Baroness Grey-Thompson

involved:

- Cllr Eamonn O'Brien, Leader of Bury Council
- Pam Smith, Chief Executive Newcastle City Council
- Rupaben Raghwani, Assistant Director: Finance Transformation & Change, Southwark Council
- Eamon Lally, Peer Challenge Manager, Local Government Association

3. Progress Review - Feedback

The peer team welcomed the opportunity to return to Coventry City Council to see what progress the council has made over the past year in meeting the recommendations from the original CPC Report. At the CPC held in January 2024 the peer team recognised that Coventry is an ambitious place that is on the up, with examples of innovation and a willingness to embrace change, whilst not forgetting its heritage. The peer team also noted that the council is well-run, with strong officer and political leadership. During the peer team's return to the council for the Progress Review, it heard more examples of improvement and success, which was gratifying. The peer team also saw that the council was showing a confidence to make adjustments to its improvement journey where this was necessary, for example in reconsidering its approach to transformation. The peer team also heard again of the strong and visible leadership provided by the Leader of the council and the Chief Executive. The council continues to be financially well managed but is facing similar demand and inflation pressures as other councils and there is a strong recognition that the council's use of reserves to balance the accounts is not sustainable and that it must continue to work to secure meaningful service and organisational transformation.

The councils Progress Review updated position Statement November 2024 provides commentary on progress against the CPC recommendations. Overall, the peer team were impressed at the level of progress made by Coventry City Council since the CPC and noted the structured approach taken by the council for making improvements and changes to achieve the peer team's recommendations. The council has been open about the continuing challenges it faces.

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Local Government Association company number 11177145 Improvement and Development Agency for Local Government company number 03675577

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City centre: During its onsite visit in January 2024 the peer team noted that Coventry was an ambitious place and the team are pleased to see that this ambition remains strong. The council is central to the development of the city and is working on a range of investment opportunities. Since the peer team's visit in January 2024 some great work has been done: the council has begun work on setting out its vision and objectives for the city centre. It approved a reserved matters application for Phase 1 of Coventry City Centre South at the beginning of March 2024; on site work for the City Centre South development is due to start in the new year and to be completed in 2034. High level scoping work has started on a 50-acre, mixed-use regeneration which will be an opportunity for the council, working with investors, to create new communities in a vibrant city centre. The council's approach will need to enable it to work towards a vision with partners that ensures inclusivity and commercial and physical regeneration that goes hand in hand with meeting the council's housing ambitions.

Workforce: The peer team recognise that a lot of work has been done to change human resource and organisational development practices within the council. The peer team heard that since its visit in January 2024, amongst other actions, the council has: developed an action plan to address the issues raised in the staff survey; established a leadership development programme; been introducing a more targeted and challenging appraisal process; introduced a psychological safe place programme; and established an approach to talent management. Diversity remains a key issue for the council as it seeks to meet the expectations of its communities and workforce. The council has sought to improve its recruitment processes and has provided training for recruitment panels, to enable them to be more diverse in their make-up and more aware of the equalities, diversity and inclusion issues. The council said that it would be looking at the data in the new year to consider the impact of these changes. However, in the view of the peer team the council has not yet seen the full impact of these changes on the workforce composition. Part of the equation is for the council to continue to find opportunities to sell itself as an employer to communities. More direct approaches with communities might be applied. The peer team noted the initiative undertaken in Newcastle where

accelerated recruitment rounds have been undertaken in communities in an approach which embraces the 'see me not CV' tag line.

The peer team recognises the work being done to support staff networks, which includes additional support and training for network chairs and continuing sponsorship from senior staff.

Financial management: The council continues to be financially well managed. That said, as with most other councils, it has faced significant in-year (2024/25) pressures in services such as Adults and Children's social care and Housing, as a result of inflationary pressures, increased demand and the complexity of cases. The in-year position also reflects that some of the savings projected at the beginning of the financial year have been slower to materialise. The resultant impact, as of quarter 2, is an in-year overspend of £10.2mil. The council expects the overspend will reduce by year end and that all anticipated savings will be achieved in due course. In our CPC report we were concerned to ensure that all underlying assumptions around demography, inflation and policy issues were taken into account. This has been taken on board and there is now a need to continually monitor and review these assumptions.

Following the CPC in January 2024, the team stressed the need for the council to move quickly to publish its outstanding financial accounts. It is important to acknowledge that the slow pace of auditing annual financial accounts is a national issue that reflects, to a large extent, challenges in the audit sector rather than specific issues with councils' accounts. Coventry council's statements of accounts for 2020-21, 2021-22, and 2022-23 were approved by the council's Audit and Procurement Committee on the 24th November 2024 and were subsequently published, meeting the 13 December 2024 Backstop date. These accounts have been published with a disclaimer of opinion by the external auditor. The accounts for 2023/24 were published on 29 November and are now subject to audit by the council's external auditor. The Backstop date for these accounts to be audited is 28 February 2025. It is the opinion of the council that the delay in publication of the reports has not impacted on its financial standing or its ability to attract investment into the area.

The financial position of the council is well understood by Members and officers and

there is a shared commitment to managing the council's finances effectively. The council's financial management over past years has meant that its financial standing overall is sound. The council has healthy reserves and, as with the last financial year, can draw on these to cover overspends. However, the council realises that this is not sustainable and is looking to transformation to deliver the changes required to reinforce financial stability as well as improving service delivery.

Transformation: The council has recognised a need for the approach to transformation to be more focused and pacier. New governance arrangements for the programme have been put in place. There is now a smaller and more tightly drawn Change Board with senior representation from Finance, Organisational Development and the continued involvement of the Chief Executive. The peer team were told that the focus of the Board will be on strengthening accountabilities and identifying issues and solutions. The peer team thought that these changes made sense and that they should improve the focus and pace. However, the peer team thought that there was still a need for a clearer narrative on transformation in terms of the distinction between improvement and savings and the link to the Medium Term Financial Strategy. It will be important to make sure there is a link to customer value and making sure the community is fully engaged in the reform. Achieving savings through the transformation programme will be critical to supporting the council to meet financial challenges. Currently the transformation plan, which is a one-year plan for 2024/25, and which we understand will be further revised, anticipates total estimated savings of £12.22m in 24/25 rising to £16.07m in 25/26 and £16.89 in 26/27. As we have said above, these savings are being achieved more slowly than expected. Making sure arrangements are in place to achieve the identified savings through having a tight hand on activities, savings and accountabilities will be critical. The peer team consider that there will be a need to bring in additional external expertise, with the right skills, energy and drive so that delivery can be accelerated.

Communications: much progress has been made on internal and external communications. The new communications strategy has led to greater visibility and channel reach. The intention has been to make external communications more strategic, to further develop the narrative and to be more responsive through a range of channels. The council is engaged in proactive campaigns such as Fairer Coventry,

Working for You, Electric City/Future City, Love Cov and One Coventry (internal campaign). Digital communications are now much stronger with bulletins reaching significantly more people and with budget survey responses doubling. The council is undertaking a residents' survey, and this will give further feedback on the new communications approach. It is expected to highlight greater visibility by the public. The peer team considered that building on the progress so far, the next steps are how to get further focus on communities that are harder to reach and to gain more customer feedback to improve policy insight, traction and communication on transformation.

As part of its revised Communications Strategy, the council has undertaken re-branding work to raise communities' awareness of its activities through campaigns such as Working for You and Love Cov. It primarily operates under two logos, the council's own brand and the One Coventry brand which emphasises when the council is acting in partnership, with extensive partnership working taking place across the city. The peer team thought that this was useful work enabling the council to strengthen its identity.

Internal communications: the council is also strengthening its internal communications. It has undertaken roadshows to explain the organisational narrative, but as importantly, to listen to staff; this included engaging with the staff networks. The peer team found that there was good and continued visibility of the leadership of the council and the roadshows have helped with this. The greater level of planning around communications, through the establishment of an internal communications board, with communications and Human Resource involvement, is providing a solid framework for engagement, although the council recognises that there is still more to do to ensure better internal coordination.

Performance management: the council's approach to performance management, as set out in its framework, has been to build on the systems and processes already in place, rather than to establish a further layer of bureaucracy. During the progress review the peer team heard that the council recognises the need for a strengthened corporate drive to performance management and to achieve this the council is harnessing its directorate performance capacity to improve its corporate understanding. The council recognises that it requires the leadership skills to drive

the use of data and to embed this across the organisation. To achieve this the council is seeking to recruit those skills into the organisation. The council has been reviewing its corporate performance management products, including the Leadership dashboard with a view to being able to identify areas for improvement and prioritisation. Going forward the changes to programme governance, as set out under transformation above, and the plans for strategic recruitment will place the council in a stronger position to ensure that performance informs resource allocation and that the council can focus on areas that require improvement. This understanding should help to inform design and delivery of transformation programmes. In the CPC report, the peer team raised the need for consistently developed service plans and the council has responded by ensuring that service plans will be in place for the next financial year 'creating a golden thread from the corporate One Coventry to individual performance and management objectives'.

Key recommendations from the Corporate Peer challenge report

1. City Centre masterplan

The council should continue to work at pace to develop a city centre masterplan with the support and involvement of partners.

2. One Coventry Plan

The next iteration of the One Coventry plan needs to include a corporate delivery plan supported by consistently developed service plans and should include a review of the corporate strategy framework to ensure strategies are linked and gaps are identified.

3. Employees

The council has rich data from the recent workforce survey and should develop actions to address the issues it highlights. A key element of this would be ensuring there is further support for the employee networks.

4. Medium Term Financial Strategy

Future financial modelling within the MTFS should consider the full impact and risk of

key underlying assumptions e.g. demographic change, inflation, and policy on issues such as real living wage.

5. Financial accounts

The council should make swift progress to sign off and publish their outstanding financial accounts.

6. Transformation programme

The transformation programme is at a very early stage of development, and the council should focus on rapid engagement and mobilisation of the right skills, capacity and capability needed to deliver.

7. Communications

The council should develop a refreshed external communication strategy.

8. Performance management

The council should use the established performance framework to drive improvement and bring greater prioritisation and visibility to areas that require improvement.

9. Member training

Members are keen to engage with opportunities for training and development and the council should review barriers to take up of the current offer and how these can be addressed.

10. Workforce Diversity

The council should take further steps to improve diversity across the organisation at all levels.

4. Final thoughts and next steps

The LGA would like to thank Coventry City Council for undertaking an LGA CPC Progress Review.

We appreciate that senior managerial and political leadership will want to reflect on



these findings and suggestions in order to determine how the organisation wishes to take things forward.

Under the umbrella of LGA sector-led improvement, there is an on-going offer of support to councils. The LGA is well placed to provide additional support, advice and guidance on a number of the areas identified for development and improvement and we would be happy to discuss this.

Helen Murray (Principal Adviser) is the main point of contact between the authority and the Local Government Association (LGA) and their e-mail address is helen.murray@local.gov.uk

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Public report

Scrutiny Co-ordination Committee
Audit and Procurement Committee
Coventry Shareholders Committee

6 March 2025
17 March 2025
25 March 2025

Name of Cabinet Member:
N/A

Director approving submission of the report:
Director for City Services and Commercial and Director for Coventry Municipal Holdings Limited –
A Walster

Ward(s) affected:
None

Title:

Coventry Municipal Holdings Limited – Accounts for the Year Ending 31st March 2024

Is this a key decision?
No

Executive summary:

Coventry Municipal Holdings Limited (CMH) manages the commercial interests of the wholly owned Council investments in a number of arm's length company investments. 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 Council's 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. This report is presented to Coventry Shareholder Committee each year with the published accounts being presented to Audit and Procurement Committee.

This report looks at the year ending 31st March 2023 and 31st March 2024 for the CMH group of companies based on their audited accounts which are available at Companies House. Tom White Waste and Coventry Municipal Holdings Group received an extension for filing granted to the 31st March 2025 and as such although they have been approved by the Board of Directors may not yet appear on Companies House. The accounts for all other companies will be available at Companies House.

The accounts for the year ending 31st March 2023 for Tom White Waste Limited Group, Coventry Technical Resources Limited and Coventry Regeneration Limited were previously presented to Audit Committee on the 29th January 2024.

Recommendations:

Scrutiny Co-ordination Committee is recommended to:-

- (1) Consider the financial position as reported in the Annual Accounts for the Companies to 31st March 2023 and 31st March 2024.
- (2) To make any comments/recommendations to the Coventry Shareholder Committee arising from this meeting.

Audit and Procurement Committee is recommended to:

- (1) Consider the financial position as reported in the Annual Accounts for the Companies to 31st March 2023 and 31st March 2024.
- (2) To make any comments/recommendations to the Coventry Shareholder Committee arising from this meeting.

Coventry Shareholders Committee is recommended to:-

- (1) Consider any comments/recommendations received from Scrutiny Co-ordination Committee and Audit and Procurement Committee
- (2) Note the financial position as reported in the Annual Accounts for the Companies to 31st March 2023 and 31st March 2024.

List of Appendices included:

The following appendices are attached to the report:

Appendix 1 – Coventry Municipal Holdings Limited Group accounts for the year ending 31st March 2023

Appendix 2 – Coventry Municipal Holdings Limited Group accounts for the year ending 31st March 2024

Appendix 3 – Coombe Abbey Park Limited Group accounts for the year ending 31st March 2023

Appendix 4 – Coombe Abbey Park Limited Group accounts to the year ending 31st March 2024

Appendix 5 – Coventry Technical Resources Limited accounts to the year ending 31st March 2024

Appendix 6 – Coventry Regeneration accounts for the year ending 31st March 2024

Appendix 7 – Tom White Waste Limited accounts for the year ending 31st March 2024

Background papers:

None

Other useful documents

None

Has it or will it be considered by Scrutiny?

Yes – 6th March 2025

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

Scrutiny Co-ordination Committee – 6 March, 2025

Audit and Procurement Committee – 17 March, 2025
Coventry Shareholders Committee – 25 March, 2025

Will this report go to Council?

No

Report title: Coventry Municipal Holdings Limited – Accounts for the Year Ending 31st March 2024

1. Context (or background)

1.1. The CMH group includes the following companies:

- Tom White Waste Limited (TW) 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)

1.2. 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

1.3. 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

1.4. 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, Coventry 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

- 1.5. Each of the entities produce their own accounts and then a consolidated set of accounts is created for each parent company (Tom White Waste Limited, Coombe Abbey Park Limited) and at the CMH group level at the year end. A high level review of the financial statements for each entity is included below with a consolidated report at CMH. The accounts for the year ending 31st March 2023 for Tom White Waste Limited group, Coventry Technical Resources Limited and Coventry Regeneration Limited were previously presented to Audit Committee on the 29th January 2024.
- 1.6. 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 Coventry 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. **Statutory accounts** - The accounts for each company are summarised below with the previous year first (where the accounts have not already been shared for the year ending March 2023) and then the latest position (year ending March 2024). The accounts have been approved by each respective company and approved by the external auditors who have provided a clean audit opinion for each company. The companies have provided sufficient information to the auditors to demonstrate the ongoing financial viability. The auditors have been satisfied that the companies are of going concern, that they financially stable enough to meet their ongoing obligations and continue to trade.
- 2.3. **Coventry Municipal Holdings Limited accounts to the year ending 31st March 2023** – the company accounts reflect the consolidated position for the 12 month period 1st April 2022 to 31st March 2023. (Appendix 1). These accounts were filed following the submission of all entity accounts. An extension of time was granted for filing by Companies House due to the extended audit work required for the Coombe Abbey Park Limited accounts for the same period. It should be noted that the comparator period is a shorter accounting period (26th October 2021 to 31st March 2022). The key elements of the accounts are summarised below:
 - A consolidated turnover of £33.7m and a gross profit of £9.59m which demonstrates that the direct cost of delivering services in the subsidiaries, is covered by the revenue generated.
 - When we factor in the overheads of delivery, including depreciation, this creates an operating loss of £0.4m.
 - After finance costs of which £1.4m relate to CAPL and taxation, this results in a reported loss for the year of £1.76m mainly due to the reported loss for CAPL (see section 2.4)
 - CMH received a one off working capital grant from the Council when it was incorporated which it uses 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 group has a strong balance sheet position, with net assets at £6.3m. This reflects total assets of £47.6m less total liabilities of £41.3m (over £30.5m relates to long term liabilities).
- The equity section of the consolidated balance sheet reflects the increase in the value of the assets on the balance sheet by £0.4m which will be held in the revaluation reserve, rather than increasing the value of the asset. 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 under the merger reserve 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 TW due to the depreciation written off in the year of incorporation.
- Overall the accounts show a total assets position of £47.6m, equal to the equity and liabilities in the group of companies.

2.4. **Coombe Abbey Park Limited Group Accounts to the year ending 31st March 2023** – accounts to the 31st March 2023 reflect a 15 month position from 1st January 2022 to 31st March 2023, to align the year end with the wider group. CAPL was granted an extension of time for filing for these accounts based on accounting treatment and the impact of a new financial system, which is why they were not available for the last meeting. The accounts for the company are now available at Companies House (See Appendix 3) are summarised below:

- Revenue was strong in the period achieving £13.6m over the 15 month, with a strong start to the period but there was a clear plateau with post covid bookings and the impact of the cost of living crisis affecting customers disposable income. Even with this pressure the business secured revenue only £0.78m short of budget. This achieved a gross profit of £3.69m, a profit margin of 27%. This 15 month period reflects two of the quietest quarters in the sector (January to March) during this accounting period.
- Occupancy was lower than budgeted at 61.2% but the average room rate was 11.5% higher than budgeted. This saw a drop of £0.35m in revenue, but also a cost saving associated with servicing the rooms.
- Inflationary cost pressures affect the cost of sales, especially in key areas like food and beverage and laundry which saw c30% increase in their costs, placing greater pressure on the business. The sector as a whole has struggled to recruit to key roles following Brexit, which has led to higher than budgeted agency expenditure, and with the impact of the national living wage, this increased payroll costs by 6.6% in 2022 and 9.7% in 2023.

- In March 2023, the hotel suffered a flood, which affected Park Priory, a separate bedroom, resulting in 39 bedrooms being out of action. This also affected the financial performance in 2023/24.
- The implementation of the new financial system took longer than expected, it led to a number of challenges in relation to data capture and embedding the system, alongside changes within the finance team, which has contributed to delays in the publishing of the financial statements.
- The operating loss for the year was £0.628m which includes depreciation of £0.963m. If we add back depreciation this results in an EBITDA (earnings before interest, tax, depreciation and amortisation) of £0.335m. A positive EBITDA demonstrates the company is cash generating.
- The finance costs of £1.417m relate to the interest on the debt financing in place with the Council and the interest on the right of use asset, which increase the operating loss to £2.045m.
- The company has fixed assets of £23.08m which includes the hotel lease asset in the accounts as a right of use asset worth £13.96m which represents the company's right to use the hotel asset for the duration of the remaining lease. Under International Financial Reporting Standards (IFRS) there is a corresponding lease liability on the balance sheet equivalent to the principal element of the lease payments due over the remaining term of the lease which reduces each year. This along with the interest charge replaces the rental value that would otherwise have been recorded in the profit and loss account.
- The company balance sheet shows a reduction in the net assets to £0.4m 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 £3.7m 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.
- The company ended the year with £1.3m cash on the balance sheet. This is partly due to the challenges that the company has faced in relation to submitting its VAT returns and making payment following an application to HMRC for a group VAT registration. The challenges have been due to HMRC rather than actions of CAPL and CAPL are working with HMRC to submit the returns due and seek time to pay the outstanding liability of £1.3m at the year end.

2.5. Coombe Abbey Park Limited group accounts to the year ended 31st March 2024- the account for the year ending 31st March 2024 are now available on Companies House (Appendix 4) with the key points summarised below:

- The revenue generated over the 12 month period was £12m compared to £13.6m over the 15 previous months. The gross profit generated in the year is 31%, an increase from 27% in the previous year. With the hotel suffering a flood in March 2023, which impacted 40 bedrooms and caused significant disruption and costs to the business. Although most costs have been recovered through insurance, business interruption did not reimburse all costs. The hotel was without 30% of its bedroom stock for 2 months which affected the ability to grow occupancy and secondary spend, plus additional operational costs during that period.
- Occupancy was lower than budgeted at 62.9% but the average room rate was 2.5% lower than budgeted. This contributed towards a reduction in revenue at the hotel

compared to the budget of £0.49m, but also resulted in a cost saving associated with servicing the rooms.

- The business continues to experience an increase in costs due to inflationary pressures, especially in relation to food and beverage costs by 10-20%. There has been a significant improvement in food cost of sales during the final quarter of 2023-24 to manage food cost of sales to below budget and now a greater focus on beverage cost of sales. Both of these metrics are now showing as below budget in the current financial year and continue to be monitored monthly by the Board of Directors.
- During the year the group was protected from the large increase in energy prices due to the nature of the contracts in place and has now secured new arrangements that will help to manage these costs going forward. The nature of operating within a Grade one listed building has meant opportunities to reduce the cost base further have been limited, due to the nature and layout of the building but there are plans a number of areas for investment earmarked in 2024/25 to improve the aesthetics of key areas in the hotel.
- The operating profit for the year was positive at £0.371m compared to a loss in the 15 months prior at £0.627m. Both of these figures include depreciation, which when added back to the operating profit, this equates to an EBITDA of £1.203m.
- Overall the company has generated a loss of £0.722m after the finance costs in relation to the interest on the debt financing in place with the Council and the interest on the right of use asset has been considered.
- The balance sheet has total assets of £23.962m and with current liabilities of £24.943m. The liabilities are greater than the assets which generates a negative net assets position, due to the loss generated in year of £0.722m compared to £2.045m the year before, which is an improving position.
- The Directors have prepared the financial statement on a going concern basis having considered that the company has continued to generate cash through the revenue achieved and the EBITDA position. the company has managed the cost of sales for food and beverage well, as well as implementing plans to make savings of £0.25m in the year. The company has continued to meet all debt financing and hire purchase liabilities and ends the year with £1.114m cash and cash equivalents on the balance sheet. The ongoing cashflow forecast for 13 weeks and the next 24 months, demonstrates that the company has sufficient funds to meet its ongoing liabilities including VAT and continue to trade as a going concern. The group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future.
- There continues to be challenges in relation to the group VAT registration number and changes to their accounting periods for VAT, which has delayed the submission of VAT returns through no fault of the business. As such the group has not submitted a VAT return for a period over 12 months in the accounts and holds a large VAT liability on the balance sheet of £2.1m which has partly been settled in 2023/24 with payments on account. The returns for 2022-23 have now been submitted and the returns for 2023-24 are in the process of being submitted to HMRC.
- During 2023 the Board of Directors appointed two new Non-Executive Directors to strengthen the skill set on the Board. Jim Cockell was appointed as the sector specialist with a background in running his own hotel and careers as a hospitality and revenue

management consultant. We also appointed Paul Ward who is the Council representative, with a substantive role as the Director of ICT at Coventry City Council. In addition to this, the Company also restructured its finance team, making one of the Head of Finance roles redundant. There is still further work to do to strengthen the financial support provided by the team which remains ongoing.

2.6. Coventry Technical Resources Limited Accounts to the year ending 31st March 2023 – the accounts for the company (Appendix 5) show:

- a turnover of £0.36m 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 4 people in the year
- The company generated a small profit of £0.004m 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 be paid to the Council

2.7. Tom White Waste Limited accounts for the year ending 31st March 2024 – these accounts reflect the financial performance for the 12 month period. An extension of time was granted by Companies House to extend the filing date from the 31st December 2024 to 31st March 2025, as a result of the key decision taken by Full Council in January 2025 in relation to the balance sheet restructure and sale and leaseback of the operational site. This was a material transaction for the accounts after the year end, so in conjunction with the auditors a decision was made to delay finalising the accounts until this approval had been granted. The accounts have been approved by the Board of Directors and submitted to Companies House for filing, although may not appear on the website (Appendix 7). The key elements of the accounts are summarised below:

- Revenue remained on par with the previous year achieving £21.1m compared to £21.6m the previous year and the cost of sales remained consistent achieving a gross operating profit of £5.9m (maintaining a 27.8% margin gross operating profit/ revenue).
- The overheads were higher than the previous year by £1.4m, this includes £0.2m costs incurred in relation to the MRF project which did not proceed, £0.6m additional depreciation in the year and a further £0.5m for plant breakdowns and repairs.
- These additional costs and the end of some key revenue accounts has contributed towards loss of £1.79m for the year, compared to the loss of £0.3m in 2023. This is after taking into account finance costs and tax.
- The company has assets valued at £18.9m including the operational site that was subject to the sale and leaseback transaction in January 2025.
- At the year-end the cash and cash equivalents were £0.2m. The Board of Directors have visibility of the cash flow forecast every month and the management team have more frequent oversight and management of the cash position. The execution of the intercompany loan and balance sheet restructure in 2024/25 have strengthened the cash position and place the company in a strong financial position moving forward.
- Equity remains positive at £1.3m, although reduced as a result of the loss reported in year.

- The company has completed a detailed three year P&L forecast with corresponding 13 week cash flow forecast. Following the sale and leaseback and balance sheet restructure both of these demonstrate a strong underlying business with opportunity for growth back to previously enjoyed EBITDA and profit levels. The financial forecast to support the balance sheet restructure was independently reviewed by EY (Ernest Young) and KPMG as part of an independent business review and confirmed that the actions and growth assumptions for future years by the management team and approved by the Board of Directors demonstrated a viable underlying business with a strong business plan. This plan is currently being updated and will be presented to the Shareholder Committee in March 2025 as part of the Business Planning and budget approval process.

2.8. Coventry Municipal Holdings Limited accounts to the year ending 31st March 2024 – the company accounts reflect the consolidated position for the 12 month period 1st April 2023 to 31st March 2024. (Appendix 2). These accounts were filed following the submission of all entity accounts. An extension of time was granted for filing by Companies House due to the extended audit work required for the Tom White Waste Limited accounts for the same period as a result of the balance sheet restructure that was approved by Full Council in January 2025. The key elements of the accounts are summarised below:

- A consolidated turnover of £33.6m which is on par with the previous year and a gross profit of £10.05m (2023 £9.6m) which is higher than the previous year, a good position given the additional cost pressures faced by all businesses in the delivery of services, which cannot all be recovered from the prices charged to customers, which squeezes the profit margin.
- When we factor in the overheads of delivery, including depreciation, this creates an operating loss of £1.09m, larger than the previous year mainly due to the operating loss reported in the TW accounts of £1.78m compared to the previous years' operating profit of £0.31m. Further details of this are covered under the TW accounts in section 2.6.
- After finance costs of which £1.0m relate to CAPL and £0.7m relate to TW and taxation, this results in a reported loss for the year of £2.9m mainly due to the reported loss for TW (see section 2.7).
- CMH received a one off working capital grant from the Council when it was incorporated which it uses 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 group has a strong balance sheet position, with net assets at £3.1m. This reflects total assets of £45.8m less total liabilities of £42.8m (over £29.9m relates to long term liabilities in relation to long term loans and leases).
- The equity section of the consolidated balance sheet reflects the reduction in value the investments in the subsidiaries and assets on the balance sheet by £4.6m which will be held in the fair value reserve, rather than increasing the value of the asset. 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.

2.9. As well as the companies discussed above the group also includes Coventry Regeneration (Appendix 6) which has a small profit before tax of £57 and No Ordinary Hotels Limited which are effectively dormant.

- 2.10. The recommended option is to consider the accounts to the year ending 31st March 2023, 31st March 2024 and provide any recommendations to Coventry Shareholder Committee.

3. Results of consultation undertaken

- 3.1. No consultation undertaken

4. Timetable for implementing this decision

Audit Committee are asked to make comments as per the recommendation.

5. Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1. Financial Implications

The Council relies on timely and accurate accounts from its subsidiaries to produce its own consolidated accounts. Draft accounts from CMH have been used to prepare the Council's 2023/24 accounts, due to the delays finalising the TW accounts. The use of draft accounts in the absence of final accounts is permissible under the CIPFA Code of Practice, which sets out the Council's reporting requirements. However, final accounts will be used where possible.

The Council continues to recognise goodwill on the purchase of CAPL and TW in its consolidated accounts as the companies were previously acquired in December 2017 and March 2020 respectively. The Council recognises post-acquisition gains and losses from these dates, whereas CMH does so from the share issue in November 2021.

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. The difference between the long-term investment value and the net asset values reported on the company balance sheets at the point of acquisition is held in a merger reserve. This would normally be recognised as a goodwill asset on the balance sheet. A merger reserve was used as this was deemed to be a business combination under common control as the ultimate ownership of the companies remained with the Council, meaning there was no further goodwill to recognise. This accounting treatment has been adopted as it meets the requirements for mergers as a result of a business combination.

As the value of the shares change year on year, CMH will recognise any changes in a fair value reserve. The value of the investment in the company shares is only realised at the point of disposal.

The consolidated accounts for CMH and the entity accounts are all produced under International Financial Reporting Standards (IFRS). There are some differences between IFRS and UK Generally Accepted Accounting Practice (UKGAAP), with a key standard under 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. The reason the companies account under IFRS is to align the accounting treatment to the standards applied in the Council accounts.

No further dividends were declared in the years reported. The Council received £1.2m 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 Coventry 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 31st March 2024 will be submitted to Companies House as soon as they are finalised for Tom White Waste Limited and Coventry Municipal Holdings Limited.

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. TW 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 Coventry 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.

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.

Report author(s):

Name: Parmi Mudhar

Title: Financial Director for Coventry Municipal Holdings Limited

Tel and email contact:

Tel: 02476 971391

Email: Parminder.mudhar@coventry.gov.uk

Name: Andrew Walster

Title: Director of City Services and Commercial and Director Coventry Municipal Holdings Limited

Tel and email contact:

Tel: +44(0)24 7697 7935

Email: Andrew.walster@coventry.gov.uk

Enquiries should be directed to the above person

Contributor/approver name	Title	Service Area	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Co-ordinator	Law and Governance	19/02/25	19/02/25
Mike Phillips	Lead Accountant	Finance	14/01/25	17/01/25
Names of approvers for submission:				
Tina Pinks	Finance Manager	Finance	14/01/25	17/01/25
Gurbinder Singh Sangha	Major Projects Lawyer/ Company secretary	Law and Governance	14/01/25	17/01/25
Andrew Walster	Managing Director Coventry Municipal Holdings/ Director of City Services and Commercial	-	14/01/25	24/02/25

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REGISTERED NUMBER: 13705254 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
COVENTRY MUNICIPAL HOLDINGS LIMITED**

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for the year ended 31 March 2023

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COVENTRY MUNICIPAL HOLDINGS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2023

DIRECTORS:

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

SECRETARY:

Mr G S Sangha

REGISTERED OFFICE:

Council House
Earl Street
Coventry
West Midlands
CV1 5RR

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 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

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 year ended 31st March 2023 show a loss after tax of (£36,023). The company has total equity of £14,333,903 and total cash and equivalent balances of £153,352.

The principal activities of the subsidiaries in the group have remained the same throughout the period, with Tom White Waste Limited (TWW) focusing on waste management and recycling services and Coombe Abbey Park Limited (CAPL) focusing on the hospitality and the leisure sector.

The financial performance of Tom White Waste Ltd shows a significant improvement in profitability compared to the previous year, with an increase in revenue by 25% in 2023 and gross profit margin increased to 28% compared to 23.1% in the previous year. TWW continued to support the Council 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 was to improve the availability of the plant and increase the volume of waste that can be recycled and diverted away from landfill. Significant improvements in the results, led to the business reconsidering the development of the material recycling facility, with a greater focus on deriving further results via additional processing of the existing waste streams with a view to becoming a direct supplier of a recovered fuel. Any investment will be met from existing cashflow, negating the need to draw down additional loan facilities.

Coombe Abbey Park Ltd had a strong start to the year but saw a clear plateau with post covid bookings and the impact of cost of living crisis affecting customers disposable income. Even with this pressure the business secured revenue only £0.78m short of budget. There has been a shift in bookings from corporate bookings to more leisure and events. The relationship with Go Ape continues to strengthen with the leisure operation in Coombe Abbey Park delivering a good financial return and footfall to the site. As seen across the sector, the business experienced increased costs due to inflationary pressures especially with food and beverage, laundry with some increases as high as 30% in year. The sector as a whole has struggled to recruit to key roles, due to a shortage of key posts, partly due to the impact of Brexit, leading to higher staffing costs and increased agency spend.

The two subsidiaries within the consolidated group accounts of Coombe Abbey Park Ltd were incorporated on 19th April 2021. These are Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited. These companies assist the group 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.

All businesses felt the impact of the national living wage increase of 6.6% in 2022 and 9.7% in 2023.

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

GROUP STRATEGIC REPORT
for the year ended 31 March 2023

The group financial statements have been prepared under UK-adopted International Financial Reporting Standards (IFRS). The group results for the year ended 31st March 2023 report a total comprehensive loss after tax of (£1,764,377). The group has total equity of £6,333,337 and total cash and equivalent balances of £4,600,770.

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.

A summary of the Group's key performance indicators are as follows:

	Year ended 31.3.23	Year ended 31.3.22
Revenue	£33.7m	£12.7m
Gross Margin	28%	27%
Net Profit Margin	-5.75%	-4.9%

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 geopolitical global environment and may be impacted by matters outside the control of the operating companies 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. This remains an objective in 2024/25.

- 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.

GROUP STRATEGIC REPORT
for the year ended 31 March 2023

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 group 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 group in the previous year and continued to build on this in the current year focusing on three strands, people first, protect our plant and profit for purpose. NOHM is has been developed to be 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. In the year under review the group serviced contracts for Historic Coventry Trust and although this arrangement has now come to an end, they have secured contracts with iXL and Stoneleigh Abbey which will reflected in 2023/24 accounts.

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.

FUTURE DEVELOPMENTS

Significant improvement in results has led us to reconsider the redevelopment of our Materials Recycling Facility ("MRF") at Tom White Waste Limited 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 has continued to operate in 2023/24 and a budget has been agreed by the Board of Directors for 2024/25. The flood experienced at Coombe Abbey Hotel in March 23, led to 39 bedrooms being out of action for a period of 3 months. Although the business was able to recover the costs incurred through insurance in place, including business interruption for a proportion of lost revenue, the teams have had to work hard to ensure the impact of the flood has not adversely affected the revenue position in 2023/24 and the reputation of the business.

ON BEHALF OF THE BOARD:



Mr A J Walster - Director

23 May 2024

**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

The principal activity of Coventry Municipal Holdings Limited (CMH) is to hold and manage the wholly owned arm's length investments made by Coventry City Council.

The principal activities of the subsidiaries in the group have remained the same throughout the period, with Tom White Waste Limited (TWW) focusing on waste management and recycling services and Coombe Abbey Park Limited (CAPL) focusing on the hospitality and the leisure sector.

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 activities include providing 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 2023.

RESEARCH AND DEVELOPMENT

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

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

REPORT OF THE DIRECTORS
for the year ended 31 March 2023

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 £1.5m 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 when it was incorporated.

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 13-week cashflow is shared with the Board of Directors for Tom White and CAPL to highlight the financial impact of the forecast 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.

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.

REPORT OF THE DIRECTORS
for the year ended 31 March 2023

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 Protect Our Planet being at the heart of how the business operates. Tom white has recovered more than 103,000 tonnes of material in 2023/4 in the UK.

Additionally, this year Tom White increased process efficiency within its production facilities increasing throughput by 17% with no increase in power demand. Further, steps have been taken to reduce electricity consumption with the mothballing of one production area.

Other actions have included replacement lighting for LED lights and the investment in an umbilically tethered electric mobile shredder.

Fuel consumption for transportation is not measured or reported in KWhrs. Steps have been taken to increase energy efficiency with 89% of the fleet vehicles utilising Euro 6 compliant power trains. All ICE powered vehicles have been removed from the group Car fleet and vans will be added to this once they come up for renewal. To confirm, all group cars are now full electric, or hybrid and the group has introduced a salary sacrifice car scheme to further the uptake of EVs.

TWW is due to undertake its next CO2e assessment this year and will report on the improvements made.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis and have considered the following factors in their assessment of 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 going concern basis is appropriate. 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 detailed budget for the next 12 months and in some cases a 3-year financial forecast, as part of their Business Plan. This key document 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 if there are sufficient funds available to demonstrate that the business is of going concern. The budget and business plans for the group for 2023/24 and 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet).

The Council has provided a letter of support confirming that if required, the Council would provide financial support to the Coombe Abbey group, including deferral of loan repayments and lease liability payments. The Directors do not foresee the business having to request such support.

All businesses have been able to meet their current obligations on existing loans and lease commitments. These have been met in the period under review and payments will continue to be made in line with the agreements. For Coombe Abbey, the rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet for CAPL includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application. The business has set funds aside as part of the cashflow projections to ensure it can meet this liability.

REPORT OF THE DIRECTORS
for the year ended 31 March 2023

The group has a strong cash position, which at the year-end was £4.6m. The cash position is shared with the respective company Board of Directors on a weekly basis and formally discussed as a 13-week position at each Board meeting. At the year end TWW group had un-utilised banking facilities available and cash and cash equivalents of £0.473m and Coombe Abbey group has £1.305m.

The Coombe Abbey group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity in 2023/24. This investment is supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

To support the business and provide greater levels of challenge and scrutiny, each Board of Directors has a Non-Executive Director. Coombe Abbey group have appointed a sector specialist as a Non-Executive Director to the Board for all their companies. The post holder brings commercial expertise and ideas for growth alongside the overview of the current operation of the business and was in post following the date under review.

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 group 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.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2023**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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

23 May 2024

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 year ended 31 March 2023 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 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 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 pages eight and nine, 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.

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
- 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
 - 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 has in place to mitigate risk

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

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

- Management override of control
- Revenue recognition

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's 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

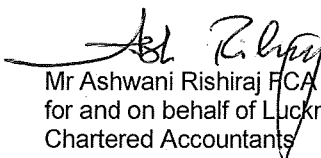
In performing an audit in accordance with UK-adopted international accounting standards and the Companies Act, we exercise professional judgement and maintain professional scepticism throughout the audit process.

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. This description forms part of our Report of the Auditors.

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: 23rd May 2024

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2023

		Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
	Notes		
CONTINUING OPERATIONS			
Revenue	4	33,703,956	12,750,859
Cost of sales		(24,109,375)	(9,309,702)
GROSS PROFIT		9,594,581	3,441,157
Other operating income	5	534,107	372,547
Administrative expenses		(10,536,322)	(3,953,470)
OPERATING LOSS		(407,634)	(139,766)
Finance costs	8	(1,533,409)	(486,952)
Finance income	8	676	-
LOSS BEFORE INCOME TAX	9	(1,940,367)	(626,718)
Income tax	11	(214,230)	(156,366)
LOSS FOR THE YEAR		(2,154,597)	(783,084)
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Revaluation of Leasehold land and buildings		390,220	-
Income tax relating to item that will not be reclassified to profit or loss		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		390,220	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,764,377)	(783,084)
Profit attributable to:			
Owners of the parent		(2,154,597)	(783,084)
Total comprehensive income attributable to:			
Owners of the parent		(1,764,377)	(783,084)

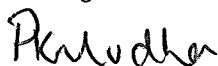
The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	17,201,555	17,626,414
Right-of-use			
Property, plant and equipment	13, 22	20,494,839	17,575,621
Investments	14	-	-
		<u>37,696,394</u>	<u>35,202,035</u>
CURRENT ASSETS			
Inventories	15	75,977	71,350
Trade and other receivables	16	4,722,185	4,747,864
Tax receivable		509,276	509,276
Cash and cash equivalents	17	4,600,770	5,048,307
		<u>9,908,208</u>	<u>10,376,797</u>
TOTAL ASSETS		<u>47,604,602</u>	<u>45,578,832</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	20,198,503	20,198,503
Revaluation reserve	19	390,220	-
Merger reserve	19	(11,467,705)	(11,467,705)
Capital contribution reserve	19	150,000	150,000
Retained earnings	19	(2,937,681)	(783,084)
TOTAL EQUITY		<u>6,333,337</u>	<u>8,097,714</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	29,290,995	26,394,378
Deferred tax	24	1,248,711	1,034,481
		<u>30,539,706</u>	<u>27,428,859</u>
CURRENT LIABILITIES			
Trade and other payables	20	7,631,728	7,470,954
Contract liabilities	4	950,134	628,155
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	2,149,697	1,802,033
Tax payable		-	151,117
		<u>10,731,559</u>	<u>10,052,259</u>
TOTAL LIABILITIES		<u>41,271,265</u>	<u>37,481,118</u>
TOTAL EQUITY AND LIABILITIES		<u>47,604,602</u>	<u>45,578,832</u>

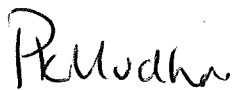
The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2024 and were signed on its behalf by:



The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2023



Mrs P Mudhar - Director

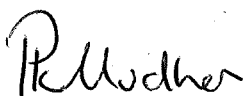
The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	-	-
Right-of-use			
Investments	14	14,215,002	18,680,002
		<u>14,215,002</u>	<u>18,680,002</u>
CURRENT ASSETS			
Trade and other receivables	16	7,937	124,272
Cash and cash equivalents	17	153,352	88,763
		<u>161,289</u>	<u>213,035</u>
TOTAL ASSETS		<u>14,376,291</u>	<u>18,893,037</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	20,198,503	20,198,503
Capital contribution reserve	19	150,000	150,000
Fair value reserve	19	(5,983,500)	(1,518,500)
Retained earnings	19	(31,100)	4,923
TOTAL EQUITY		<u>14,333,903</u>	<u>18,834,926</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	20	42,388	58,111
TOTAL LIABILITIES		<u>42,388</u>	<u>58,111</u>
TOTAL EQUITY AND LIABILITIES		<u>14,376,291</u>	<u>18,893,037</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2024 and were signed on its behalf by:



Mrs P Mudhar - Director

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £
Changes in equity			
Issue of share capital	20,198,503	-	-
Total comprehensive income	-	(783,084)	-
Balance at 31 March 2022	<u>20,198,503</u>	<u>(783,084)</u>	<u>-</u>
Changes in equity			
Total comprehensive income	-	(2,154,597)	390,220
Balance at 31 March 2023	<u>20,198,503</u>	<u>(2,937,681)</u>	<u>390,220</u>
	Merger reserve £	Capital contribution reserve £	Total equity £
Changes in equity			
Issue of share capital	-	-	20,198,503
Total comprehensive income	-	-	(783,084)
Business combination	(11,467,705)	-	(11,467,705)
Capital contribution	-	150,000	150,000
Balance at 31 March 2022	<u>(11,467,705)</u>	<u>150,000</u>	<u>8,097,714</u>
Changes in equity			
Total comprehensive income	-	-	(1,764,377)
Balance at 31 March 2023	<u>(11,467,705)</u>	<u>150,000</u>	<u>6,333,337</u>

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Total equity £
Changes in equity					
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
Balance at 31 March 2022	<u>20,198,503</u>	<u>4,923</u>	<u>150,000</u>	<u>(1,518,500)</u>	<u>18,834,926</u>
Changes in equity					
Total comprehensive income	-	(36,023)	-	(4,465,000)	(4,501,023)
Balance at 31 March 2023	<u>20,198,503</u>	<u>(31,100)</u>	<u>150,000</u>	<u>(5,983,500)</u>	<u>14,333,903</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

		Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	2,358,606	735,043
Interest paid		(614,923)	(33,978)
Lease interest paid		(1,079,114)	(302,021)
Tax paid		(149,342)	(20,034)
Net cash from operating activities		<u>515,227</u>	<u>379,010</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(542,559)	(576,766)
Sale of tangible fixed assets		371,500	18,041
Business combination		-	4,531,241
Interest received		676	-
Net cash from investing activities		<u>(170,383)</u>	<u>3,972,516</u>
Cash flows from financing activities			
New loans in year		1,153,000	2,124,345
Loan repayments in year		(523,398)	(1,011,160)
Other Creditors		-	(82,606)
Bank loan repayments		-	(60,014)
Payment of lease liabilities		(1,421,983)	(423,784)
Capital contribution		-	150,000
Net cash from financing activities		<u>(792,381)</u>	<u>696,781</u>
(Decrease)/increase in cash and cash equivalents		<u>(447,537)</u>	<u>5,048,307</u>
Cash and cash equivalents at beginning of year	2	5,048,307	-
Cash and cash equivalents at end of year	2	<u><u>4,600,770</u></u>	<u><u>5,048,307</u></u>

The notes form part of these financial statements

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

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Loss before income tax	(1,940,367)	(626,718)
Depreciation charges	2,443,167	863,686
Profit on disposal of fixed assets	(121,910)	(18,041)
Government grants	-	(5,953)
Finance costs	1,533,409	486,952
Finance income	(676)	-
	<u>1,913,623</u>	<u>699,926</u>
Increase in inventories	(4,627)	(21,186)
Increase in trade and other receivables	(45,534)	(800,506)
Increase in trade and other payables	173,165	228,654
Increase in contract liabilities	321,979	628,155
	<u>2,358,606</u>	<u>735,043</u>
Cash generated from operations	<u>2,358,606</u>	<u>735,043</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	<u>4,600,770</u>	<u>5,048,307</u>

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 year ended 31 March 2023

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.

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 as modified by the revaluation of certain assets.

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 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.

Reporting period

These financial statements are prepared for the year ended 31 March 2023. The comparative results are for the period 26 October 2021, being the date of incorporation, to 31st March 2022.

The principal accounting policies adopted are set out below.

Going concern

The directors have prepared the financial statements on the going concern basis and have considered the following factors in their assessment of 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 going concern basis is appropriate. 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 detailed budget for the next 12 months and in some cases a 3-year financial forecast, as part of their Business Plan. This key document 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 if there are sufficient funds available to demonstrate that the business is of going concern. The budget and business plans for the group for 2023/24 and 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

The Council has provided a letter of support confirming that if required, the Council would provide financial support to the Coombe Abbey group, including deferral of loan repayments and lease liability payments. The Directors do not foresee the business having to request such support.

All businesses have been able to meet their current obligations on existing loans and lease commitments. These have been met in the period under review and payments will continue to be made in line with the agreements. For Coombe Abbey, the rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet for CAPL includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application. The business has set funds aside as part of the cashflow projections to ensure it can meet this liability.

The group has a strong cash position, which at the year-end was £4.6m. The cash position is shared with the respective company Board of Directors on a weekly basis and formally discussed as a 13-week position at each Board meeting. At the year end TWW group had un-utilised banking facilities available and cash and cash equivalents of £0.473m and Coombe Abbey group has £1.305m.

The Coombe Abbey group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity in 2023/24. This investment is supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

To support the business and provide greater levels of challenge and scrutiny, each Board of Directors has a Non-Executive Director. Coombe Abbey group have appointed a sector specialist as a Non-Executive Director to the Board for all their companies. The post holder brings commercial expertise and ideas for growth alongside the overview of the current operation of the business and was in post following the date under review.

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 year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

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.

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.

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 year ended 31 March 2023

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 depreciated as not yet in use
Leasehold Land and buildings	-	over period of the lease or 50 years straight line basis
Improvements to property	-	over the period of the lease
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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

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.

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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

2. ACCOUNTING POLICIES - continued

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 demonstrable committed to terminate the employment of an employee or to provide termination benefits.

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.

3. 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 £12m at 31st March 2023. A deferred tax asset in respect of these losses of £2.7m 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 year ended 31 March 2023

4. REVENUE**Revenue from contracts with customers**

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

	2023 £	2022 £
Rendering of services	27,405,511	10,499,984
Sale of goods	6,298,445	2,250,875
	<u>33,703,956</u>	<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.

Major Service lines	2023 £	2022 £
Waste management and recycling	21,567,958	8,397,249
Accommodation	3,230,762	1,203,128
Food, beverages and catering	6,298,445	2,250,875
Room and marquee hire	905,071	238,670
Management services	664,972	434,462
Other services	1,036,748	226,475
	<u>33,703,956</u>	<u>12,750,859</u>

Timing of Revenue Recognition:

	2023 £	2022 £
Revenue recognised at a point in time	33,038,984	12,316,398
Revenue recognised over time	664,972	434,461
	<u>33,703,956</u>	<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 year ended 31 March 2023

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

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Receivables included in "Trade and other receivables"	<u>4,038,489</u>	<u>3,805,031</u>
Contract liabilities		
Current		
Deferred income	<u>950,134</u>	<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 income is recognised when payment is received from customers before the respective performance obligation is satisfied.

5. OTHER OPERATING INCOME

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Rents received	16,250	-
Other income	460,987	366,594
Management charges	56,870	-
Government grants	-	5,953
	<u>534,107</u>	<u>372,547</u>

6. EMPLOYEES AND DIRECTORS

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Wages and salaries	11,243,472	2,924,366
Social security costs	1,359,617	519,029
Other pension costs	265,932	54,666
	<u>12,869,021</u>	<u>3,498,061</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

6. EMPLOYEES AND DIRECTORS - continued

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

	Year Ended 31.3.23	Period 26.10.21 to 31.3.22
Directors	11	6
Finance and administration	29	39
Management and administration	27	26
Hospitality operations	304	168
Waste management & recycling operations	172	94
Business development	5	5
	<u>548</u>	<u>338</u>

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Directors' remuneration	540,971	168,139
Directors' pension contributions to money purchase schemes	<u>30,113</u>	<u>3,159</u>

Information regarding the highest paid director for the year ended 31 March 2023 is as follows:

	Year Ended 31.3.23 £
Emoluments etc	<u>135,533</u>

7. EXCEPTIONAL ITEMS

Exceptional items of £322,967 include costs for investigating and planning a proposed new re-development of the Coombe Abbey Hotel, and professional fees for the proposed re-development of the Materials Recycling Facility ("MRF") at Tom White Waste Limited. It was subsequently decided that both re-development projects would not go ahead.

8. NET FINANCE COSTS

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Finance income:		
Interest income	<u>676</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

8. NET FINANCE COSTS - continued

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Finance costs:		
Bank interest	-	31
Bank loan interest	150,830	14,324
Loan interest	471,574	170,576
Late payment interest	5,555	-
Hire purchase	91,447	12,085
Leasing	814,003	289,936
	<u>1,533,409</u>	<u>486,952</u>
Net finance costs	<u>1,532,733</u>	<u>486,952</u>

9. LOSS BEFORE INCOME TAX

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

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Leases	50,884	-
Depreciation - owned assets	1,315,041	596,047
Depreciation - assets on hire purchase and finance lease	1,128,126	267,639
Profit on disposal of fixed assets	(121,910)	(18,041)
Government grants	-	5,953
	<u>-</u>	<u>5,953</u>

10. AUDITORS' REMUNERATION

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	74,660	39,785
Total audit fees	<u>74,660</u>	<u>39,785</u>
Taxation compliance services	7,101	1,708
Total non-audit fees	<u>7,101</u>	<u>1,708</u>
Total fees payable	<u>81,761</u>	<u>41,493</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

11. INCOME TAX**Analysis of tax expense**

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Current tax:		
Tax	-	1,775
Adjustment in respect of prior periods	-	(350,220)
Total current tax	-	(348,445)
Deferred tax	214,230	504,811
Total tax expense in consolidated statement of profit or loss and other comprehensive income	<u>214,230</u>	<u>156,366</u>

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:

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Loss before income tax	<u>(1,940,367)</u>	<u>(626,718)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(368,670)	(119,076)
Effects of:		
Effect of change in corporation tax rate	(22,952)	-
Effect of capital allowances in excess of depreciation	(31,196)	504,811
Effect of depreciation on assets not qualifying for tax allowances	23,789	-
Effect of revenue items capitalised	(8,193)	55,819
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	620,114	(285,188)
Effect of expenses that are not deductible in determining taxable profit	1,338	-
Tax expense	<u>214,230</u>	<u>156,366</u>

12. 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 £(36,023) (2022 - £4,923 profit).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

13. PROPERTY, PLANT AND EQUIPMENT**Group**

	Freehold Land and buildings £	Assets under construction £	Leasehold Land and buildings £	Improvements to property £
COST OR VALUATION				
At 1 April 2022	5,972,903	195,626	22,235,534	-
Additions	3,476	-	2,655,293	293,007
Disposals	-	-	-	-
Revaluations	-	-	390,220	-
Reclassification	-	(195,626)	-	-
At 31 March 2023	5,976,379	-	25,281,047	293,007
DEPRECIATION				
At 1 April 2022	47,191	-	191,052	-
Charge for year	117,542	-	610,274	48,834
Eliminated on disposal	-	-	-	-
At 31 March 2023	164,733	-	801,326	48,834
NET BOOK VALUE				
At 31 March 2023	5,811,646	-	24,479,721	244,173
At 31 March 2022	5,925,712	195,626	22,044,482	-
	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2022	3,837,127	930,132	2,857,455	36,028,777
Additions	848,297	123,887	916,582	4,840,542
Disposals	(634,000)	(266,732)	(82,448)	(983,180)
Revaluations	-	-	-	390,220
Reclassification	362,758	(167,132)	-	-
At 31 March 2023	4,414,182	620,155	3,691,589	40,276,359
DEPRECIATION				
At 1 April 2022	275,773	68,424	244,302	826,742
Charge for year	850,080	195,127	621,310	2,443,167
Eliminated on disposal	(407,400)	(223,086)	(59,458)	(689,944)
At 31 March 2023	718,453	40,465	806,154	2,579,965
NET BOOK VALUE				
At 31 March 2023	3,695,729	579,690	2,885,435	37,696,394
At 31 March 2022	3,561,354	861,708	2,613,153	35,202,035

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

13. PROPERTY, PLANT AND EQUIPMENT - continued**Group**

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.

Leasehold land and buildings, Plant and Machinery and Motor Vehicles include right-of-use assets as shown in note 22.

Cost or valuation at 31 March 2023 is represented by:

	Freehold Land and buildings £	Leasehold Land and buildings £	Improvements to property £
Valuation in 2023	-	390,220	-
Cost	5,976,379	24,890,827	293,007
	<u>5,976,379</u>	<u>25,281,047</u>	<u>293,007</u>

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	-	-	-	390,220
Cost	4,414,182	620,155	3,691,589	39,886,139
	<u>4,414,182</u>	<u>620,155</u>	<u>3,691,589</u>	<u>40,276,359</u>

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2023 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.

14. INVESTMENTS**Company**

	Shares in group undertakings £
COST OR VALUATION	
At 1 April 2022	18,680,002
Revaluations	(4,465,000)
At 31 March 2023	<u>14,215,002</u>
NET BOOK VALUE	
At 31 March 2023	<u>14,215,002</u>
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 year ended 31 March 2023

14. 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

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		3,024,887	3,264,343
Loss for the year/period		<u>(252,593)</u>	<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

	% holding	31.3.23 £	2022 £
Class of shares:			
Ordinary shares	100.00		
Deferred shares	100.00		
Aggregate capital and reserves		493,456	1,729,280
Loss for the period/year		<u>(1,553,751)</u>	<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

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		141	48
Profit for the year/period		<u>93</u>	<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

	% holding	2023 £	2022 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		2,770,429	2,763,071
Profit for the year/period		<u>7,358</u>	<u>5,571</u>

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

14. 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

	%	2023	2022
Class of shares:	holding	£	£
Ordinary	100.00	2	2
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Investments in subsidiaries were independently valued on a fair value basis at 31st March 2023 and 31st March 2022. Gains and losses are recognised in other comprehensive income and credited to the fair value reserve.

15. INVENTORIES

	Group	
	2023	2022
	£	£
Finished goods and goods for resale	75,977	71,350
	<u>75,977</u>	<u>71,350</u>

16. TRADE AND OTHER RECEIVABLES

	Group	Company	
	2023	2022	2023
	£	£	£
Current:			
Trade debtors	4,038,489	3,805,031	2,054
Amounts owed by group undertakings	-	71,213	-
Other debtors	169,775	274,526	-
Prepayments and accrued income	513,921	597,094	5,883
	<u>4,722,185</u>	<u>4,747,864</u>	<u>7,937</u>
	<u>4,722,185</u>	<u>4,747,864</u>	<u>124,272</u>

17. CASH AND CASH EQUIVALENTS

	Group	Company	
	2023	2022	2023
	£	£	£
Cash in hand	5,136	5,833	-
Bank accounts	4,595,634	5,042,474	153,352
	<u>4,600,770</u>	<u>5,048,307</u>	<u>153,352</u>
	<u>4,600,770</u>	<u>5,048,307</u>	<u>88,763</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2023 £	2022 £
20,198,503	Ordinary	£1	<u>20,198,503</u>	<u>20,198,503</u>

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.

19. RESERVES**Group**

	Retained earnings £	Revaluation reserve £	Merger reserve £	Capital contribution reserve £	Totals £
At 1 April 2022	(783,084)	-	(11,467,705)	150,000	(12,100,789)
Deficit for the year	(2,154,597)				(2,154,597)
Revaluation of leasehold land and buildings	-	390,220	-	-	390,220
At 31 March 2023	<u>(2,937,681)</u>	<u>390,220</u>	<u>(11,467,705)</u>	<u>150,000</u>	<u>(13,865,166)</u>

Company

	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Totals £
At 1 April 2022	4,923	150,000	(1,518,500)	(1,363,577)
Deficit for the year	(36,023)			(36,023)
Revaluation of investments	-	-	(4,465,000)	(4,465,000)
At 31 March 2023	<u>(31,100)</u>	<u>150,000</u>	<u>(5,983,500)</u>	<u>(5,864,600)</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 year ended 31 March 2023

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current:				
Trade creditors	2,934,794	4,539,485	-	-
Amounts owed to group undertakings	503,882	516,273	-	16,271
Social security and other taxes	2,275,618	722,837	22,017	22,154
Other creditors	218,292	75,973	2,069	1,136
Accruals and deferred income	1,699,142	1,616,386	18,302	18,550
	<u>7,631,728</u>	<u>7,470,954</u>	<u>42,388</u>	<u>58,111</u>

21. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	2023	2022
	£	£
Current:		
Bank loans	300,840	216,624
Other loans	592,010	479,171
Leases (see note 22)	1,256,847	1,106,238
	<u>2,149,697</u>	<u>1,802,033</u>
Non-current:		
Bank loans - 1-2 years	2,931,265	3,087,039
Other loans - 1-2 years	8,349,931	7,819,941
Leases (see note 22)	18,009,799	15,487,398
	<u>29,290,995</u>	<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	300,840	300,840	902,520	1,727,905	3,232,105
Other loans	592,010	597,010	2,011,868	5,741,053	8,941,941
Leases	1,256,847	1,073,532	2,290,371	14,645,896	19,266,646
	<u>2,149,697</u>	<u>1,971,382</u>	<u>5,204,759</u>	<u>22,114,854</u>	<u>31,440,692</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

21. FINANCIAL LIABILITIES - BORROWINGS - continued

Bank loans and overdrafts

The 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 represent amounts payable to Coventry City Council under loan agreements and are repayable in quarterly instalments with interest rates ranging from 5.15% to 6.75%. The loans are secured by way of a fixed charge against leasehold property and a floating charge on all undertakings of the Coombe Abbey Park Limited.

Secured debts:

Bank loans are secured by way of a fixed charge against property, plant and equipment of Tom White Waste Limited and a floating charge on all undertakings of Tom White Waste Limited.

Other loans are secured against Property, Plant and Equipment of the group as stated in note 13.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

22. LEASING

Group

Right-of-use assets

Property, plant and equipment

	2023 £	2022 £
COST OR VALUATION		
At 1 April 2022	17,843,260	-
Additions	4,063,854	2,336,795
Disposals	(309,000)	-
Revaluations	247,519	-
Transfer to ownership	(79,295)	-
Acquisitions from business combination	-	15,506,465
	<u>21,766,338</u>	<u>17,843,260</u>
DEPRECIATION		
At 1 April 2022	267,639	-
Charge for year	1,128,126	267,639
Eliminated on disposal	(82,400)	-
Transfer to ownership	(41,866)	-
	<u>1,271,499</u>	<u>267,639</u>
NET BOOK VALUE	<u>20,494,839</u>	<u>17,575,621</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

22. LEASING - continued**Group****Group
Other leases**

	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
Low-value assets leases	12,102	-
Variable lease payments	<u>38,782</u>	<u>-</u>

**Group
Lease liabilities**

Minimum lease payments fall due as follows:

	2023 £	2022 £
Gross obligations repayable:		
Within one year	2,231,603	1,868,306
Between one and five years	6,939,270	5,267,226
In more than five years	71,036,878	69,909,783
	<u>80,207,751</u>	<u>77,045,315</u>
Finance charges repayable:		
Within one year	974,756	762,068
Between one and five years	3,575,367	2,919,264
In more than five years	56,390,982	56,770,347
	<u>60,941,105</u>	<u>60,451,679</u>
Net obligations repayable:		
Within one year	1,256,847	1,106,238
Between one and five years	3,363,903	2,347,962
In more than five years	14,645,896	13,139,436
	<u>19,266,646</u>	<u>16,593,636</u>

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 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 lease payments are payable monthly in advance. The lease includes restrictions on the use of the asset.

In January 2022, the group entered into an agreement to lease land and buildings from Coventry City Council known as the War Memorial Park. The site includes two Cafes and an Ice Cream Kiosk. The minimum non-cancellable term of the lease is for the period commencing on 12th January 2022 and expiring on 31st May 2027. The lease includes restrictions on the use of the asset. The lease agreement includes variable lease payments based on revenues generated from the leased asset. The variable lease payments are not recognised in the lease liability.

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 to let part of the open storage site. 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.

In the financial year, the group entered into a non-exclusive license agreement with Coventry City Council to access the land and property at St Mary's Guildhall for the purpose of managing the commercial operations of the site, as defined in the agreement. There are no lease payments due under the agreement which expires on 30th June 2024 and can be extended by up to 12 months on an annual basis.

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 weighted average incremental borrowing rate applied to measure lease liabilities during the period was 5.15%.

In the financial 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).

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 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 £1.5m 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 group 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 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 2023.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade debtors	4,038,489	2,644,041	615,142	310,755	468,551
	<u>4,038,489</u>	<u>2,644,041</u>	<u>615,142</u>	<u>310,755</u>	<u>468,551</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

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 2023, the expected inflows from trade debtors within 30 days was £2,644,041 and the expected outflows from trade creditors within 30 days was £1,659,107. The group holds cash reserves of £4,600,770 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 2023.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade creditors	2,934,794	1,659,107	850,448	131,435	293,804
	<u>2,934,794</u>	<u>1,659,107</u>	<u>850,448</u>	<u>131,435</u>	<u>293,804</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 net and do not 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	19,266,646	1,256,847	1,073,532	2,290,371	14,645,896
Secured bank loans	3,232,105	300,840	300,840	902,520	1,727,905
Other loans	8,941,941	592,010	597,010	2,011,868	5,741,053
	<u>31,440,692</u>	<u>2,149,697</u>	<u>1,971,382</u>	<u>5,204,759</u>	<u>22,114,854</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 £4,600,770 at 31st March 2023.

Coombe Abbey Park Limited has a line of credit amounting to £1,886,540 which can be accessed at commercial rates of which £1,500,000 relates to a working capital facility.

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 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 group to interest rate risk. Borrowings obtained at fixed rates expose the group to fair value risk.

Other loans

The interest rate on the current loans in place is fixed at the point the loans are drawn, mitigating exposure to interest rate risk.

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.

Bank loans

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

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: 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	-
Charge to profit and loss	214,230	1,034,481
Balance at 31 March	<u>1,248,711</u>	<u>1,034,481</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

24. DEFERRED TAX - continued

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 £12m at 31st March 2023. A deferred tax asset in respect of these losses of £2.7m 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 group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the group are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of profit or loss and other comprehensive income of £259,064 (2022: £54,025) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31st March 2023 contributions of £45,205 (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

26. 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	
	2023	2022	2023	2022
	£	£	£	£
Current assets				
Trade debtors	948,907	417,458	-	-
Amounts owed by Group undertakings	-	71,213	-	71,213
Current liabilities:				
Trade creditors	753,037	887,134	-	-
Amounts owed to Group undertakings	503,882	516,273	-	16,271
Other creditors	71,653	71,653	-	-
Accruals and deferred income	1,073,218	1,052,477	-	-

Other entities with common control

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Current assets				
Amounts owed by Group undertakings	-	-	-	46,059

Financial liabilities 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	
	2023	2022	2023	2022
	£	£	£	£
Current liabilities:				
Other loans	592,010	479,171	-	-
Lease liabilities	101,998	55,677	-	-
Non-current liabilities:				
Other loans	8,349,931	7,819,941	-	-
Lease liabilities	13,381,480	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	
	2023	2022	2023	2022
	£	£	£	£
Non-current assets				
Leasehold land and property	13,996,012	13,906,645	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

Transactions with related parties

The following transactions occurred with related parties during the period:

Coventry City Council:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Income				
Sales	877,519	1,611,107	151,002	59,343
Expenditure				
Management fees payable	-	9,773	-	9,773
Lease liability interest	697,619	288,299	-	-
Loan interest	471,574	170,576	-	-
Depreciation - right-of-use assets	175,898	67,482	-	-
Other costs	488,459	318,132	-	-

Other entities with common control

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Income				
Sales	-	-	167,411	68,406

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Aggregate compensation - short term employee benefits	607,988	168,139	239,612	63,772

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

27. 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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**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
COVENTRY MUNICIPAL HOLDINGS LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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COVENTRY MUNICIPAL HOLDINGS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2024

DIRECTORS:

Mr P Fahy
Mr G W McKelvie
Mrs P Mudhar
Mr A J Walster

SECRETARY:

Mr G S Sangha

REGISTERED OFFICE:

Council House
Earl Street
Coventry
West Midlands
CV1 5RR

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 year ended 31 March 2024**

The directors present their strategic report of the company and the group for the year ended 31 March 2024.

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 year ended 31st March 2024 show a loss after tax of (£34,294). At 31st March 2024, the company has total equity of £9,554,607 (2023: £14,333,903) and total cash and equivalent balances of £80,289 (2023: £153,352). The reduction in the equity is due to the movements in the fair value of investments in subsidiaries during the financial year, mainly due to the valuation for Tom White Waste and Coombe Abbey Park Limited.

The principal activities of the subsidiaries in the group have remained the same throughout the period, with Tom White Waste Limited (TWW) focusing on waste management and recycling services and Coombe Abbey Park Limited (CAPL) focusing on the hospitality and the leisure sector.

Tom white Waste has maintained the revenue achieved in year at £21.07m compared to £21.57m in the previous year, within a tougher market, where all businesses are experiencing a pressure on their cost base due to inflationary increases. The gross profit margin in the current year is 28.1% compared to 28% in the previous year, a strong position for the business. The percentage of disposal costs to revenue is a key metric and one that is being closely monitored by the Board due to the impact this has on the gross profit margin. The cash position at the year-end of £0.209m is lower than at the end of March 2023, but still positive. The business is able to meet its current obligations on existing loans and lease commitments. The Board of Directors have visibility of the cash flow forecast every month and the management team have more frequent oversight and management of the cash position. The execution of the intercompany loan and balance sheet restructure in 2024/25 have strengthened the cash position and place the company in a strong financial position moving forward.

Revenue for Coombe Abbey Park Group was strong in the 12 month period achieving a total of £12m compared to £13.6m in the 15 months prior. Coombe Abbey Hotel remains the most significant revenue source within that group and although has sustained a level of revenue, the hotel has experienced a number of cost pressures due to inflation and changes in consumer buying habits due to the impact of the cost of living crisis affecting customers disposable income. The hotel also suffered a major flood in March 2023 which impacted over 40 bedrooms and caused significant disruption and costs to the business. Although most costs have been recovered through insurance, business interruption did not reimburse all costs. The hotel was without 30% of its bedroom stock for 2 months which affected the ability to grow occupancy and secondary spend, plus additional operational costs during that period.

Occupancy was lower than budgeted at 62.9% and average room rate was 2.5% lower than budgeted. This contributed towards a reduction in revenue at the hotel compared to the budget of £0.49m, but also resulted in a cost saving associated with servicing the rooms. There has been improvement over the last few months to manage food cost of sales to below budget and now a greater focus on beverage, managing and reporting on this, remains a key performance indicator within the business.

The relationship with Go Ape continues to strengthen with the leisure operation in Coombe Abbey Park delivering a good financial return and footfall to the site. This supported the decision to roll out a new attraction with Go Ape, in July 2023, with the introduction of mini rovers on site and a purpose-built track, which has proved successful along with a "stumped" treasure hunt activity added in year. August 2023 saw the opening of "Hermits Hollow" a new paid play facility that was funded by Coventry City Council and sits within Coombe Abbey Park but is operated by Coombe Abbey Park (LACo) Limited.

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

All businesses felt the impact of the national living wage increase of 6.6% in 2022, 9.7% in 2023 and 2024.

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 group results for the year ended 31st March 2024 report a total comprehensive loss after tax of (£3,198,231). The group has total equity of £3,135,106 and total cash and equivalent balances of £4,125,524.

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 businesses and where a business case supports their investment.

A summary of the Group's key performance indicators are as follows:

	Year ended 31.3.24	Year ended 31.3.23
Revenue	£33.5m	£33.7m
Gross Margin	29%	28%
Net Profit Margin	-8.67%	-5.75%

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 programme 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 company has a strong cash position to meet its current and future financial liabilities. The Board of Directors receive a monthly cashflow forecast to support the financial position of the company.

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. The management team have a close eye on trends and expected changes in the room rate and occupancy across the sector and use this information to inform the pricing and forecasts for the hotel. The new sector specific Non-Executive Director (NED) role on the Board provides a further mitigation for this risk, through challenge and experience they can bring to support key business decisions.

The group's management prepare timely forecast information and review past levels of business in order to react to the current economic climate. Information on key changes is reported to the Board of Directors on a monthly basis.

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

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. The Coombe Abbey Park Limited business has actively managed this risk through the Head of Compliance, and through the SHEQ Compliance officer and Senior Management Team at Tom White Waste Limited, highlighting the importance the businesses places on health and safety and compliance.

SECTION 172(1) STATEMENT

The Directors for the company 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 group 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 group previously and continues to build on this in the current year focusing on three strands, people first, protect our plant and profit for purpose. NOHM is has been developed to be a strong hospitality brand which focuses on more than just operating Coombe Abbey Hotel but other hospitality contracts and ventures which would sit under this entity. In the year under review the group serviced contracts for iXL and Stoneleigh Abbey.

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.

FUTURE DEVELOPMENTS

At Tom White Waste, the main focus on the Management Team and Board of Directors is to maximise the value that is created through the operation of the business. This includes taking decisions in relation to the utilisation of the site and markets segments to grow into. This is all being considered as part of the Business Plan for 2025-26 plus 2 years that is currently under development and due to be approved by the Shareholder in March 2025.

At Coombe Abbey Hotel, there is a planned program of internal improvements in the event rooms and public spaces taking place in 2024/25 funded through existing capital and revenue resource within the business. There is also further work to consider how best to utilise the buildings on site to better meet the customer demand and revenue growth. This would continue in 2025/26 and possibly not be completed until the following year.

ON BEHALF OF THE BOARD:

.....
Mr A J Walster - Director

Date:

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activity of Coventry Municipal Holdings Limited (CMH) is to hold and manage the wholly owned arm's length investments made by Coventry City Council.

The principal activities of the subsidiaries in the group have remained the same throughout the period, with Tom White Waste Limited (TWW) focusing on waste management and recycling services and Coombe Abbey Park Limited (CAPL) focusing on the hospitality and the leisure sector.

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 activities include providing 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 2024.

RESEARCH AND DEVELOPMENT

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

EVENTS SINCE THE END OF THE YEAR

Following the year ended 31st March 2024, Tom White Waste Limited has been seeking to refinance the mortgage on the main operational site. The company has continued to meet all its liabilities in relation to loans and hire purchase contracts (HP) but the value of debt to EBITDA has been higher than the company would expect, as a result of the levels of investment through HP plant and vehicles over the last few years. The lower EBITDA has been due to a number of factors including the end of some revenue contracts which were replaced with other contracts at lower margins, higher disposal costs, impact of market forces on sales and the inflationary impact on the cost base. To address this, the Board of Directors have undertaken a balance sheet restructure through the sale and leaseback of the main operational site with their ultimate shareholder, Coventry City Council. This transaction was completed in January 2025 and as such allows the company to settle some of the loans and HP contracts in place.

In December 2024, Tom White Waste Ltd and Coventry Technical Resources Ltd executed an intercompany loan, which has been fully repaid along with any interest as part of the balance sheet restructure.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2023 to the date of this report.

Mr P Fahy
Mr G W McKelvie
Mrs P Mudhar
Mr A J Walster

Other changes in directors holding office are as follows:

Ms K G Nelson ceased to be a director after 31 March 2024 but prior to the date of this report.

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 £1.5m 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 when it was incorporated.

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 13-week cashflow is shared with the Board of Directors for Tom White and CAPL to highlight the financial impact of the forecast 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.

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.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

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 Protect Our Planet being at the heart of how the business operates. Tom White has handled 110,000 tonnes of material in 2023/24 diverting 75% from landfill in the UK (73% diversion prior FY).

The entity with the largest energy consumption within the group is Tom White Waste Limited. The company has generated 1,431 tonnes of carbon dioxide from the combustion of fuel associated with material collections and deliveries equivalent to c13kg of carbon dioxide per tonne of waste during 2023/24. Through the activities of the business the company has consumed 695,933 KWh of electricity equivalent to 144 tonnes of carbon dioxide (639,000KWh and 162 tonnes of carbon dioxide prior FY).

Further steps have been taken to increase the energy efficiency of the vehicle fleet with 85% being Euro 6 compliant, this is a 5% increase on prior year. The company car fleet has been converted from internal combustion engine to hybrid to fully electric. Additionally, Tom White concluded the LED lighting upgrade program within its production facilities.

Energy efficiency is a within Coombe Abbey Hotel too, although due to the building being Grade 1 listed, it is difficult to retrofit and make improvements.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis and have considered the following factors in their assessment of 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 going concern basis is appropriate. 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 detailed budget for the next 12 months and in some cases a 3-year financial forecast, as part of their Business Plan. This key document 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 if there are sufficient funds available to demonstrate that the business is of going concern. The budget and business plans for the group for 2023/24 and 2024/25 were presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet).

The Council has provided a letter of support confirming that if required, the Council would provide financial support to the Coombe Abbey group, including deferral of loan repayments and lease liability payments. The Directors do not foresee the business having to request such support.

All businesses have been able to meet their current obligations on existing loans and lease commitments. These have been met in the period under review and payments will continue to be made in line with the agreements. For Coombe Abbey, the rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet for CAPL includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application this was through no fault of the company and the business has set funds aside as part of the cashflow projections over the next 24 months to ensure it can meet this liability. The company is seeking to submit all VAT returns and arrange time to pay with HMRC to settle the liabilities.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

The group has a strong cash position, which at the year-end was £4.1m. The cash position is shared with the respective company Board of Directors on a weekly basis and formally discussed as a 13-week position at each Board meeting. At the year end TWW group had un-utilised banking facilities available and cash and cash equivalents of £0.210m and Coombe Abbey group has £1.115m.

The Coombe Abbey group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity in 2023/24. This investment is supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

To support the business and provide greater levels of challenge and scrutiny, the Board of Directors have appointed a sector specialist as a Non-Executive Director to the Board for the Coombe Abbey group, J Cockell, who has supported the companies with his commercial expertise and ideas for growth alongside the overview of the current operation of the business.

The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. This decision is based on the current operation and the forecast cashflow position for the next two years. The ultimate controlling party, Coventry City Council, will provide financial support to the companies if required, where applicable.

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 group 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.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

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.

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:

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 year ended 31 March 2024 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 2024 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 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 nine, 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.

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
- 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
 - 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 has in place to mitigate risk

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

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

- Management override of control
- Revenue recognition

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's 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 UK-adopted international accounting standards 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. This description forms part of our Report of the Auditors.

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:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2024

	Notes	2024 £	2023 £
CONTINUING OPERATIONS			
Revenue	4	33,555,736	33,703,956
Cost of sales		(23,508,107)	(24,109,375)
GROSS PROFIT		10,047,629	9,594,581
Other operating income	5	819,001	534,107
Administrative expenses		(11,960,404)	(10,536,322)
OPERATING LOSS		(1,093,774)	(407,634)
Finance costs	8	(1,844,957)	(1,533,409)
Finance income	8	26,824	676
LOSS BEFORE INCOME TAX	9	(2,911,907)	(1,940,367)
Income tax	11	103,896	(214,230)
LOSS FOR THE YEAR		(2,808,011)	(2,154,597)
Loss attributable to: Owners of the parent		(2,808,011)	(2,154,597)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2024

	2024 £	2023 £
LOSS FOR THE YEAR	(2,808,011)	(2,154,597)
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Revaluation of Leasehold land & building	(390,220)	390,220
Income tax relating to item that will not be reclassified to profit or loss	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(390,220)	390,220
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(3,198,231)</u>	<u>(1,764,377)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(3,198,231)</u>	<u>(1,764,377)</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	16,821,574	17,201,555
Right-of-use			
Property, plant and equipment	13, 22	20,452,068	20,494,839
Investments	14	-	-
		<u>37,273,642</u>	<u>37,696,394</u>
CURRENT ASSETS			
Inventories	15	98,356	75,977
Trade and other receivables	16	4,384,458	4,722,185
Tax receivable		11,506	509,276
Cash and cash equivalents	17	4,125,524	4,600,770
		<u>8,619,844</u>	<u>9,908,208</u>
TOTAL ASSETS		<u>45,893,486</u>	<u>47,604,602</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	20,198,503	20,198,503
Revaluation reserve	19	-	390,220
Merger reserve	19	(11,467,705)	(11,467,705)
Capital contribution reserve	19	150,000	150,000
Retained earnings	19	(5,745,692)	(2,937,681)
TOTAL EQUITY		<u>3,135,106</u>	<u>6,333,337</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	29,945,929	29,290,995
Deferred tax	24	1,156,454	1,248,711
		<u>31,102,383</u>	<u>30,539,706</u>
CURRENT LIABILITIES			
Trade and other payables	20	8,300,247	7,631,728
Contract liabilities	4	885,019	950,134
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	2,470,731	2,149,697
		<u>11,655,997</u>	<u>10,731,559</u>
TOTAL LIABILITIES		<u>42,758,380</u>	<u>41,271,265</u>
TOTAL EQUITY AND LIABILITIES		<u>45,893,486</u>	<u>47,604,602</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2024

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

.....
Mrs P Mudhar - Director

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	-	-
Right-of-use			
Investments	14	9,470,000	14,215,002
		<u>9,470,000</u>	<u>14,215,002</u>
CURRENT ASSETS			
Trade and other receivables	16	74,736	7,937
Cash and cash equivalents	17	80,289	153,352
		<u>155,025</u>	<u>161,289</u>
TOTAL ASSETS		<u>9,625,025</u>	<u>14,376,291</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	20,198,503	20,198,503
Capital contribution reserve	19	150,000	150,000
Fair value reserve	19	(10,728,502)	(5,983,500)
Retained earnings	19	(65,394)	(31,100)
		<u>9,554,607</u>	<u>14,333,903</u>
TOTAL EQUITY		<u>9,554,607</u>	<u>14,333,903</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	20	70,418	42,388
		<u>70,418</u>	<u>42,388</u>
TOTAL LIABILITIES		<u>70,418</u>	<u>42,388</u>
TOTAL EQUITY AND LIABILITIES		<u>9,625,025</u>	<u>14,376,291</u>

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

.....
Mrs P Mudhar - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

	Called up share capital £	Retained earnings £	Revaluation reserve £
Balance at 1 April 2022	20,198,503	(783,084)	-
Changes in equity			
Total comprehensive income	-	(2,154,597)	390,220
Balance at 31 March 2023	20,198,503	(2,937,681)	390,220
Changes in equity			
Total comprehensive income	-	(2,808,011)	(390,220)
Balance at 31 March 2024	20,198,503	(5,745,692)	-
	Merger reserve £	Capital contribution reserve £	Total equity £
Balance at 1 April 2022	(11,467,705)	150,000	8,097,714
Changes in equity			
Total comprehensive income	-	-	(1,764,377)
Balance at 31 March 2023	(11,467,705)	150,000	6,333,337
Changes in equity			
Total comprehensive income	-	-	(3,198,231)
Balance at 31 March 2024	(11,467,705)	150,000	3,135,106

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Total equity £
Balance at 1 April 2022	20,198,503	4,923	150,000	(1,518,500)	18,834,926
Changes in equity					
Total comprehensive income	-	(36,023)	-	(4,465,000)	(4,501,023)
Balance at 31 March 2023	<u>20,198,503</u>	<u>(31,100)</u>	<u>150,000</u>	<u>(5,983,500)</u>	<u>14,333,903</u>
Changes in equity					
Total comprehensive income	-	(34,294)	-	(4,745,002)	(4,779,296)
Balance at 31 March 2024	<u><u>20,198,503</u></u>	<u><u>(65,394)</u></u>	<u><u>150,000</u></u>	<u><u>(10,728,502)</u></u>	<u><u>9,554,607</u></u>

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

		2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	3,694,172	2,358,606
Interest paid		(796,308)	(614,923)
Lease interest paid		(1,048,649)	(905,450)
Tax paid		509,409	(149,342)
Net cash from operating activities		2,358,624	688,891
Cash flows from investing activities			
Purchase of tangible fixed assets		(809,685)	(716,223)
Sale of tangible fixed assets		84,438	371,500
Interest received		26,824	676
Net cash from investing activities		(698,423)	(344,047)
Cash flows from financing activities			
New loans in year		450,000	1,153,000
Loan repayments in year		(592,010)	(523,398)
Intercompany loan repayments		(492,683)	-
Bank loan repayments		(63,202)	-
Payment of lease liabilities		(1,437,552)	(1,421,983)
Net cash from financing activities		(2,135,447)	(792,381)
Decrease in cash and cash equivalents		(475,246)	(447,537)
Cash and cash equivalents at beginning of year	2	4,600,770	5,048,307
Cash and cash equivalents at end of year	2	4,125,524	4,600,770

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

1.	RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS	2024	2023
		£	£
	Loss before income tax	(2,911,907)	(1,940,367)
	Depreciation charges	3,127,656	2,443,167
	Profit on disposal of fixed assets	(19,057)	(121,910)
	Loss on revaluation of fixed assets	268,042	-
	Finance costs	1,844,957	1,533,409
	Finance income	(26,824)	(676)
		2,282,867	1,913,623
	Increase in inventories	(22,379)	(4,627)
	Decrease/(increase) in trade and other receivables	337,727	(45,534)
	Increase in trade and other payables	1,161,072	173,165
	(Decrease)/increase in contract liabilities	(65,115)	321,979
	Cash generated from operations	3,694,172	2,358,606

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 2024

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	4,125,524	4,600,770

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	4,600,770	5,048,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2024

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.

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 as modified by the revaluation of certain assets.

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 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.

The principal accounting policies adopted are set out below.

Going concern

The directors have prepared the financial statements on the going concern basis and have considered the following factors in their assessment of 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 going concern basis is appropriate. 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 detailed budget for the next 12 months and in some cases a 3-year financial forecast, as part of their Business Plan. This key document 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 if there are sufficient funds available to demonstrate that the business is of going concern. The budget and business plans for the group for 2023/24 and 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet).

The Council has provided a letter of support confirming that if required, the Council would provide financial support to the Coombe Abbey group, including deferral of loan repayments and lease liability payments. The Directors do not foresee the business having to request such support.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

All businesses have been able to meet their current obligations on existing loans and lease commitments. These have been met in the period under review and payments will continue to be made in line with the agreements. For Coombe Abbey, the rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet for CAPL includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application. The business has set funds aside as part of the cashflow projections to ensure it can meet this liability.

The group has a strong cash position, which at the year-end was £4.1m. The cash position is shared with the respective company Board of Directors on a weekly basis and formally discussed as a 13-week position at each Board meeting. At the year end TWW group had un-utilised banking facilities available and cash and cash equivalents of £0.210m and Coombe Abbey group has £1.115m.

The Coombe Abbey group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity in 2023/24. This investment is supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

To support the business and provide greater levels of challenge and scrutiny, each Board of Directors has a Non-Executive Director. Coombe Abbey group have appointed a sector specialist as a Non-Executive Director to the Board for all their companies. The post holder brings commercial expertise and ideas for growth alongside the overview of the current operation of the business and was in post following the date under review.

The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. This decision is based on the current operation and the forecast cashflow position for the next two years. The ultimate controlling party, Coventry City Council, will provide financial support to the companies if required, where applicable.

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 year ended 31 March 2024

2. ACCOUNTING POLICIES - continued

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.

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.

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 year ended 31 March 2024

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 depreciated as not yet in use
Leasehold Land and buildings	-	over period of the lease or 50 years straight line basis
Improvements to property	-	over the period of the lease
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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

2. **ACCOUNTING POLICIES - continued**

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 year ended 31 March 2024

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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

2. ACCOUNTING POLICIES - continued

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

2. ACCOUNTING POLICIES - continued

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 demonstrable committed to terminate the employment of an employee or to provide termination benefits.

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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following judgements 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 £13.7m at 31st March 2024 (2023: £12m). A deferred tax asset in respect of these losses of £3.4m (2023: £2.7m) 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 year ended 31 March 2024

4. REVENUE**Revenue from contracts with customers**

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

	2024 £	2023 £
Rendering of services	26,845,501	27,405,511
Sale of goods	6,710,235	6,298,445
	<u>33,555,736</u>	<u>33,703,956</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.

Major Service lines	2024 £	2023 £
Waste management and recycling	21,068,301	21,567,958
Accommodation	2,969,936	3,230,762
Food, beverages and catering	6,710,235	6,298,445
Room and marquee hire	775,058	905,071
Management services	598,538	664,972
Other services	1,433,668	1,036,748
	<u>33,555,736</u>	<u>33,703,956</u>

Timing of Revenue Recognition:

	2024 £	2023 £
Revenue recognised at a point in time	32,957,198	33,038,984
Revenue recognised over time	598,538	664,972
	<u>33,555,736</u>	<u>33,703,956</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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.

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

	2024 £	2023 £
Receivables included in "Trade and other receivables"	<u>3,605,557</u>	<u>4,038,489</u>
Contract liabilities		
Current		
Deferred income	<u>885,019</u>	<u>950,134</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 income is recognised when payment is received from customers before the respective performance obligation is satisfied.

5. OTHER OPERATING INCOME

	2024 £	2023 £
Rents received	97,500	16,250
Other income	721,501	460,987
Management charges	-	56,870
	<u>819,001</u>	<u>534,107</u>

6. EMPLOYEES AND DIRECTORS

	2024 £	2023 £
Wages and salaries	12,202,213	11,437,116
Social security costs	1,122,957	1,165,973
Other pension costs	293,061	265,932
	<u>13,618,231</u>	<u>12,869,021</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

6. **EMPLOYEES AND DIRECTORS - continued**

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

	2024	2023
Directors	10	11
Finance and administration	26	29
Management and administration	37	27
Hospitality operations	289	304
Waste management & recycling operations	169	172
Business development	4	5
	<u>535</u>	<u>548</u>

	2024 £	2023 £
Directors' remuneration	498,573	505,725
Directors' pension contributions to money purchase schemes	<u>43,441</u>	<u>30,113</u>

Information regarding the highest paid director is as follows:

	2024 £	2023 £
Emoluments etc	<u>136,648</u>	<u>135,533</u>

7. **EXCEPTIONAL ITEMS**

Exceptional items of £48,938 (2023: £322,967) include costs for investigating and planning a proposed new re-development of the Coombe Abbey Hotel, and professional fees for the proposed re-development of the Materials Recycling Facility ("MRF") at Tom White Waste Limited. It was subsequently decided that both re-development projects would not go ahead.

8. **NET FINANCE COSTS**

	2024 £	2023 £
Finance income:		
Interest income	<u>26,824</u>	<u>676</u>
Finance costs:		
Bank loan interest	321,052	150,830
Other interest	38,991	-
Loan interest	432,467	471,574
Late payment interest	3,798	5,555
Hire purchase	132,151	91,447
Leasing	<u>916,498</u>	<u>814,003</u>
	<u>1,844,957</u>	<u>1,533,409</u>
Net finance costs	<u>1,818,133</u>	<u>1,532,733</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

9. **LOSS BEFORE INCOME TAX**

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

	2024	2023
	£	£
Leases	98,159	50,884
Depreciation - owned assets	1,445,888	1,315,041
Depreciation - assets on hire purchase contracts	1,681,768	1,128,126
Profit on disposal of fixed assets	(19,057)	(121,910)
	<u> </u>	<u> </u>

10. **AUDITORS' REMUNERATION**

	2024	2023
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	65,831	74,660
	<u> </u>	<u> </u>
Total audit fees	65,831	74,660
	<u> </u>	<u> </u>
Taxation compliance services	9,140	7,101
	<u> </u>	<u> </u>
Total non-audit fees	9,140	7,101
	<u> </u>	<u> </u>
Total fees payable	74,971	81,761
	<u> </u>	<u> </u>

11. **INCOME TAX**

Analysis of tax (income)/expense

	2024	2023
	£	£
Current tax:		
Adjustment in respect of prior periods	(11,639)	-
Deferred tax	(92,257)	214,230
	<u> </u>	<u> </u>
Total tax (income)/expense in consolidated statement of profit or loss	(103,896)	214,230
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

11. 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:

	2024 £	2023 £
Loss before income tax	<u>(2,911,907)</u>	<u>(1,940,367)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	(727,977)	(368,670)
Effects of:		
Change in corporation tax rate	-	(22,952)
Capital allowances in excess of depreciation	123,177	(31,196)
Depreciation on assets not qualifying for tax allowances	111,626	23,789
Revenue items capitalised	(15,994)	(8,193)
Unused tax losses and tax offsets not recognised as deferred tax assets	397,538	620,114
Expenses that are not deductible in determining taxable profit	1,412	1,338
Other adjustments	6,322	-
Tax (income)/expense	<u>(103,896)</u>	<u>214,230</u>

12. 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 £(34,294) (2023 - £(36,023)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

13. PROPERTY, PLANT AND EQUIPMENT**Group**

	Freehold Land and buildings £	Leasehold Land and buildings £	Improvement to property £
COST OR VALUATION			
At 1 April 2023	5,976,379	25,281,047	293,007
Additions	10,450	84,718	104,637
Disposals	-	-	-
Revaluations	-	(658,262)	-
At 31 March 2024	5,986,829	24,707,503	397,644
DEPRECIATION			
At 1 April 2023	164,733	801,326	48,834
Charge for year	114,487	780,718	74,522
Eliminated on disposal	-	-	-
At 31 March 2024	279,220	1,582,044	123,356
NET BOOK VALUE			
At 31 March 2024	5,707,609	23,125,459	274,288
At 31 March 2023	5,811,646	24,479,721	244,173

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2023	4,414,182	620,155	3,691,589	40,276,359
Additions	1,300,262	75,474	1,853,006	3,428,547
Disposals	(221,037)	-	(560,910)	(781,947)
Revaluations	-	-	-	(658,262)
At 31 March 2024	5,493,407	695,629	4,983,685	42,264,697
DEPRECIATION				
At 1 April 2023	718,453	40,465	806,154	2,579,965
Charge for year	1,102,947	184,804	870,178	3,127,656
Eliminated on disposal	(200,299)	-	(516,267)	(716,566)
At 31 March 2024	1,621,101	225,269	1,160,065	4,991,055
NET BOOK VALUE				
At 31 March 2024	3,872,306	470,360	3,823,620	37,273,642
At 31 March 2023	3,695,729	579,690	2,885,435	37,696,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

13. PROPERTY, PLANT AND EQUIPMENT - continued

Group

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.

Leasehold land and buildings, Plant and Machinery and Motor Vehicles include right-of-use assets as shown in note 22.

Cost or valuation at 31 March 2024 is represented by:

	Freehold Land and buildings £	Leasehold Land and buildings £	Improvement to property £
Valuation in 2023	-	390,220	-
Valuation in 2024	-	(658,262)	-
Cost	5,986,829	24,975,545	397,644
	<u>5,986,829</u>	<u>24,707,503</u>	<u>397,644</u>

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	-	-	-	390,220
Valuation in 2024	-	-	-	(658,262)
Cost	5,493,407	695,629	4,983,685	42,532,739
	<u>5,493,407</u>	<u>695,629</u>	<u>4,983,685</u>	<u>42,264,697</u>

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2024 by a member of the Royal Institute of Chartered Surveyors.

14. INVESTMENTS

Company

	Shares in group undertaking £
COST OR VALUATION	
At 1 April 2023	14,215,002
Revaluations	(4,745,002)
At 31 March 2024	<u>9,470,000</u>
NET BOOK VALUE	
At 31 March 2024	<u>9,470,000</u>
At 31 March 2023	<u>14,215,002</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

14. 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

	% holding	2024	2023
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		1,225,574	3,024,887
Loss for the year		(1,799,313)	(252,593)

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

	% holding	2024	31.3.23
Class of shares:		£	£
Ordinary shares	100.00		
Deferred shares	100.00		
Aggregate capital and reserves		(910,086)	493,456
Loss for the year/period		(745,280)	(1,553,751)

Coventry Regeneration Limited

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

Nature of business: Property development

	% holding	2024	2023
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		198	141
Profit for the year		57	93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

14. INVESTMENTS - continued

Company

Coventry Technical Resources Limited

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

Nature of business: Resource solutions services

	% holding	2024	2023
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		2,774,784	2,770,429
Profit for the year		4,355	7,358

No Ordinary Hotels Limited

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

Nature of business: Hotels and similar accommodation

	% holding	2024	2023
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		2	2

Investments in subsidiaries were independently valued on a fair value basis at 31st March 2024 and 31st March 2023. Gains and losses are recognised in other comprehensive income and credited to the fair value reserve.

15. INVENTORIES

	Group	
	2024	2023
	£	£
Finished goods and goods for resale	98,356	75,977
	98,356	75,977

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current:				
Trade debtors	3,605,557	4,038,489	74,736	2,054
Other debtors	185,386	169,775	-	-
Prepayments and accrued income	593,515	513,921	-	5,883
	4,384,458	4,722,185	74,736	7,937

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Cash in hand	713	5,136	-	-
Bank accounts	4,124,811	4,595,634	80,289	153,352
	<u>4,125,524</u>	<u>4,600,770</u>	<u>80,289</u>	<u>153,352</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2024	2023
			£	£
20,198,503	Ordinary	£1	<u>20,198,503</u>	<u>20,198,503</u>

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 year ended 31 March 2024

19. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Merger reserve £	Capital contribution reserve £	Totals £
At 1 April 2023	(2,937,681)	390,220	(11,467,705)	150,000	(13,865,166)
Deficit for the year	(2,808,011)				(2,808,011)
Revaluation of leasehold land and buildings	-	(390,220)	-	-	(390,220)
At 31 March 2024	<u>(5,745,692)</u>	<u>-</u>	<u>(11,467,705)</u>	<u>150,000</u>	<u>(17,063,397)</u>

Company

	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Totals £
At 1 April 2023	(31,100)	150,000	(5,983,500)	(5,864,600)
Deficit for the year	(34,294)			(34,294)
Revaluation of investments	-	-	(4,745,002)	(4,745,002)
At 31 March 2024	<u>(65,394)</u>	<u>150,000</u>	<u>(10,728,502)</u>	<u>(10,643,896)</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 year ended 31 March 2024

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current:				
Trade creditors	3,748,046	2,934,794	-	-
Amounts owed to group undertakings	11,329	503,882	-	-
Social security and other taxes	2,841,639	2,275,618	20,398	22,017
Other creditors	234,198	218,292	34,501	2,069
Accruals and deferred income	1,465,035	1,699,142	15,519	18,302
	<u>8,300,247</u>	<u>7,631,728</u>	<u>70,418</u>	<u>42,388</u>

21. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	2024	2023
	£	£
Current:		
Bank loans	300,840	300,840
Other loans	592,010	592,010
Leases (see note 22)	1,577,881	1,256,847
	<u>2,470,731</u>	<u>2,149,697</u>
Non-current:		
Bank loans - 1-2 years	3,399,963	2,931,265
Other loans - 1-2 years	7,735,713	8,349,931
Leases (see note 22)	18,810,253	18,009,799
	<u>29,945,929</u>	<u>29,290,995</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	2,196,603	3,700,803
Other loans	592,010	557,517	1,791,820	5,386,376	8,327,723
Leases	1,577,881	1,455,135	3,121,719	14,233,399	20,388,134
	<u>2,470,731</u>	<u>2,313,492</u>	<u>5,816,059</u>	<u>21,816,378</u>	<u>32,416,660</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

21. FINANCIAL LIABILITIES - BORROWINGS - continued**Bank loans and overdrafts**

The 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. This bank loan relates to Tom White Waste Limited and has been settled as part of the balance sheet restructure in 2024/25.

Other Loans

Other loans represent amounts payable to Coventry City Council under loan agreements and are repayable in quarterly instalments with interest rates ranging from 5.15% to 6.75%. The loans are secured by way of a fixed charge against leasehold property and a floating charge on all undertakings of the Coombe Abbey Park Limited.

Secured debts:

Bank loans are secured by way of a fixed charge against property, plant and equipment of Tom White Waste Limited and a floating charge on all undertakings of Tom White Waste Limited.

Other loans are secured against Property, Plant and Equipment of the group as stated in note 13.

The Group's obligations under leases are secured by the lessors' title to the leased assets.

22. LEASING**Group****Right-of-use assets****Property, plant and equipment**

	2024 £	2023 £
COST OR VALUATION		
At 1 April 2023	21,766,338	17,843,260
Additions	2,618,862	4,063,854
Disposals	(118,500)	(309,000)
Revaluations	(418,077)	247,519
Transfer to ownership	(2,159,503)	(79,295)
	<u>21,689,120</u>	<u>21,766,338</u>
 DEPRECIATION		
At 1 April 2023	1,271,499	267,639
Charge for year	1,681,768	1,128,126
Eliminated on disposal	(50,930)	(82,400)
Transfer to ownership	(1,665,285)	(41,866)
	<u>1,237,052</u>	<u>1,271,499</u>
 NET BOOK VALUE	<u>20,452,068</u>	<u>20,494,839</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

22. LEASING - continued

Group

Group
Other leases

	2024 £	2023 £
Short-term leases	34,260	-
Low-value assets leases	13,127	12,102
Variable lease payments	50,772	38,782
	<u>98,159</u>	<u>50,884</u>

Group
Lease liabilities

Minimum lease payments fall due as follows:

	2024 £	2023 £
Gross obligations repayable:		
Within one year	2,633,132	2,231,603
Between one and five years	8,213,677	6,939,270
In more than five years	69,833,314	71,036,878
	<u>80,680,123</u>	<u>80,207,751</u>
Finance charges repayable:		
Within one year	1,055,251	974,756
Between one and five years	3,636,823	3,575,367
In more than five years	55,599,915	56,390,982
	<u>60,291,989</u>	<u>60,941,105</u>
Net obligations repayable:		
Within one year	1,577,881	1,256,847
Between one and five years	4,576,854	3,363,903
In more than five years	14,233,399	14,645,896
	<u>20,388,134</u>	<u>19,266,646</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

22. LEASING - continued

Group

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 lease payments are payable monthly in advance. The lease includes restrictions on the use of the asset.

In January 2022, the group entered into an agreement to lease land and buildings from Coventry City Council known as the War Memorial Park. The site includes two Cafes and an Ice Cream Kiosk. The minimum non-cancellable term of the lease is for the period commencing on 12th January 2022 and expiring on 31st May 2027. The lease includes restrictions on the use of the asset. The lease agreement includes variable lease payments based on revenues generated from the leased asset. The variable lease payments are not recognised in the lease liability.

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 £353,500. The lease liability is recognised in the financial statements at the present value of future minimum lease payments at 31 March 2024.

In February 2023, the group entered into a five-year sub-lease agreement with a third party to let part of the open storage site. 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.

In the financial year, the group entered into a non-exclusive license agreement with Coventry City Council to access the land and property at St Mary's Guildhall for the purpose of managing the commercial operations of the site, as defined in the agreement. There are no lease payments due under the agreement which expires on 30th June 2024 and can be extended by up to 12 months on an annual basis.

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 weighted average incremental borrowing rate applied to measure lease liabilities during the period was 5%.

In the financial 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 2024, total undiscounted lease payments due under this agreement is £4,794 (2023: £8,334).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

23. FINANCIAL INSTRUMENTS

The Group holds or issues 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 £1.5m 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 group 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 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 2024.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade debtors	3,605,557	2,722,310	260,161	42,215	580,871
	<u>3,605,557</u>	<u>2,722,310</u>	<u>260,161</u>	<u>42,215</u>	<u>580,871</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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 2024, the expected inflows from trade debtors within 30 days was £2,722,310 and the expected outflows from trade creditors within 30 days was £1,655,807. The group holds cash reserves of £4,125,524 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 2024.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade creditors	3,748,046	1,655,807	875,060	233,571	983,608
	<u>3,748,046</u>	<u>1,655,807</u>	<u>875,060</u>	<u>233,571</u>	<u>983,608</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 net and do not 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	20,388,134	1,577,881	1,455,135	3,121,719	14,233,399
Secured bank loans	3,700,803	300,840	300,840	902,520	2,196,603
Other loans	8,327,723	592,010	557,517	1,791,820	5,386,376
	<u>32,416,660</u>	<u>2,470,731</u>	<u>2,313,492</u>	<u>5,816,059</u>	<u>21,816,378</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 £4,125,524 at 31st March 2024.

Coombe Abbey Park Limited has a line of credit amounting to £1,886,540 which can be accessed at commercial rates of which £1,500,000 relates to a working capital facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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 group to interest rate risk. Borrowings obtained at fixed rates expose the group to fair value risk.

Other loans

The interest rate on the current loans in place is fixed at the point the loans are drawn, mitigating exposure to interest rate risk.

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.

Bank loans

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

At 31 March 2024 the Bank of England base rate was 5.25% compared to 4.25% at the previous reporting date. During the current financial year, the Bank of England's base rate was reduced to 4.5%. 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: 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 5.5%	(13,648)	(13,348)
Bank of England base rate at 7.0%	(62,284)	(62,284)

24. **DEFERRED TAX****Group**

	2024 £	2023 £
Balance at 1 April	1,248,711	1,034,481
Charge to profit and loss	(92,257)	214,230
Balance at 31 March	<u>1,156,454</u>	<u>1,248,711</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

24. DEFERRED TAX - continued

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 group has tax losses available for offset against future trading profits of approximately £13.7m at 31st March 2024. A deferred tax asset in respect of these losses of £3.4m 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 group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the group are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of profit or loss and other comprehensive income of £293,061 (2023: £259,064) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31st March 2024 contributions of £57,819 (2023: £45,205) 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 year ended 31 March 2024

26. 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	
	2024	2023	2024	2023
	£	£	£	£
Current assets				
Trade debtors	663,450	948,907	2,276	2,054
Current liabilities:				
Trade creditors	1,074,049	753,037	-	-
Amounts owed to Group undertakings	11,329	503,882	-	-
Other creditors	71,653	71,653	-	-
Accruals and deferred income	920,000	1,073,218	-	-

Other entities with common control

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current assets				
Trade debtors	-	-	68,285	-

Financial liabilities 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	
	2024	2023	2024	2023
	£	£	£	£
Current liabilities:				
Other loans	592,010	592,010	-	-
Lease liabilities	109,170	101,998	-	-
Non-current liabilities:				
Other loans	7,735,713	8,349,931	-	-
Lease liabilities	13,297,311	13,381,480	-	-

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	
	2024	2023	2024	2023
	£	£	£	£
Non-current assets				
Leasehold land and property	13,099,189	13,710,715	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

Transactions with related parties

The following transactions occurred with related parties during the period:

Coventry City Council:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Income				
Sales	5,287,445	4,111,064	150,363	151,002
Expenditure				
Management fees payable	-	-	-	-
Lease liability interest	692,786	697,619	-	-
Loan interest	432,152	471,574	-	-
Depreciation - right-of-use assets	193,470	175,898	-	-
Other costs	310,766	488,459	-	-

Other entities with common control

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Income				
Sales	21,037	18,486	239,766	160,411

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Aggregate compensation - short term employee benefits	767,468	607,898	242,538	239,612

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

27. **EVENTS AFTER THE REPORTING PERIOD**

On 14th January 2025, the ultimate shareholder, Coventry City Council approved to undertake the sale and leaseback of the main operational site on Blackburn Road owned by Tom White Waste. Following approval, the legal documents have been executed and the transaction was completed on 27 January 2025. The impact of the transaction will be reflected in the accounts for 2024/25.

28. **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

REGISTERED NUMBER: 02700383 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
1 JANUARY 2022 TO 31 MARCH 2023
FOR
COOMBE ABBEY PARK LIMITED**



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for the period 1 January 2022 to 31 March 2023

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COOMBE ABBEY PARK LIMITED
COMPANY INFORMATION
for the period 1 January 2022 to 31 March 2023

DIRECTORS:

Mr R E Harrison
Mrs P Mudhar
Mr A J Walster
Mr J C Cockell
Mr P J Ward

SECRETARY:

Mr G S Sangha

REGISTERED OFFICE:

Coombe Abbey Hotel
Brinklow Road
Binley
Coventry
West Midlands
CV3 2AB

REGISTERED NUMBER:

02700383 (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 1 January 2022 to 31 March 2023

The directors present their strategic report of the company and the group for the period 1 January 2022 to 31 March 2023.

FAIR REVIEW OF BUSINESS

The period under review covers the 15-month period of 1st January 2022 to 31st March 2023 to bring the financial reporting cycle in line with the wider group. The financial statements include two of the quietest quarters (January - March) within the hospitality sector which is reflected in the financial performance. The business continues to grow its footprint and is now operating 16 business outlets across five locations.

Revenue was strong in the period achieving a total of £13.6m. There was a strong start to the period but there was a clear plateau with post covid bookings and the impact of the cost of living crisis affecting customers disposable income. Even with this pressure the business secured revenue only £0.78m short of budget. There has been a shift in bookings from corporate bookings to more leisure and events. The relationship with Go Ape continues to strengthen with the leisure operation in Coombe Abbey Park delivering a good financial return and footfall to the site. This supported the decision to roll out a new attraction with Go Ape, in July 2023, with the introduction of mini rovers on site and a purpose built track.

Occupancy was lower than budgeted at 61.2% but the average room rate was 11.5% higher than budgeted. This saw a drop of £0.35m in revenue, but also a cost saving associated with servicing the rooms. The business actively monitors the market, balancing the room rates with bookings to secure a good share across the local market. Expenditure on food & beverage increased by £0.4m to budget meaning the secondary spends by guests was strong.

As seen across the sector, the business experienced increased costs due to inflationary pressures especially with food and beverage, laundry with some increases as high as 30% in year. The sector as a whole has struggled to recruit to key roles, due to a shortage of key posts, which is partly due to the impact of Brexit. This has led to higher staffing costs to recruit to these roles as well as increased agency spend. The impact of the national living wage increase, increased payroll costs by 6.6% in 2022 and 9.7% in 2023. The group was protected from the large increase in energy prices due to the nature of the current contracts in place, but this will be an area of focus on 2024/25.

The business suffered a flood within Park Priory (the bedroom block that is separate to the main hotel building) at the end of March 2023, which left 39 bedrooms out of action for three months, also affecting the financial operation into the first quarter of 2023/24.

The group has experienced some challenges in the period with the implementation of a new financial system which will improve the extraction of data to support operational performance and management decisions. Limited resources were available to support the implementation which led to this taking longer to embed the system and challenges in relation to capturing data, alongside changes within the finance team, which has contributed to delays in the publishing of the financial statements. The group applied for a group VAT registration number and changes to their accounting periods for VAT, which was delayed through no fault of their own. As such the group has not submitted a VAT return for 12 months in the accounts and holds a large VAT liability on the balance sheet of £1.3m which has partly been settled in 2023/24 with payments on accounts in year. The group is working with HMRC to get the returns submitted and time to pay.

The focus on the management team is to manage costs and make changes to continue to deliver the high quality service expected by visitors. The Board of Directors and the Management Team are working together to implement a number of changes to improve the financial position, some of these have been implemented in 2023/24 and future years.

At the year end the group has total equity of £399,681 (2021: £1,665,015).

GROUP STRATEGIC REPORT
for the period 1 January 2022 to 31 March 2023

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 programme 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. 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.

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. The business has actively managed this risk through the new role of Head of Compliance, highlighting the importance the business places on health and safety and compliance.

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. These are reported to the Board on a monthly basis and are based on actual performance of the business vs budget as well as comparison to a local competitor set.

Key performance indicators that are captured regularly are:

- Revenue to budget
- Cost of sales to budget
- EBITDA
- Occupancy and average room rate
- Cost of sales for food and beverage across the different sites
- Average spend on various meals in the hotel
- Number of covers for each sitting
- Payroll and a percentage of revenue

These are closely monitored as they affect key decisions within the business. Balancing occupancy and average room rate helps drive revenue growth and manage demand. Revenue was strong in the period achieving £13.6m over the period, 93.8% of the budget. Occupancy was lower than budgeted at 61.2%, but the average room rate was 11.5% higher than budgeted. This saw a drop of £0.35m in revenue, but also a cost saving associated with servicing the rooms. The business actively monitors the market, balancing the room rates with bookings to secure a good share across the local market.

Expenditure on food & beverage increased by £0.4m to budget meaning the secondary spends by guests was strong. The business has been working closely with their procurement partner to manage and reduce the cost of sales to drive financial performance in 2023/24.

GROUP STRATEGIC REPORT
for the period 1 January 2022 to 31 March 2023

FUTURE DEVELOPMENTS

The group has continued to operate in 2023/24 and a budget has been agreed by the Board of Directors for 2024/25. The flood experienced in March 23, led to 39 bedrooms being out of action for a period of 3 months. Although the business was able to recover the costs incurred through insurance in place, including business interruption for a proportion of cost revenue, the teams have had to work hard to ensure the impact of the flood has not adversely affected the revenue position in 2023/24 and the reputation of the business.

There has been a change in Directors following the year end. John Gregg stepped down as Director in July 2023, with Paul Ward taking on this role as Non-Executive Director. The Board also appointed James Cockell as the industry sector Non-Executive Director from September 2023.

ON BEHALF OF THE BOARD:



Mr A J Walster - Director

21 May 2024

**REPORT OF THE DIRECTORS
for the period 1 January 2022 to 31 March 2023**

The directors present their report with the financial statements of the company and the group for the period 1 January 2022 to 31 March 2023.

PRINCIPAL ACTIVITY

The principal activities of the group have not changed during the period under review.

The main operation of Coombe Abbey Park Limited (CAPL) was the management of Coombe Abbey Hotel, set within Coombe Abbey Park. The hotel provides a number of services including accommodation, weddings and conferences, dining services including banquets and afternoon teas, and parkland which includes Go Ape course.

The two subsidiaries within the consolidated group accounts were incorporated on 19th April 2021. These are Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited (NOHM). These companies assist the group 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.

The principal activity for Coombe Abbey Park (LACO) Limited in the period under review was that of managing the operations of St Mary's Guildhall and War Memorial Park on behalf of Coventry City Council ('the council'). The legal structure of the company is to deliver contracts on behalf of the Council where they have a hospitality, food and beverage or leisure requirement that meets the skills and experience of the Coombe Abbey team and demonstrates value for money for the Council.

No Ordinary Hospitality Management Limited's main activity in the period under review was the management of the historic cottages in Coventry city centre on behalf of the Historic Coventry Trust. This contract has now come to an end, but the business has also secured contracts with IXL and Stoneleigh Abbey. Any transactions in relation to these new contracts will be reflected in the accounts for 2023/24

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2023.

RESEARCH AND DEVELOPMENT

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr R E Harrison
Mrs P Mudhar
Mr A J Walster

Other changes in directors holding office are as follows:

Mr J C Cockell and Mr P J Ward were appointed as directors after 31 March 2023 but prior to the date of this report.

Mr J Gregg ceased to be a director after 31 March 2023 but prior to the date of this report.

REPORT OF THE DIRECTORS
for the period 1 January 2022 to 31 March 2023

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 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 £1.5m that can be accessed at commercial rates.

The Council 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 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 loans and leases, CAPL meets the obligations of the respective loans they have in place with regards to sharing management information on the performance of the businesses.

POLITICAL DONATIONS AND EXPENDITURE

During the year under review and the previous period the group did not make any donations for political purposes.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The group has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

**REPORT OF THE DIRECTORS
for the period 1 January 2022 to 31 March 2023**

GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The directors have considered the following factors in their assessment of going concern.

Although the business has been affected by a number of external factors across the sector, the revenue that has been generated in period has only fallen short of budgets by £0.78m, achieving £13.6m. The pressure faced by the business has been in relation to the management of the cost base, which has seen the business achieve a 27% gross profit margin compared to a budgeted position of 26%. Although every effort was made in the period to recover the additional cost pressure through sales, with events booked in advance this is not possible as the prices would be locked at the point of booking. There has been a review of the cost base and plans approved to save the business £0.25m over the 12 months, with further savings being explored. The savings should not affect the revenue position.

The financial period includes two of the quietest quarters (January - March) within the hospitality sector which is reflected in the financial performance of the group. All the debt financing and majority of lease liabilities are owed to the Coventry City Council, the ultimate controlling party. The Council has provided a letter of support confirming that if required, the Council would provide financial support to the group, including deferral of loan repayments and lease liability payments. The Directors do not foresee the business having to request such support.

The business is able to meet its current obligations on existing loans and lease commitments. These have been met in the period and payments will continue to be made in line with the agreements. The rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet at 31st March 2023 includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application. The business has set funds aside as part of the cashflow projections to ensure it can meet this liability.

The business has a strong cash position which is shared with the Board of Directors on a weekly basis and formally discussed as a 13 week position at each Board meeting. The cash position at the end of May was £0.9m across the business. The group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity in 2023/24. This investment is supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

The budget for the group for 2023/24 and 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet). The business expects to achieve a positive EBITDA in 2023/24 and an improvement against the existing cost neutral EBITDA in the period.

To support the business and provide greater levels of challenge and scrutiny, the Board of Directors have appointed a sector specialist as a Non-Executive Director to the Board for all companies. The post holder should bring commercial expertise and ideas for growth alongside the overview of the current operation of the business was in post following the date under review.

The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. The ultimate controlling party, Coventry City Council, will provide financial support to the company if required.

REPORT OF THE DIRECTORS
for the period 1 January 2022 to 31 March 2023

ENGAGEMENT WITH EMPLOYEES

The group has complied with the equal opportunities policies of the Council, as the ultimate owner of the group 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

The group 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.

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.

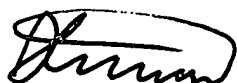
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

21 May 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED

Opinion

We have audited the financial statements of Coombe Abbey Park Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2023 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 2023 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 COOMBE ABBEY PARK 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 eight, 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.

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
- 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;
 - 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 has in place to mitigate risk.

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

- Management override of control;
- Revenue recognition

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED

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's 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

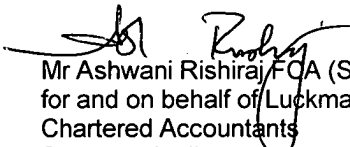
In performing an audit in accordance with UK-adopted international accounting standards and the Companies Act, we exercise professional judgement and maintain professional scepticism throughout the audit process.

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. This description forms part of our Report of the Auditors.

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: 21st May 2024

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER 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 £
CONTINUING OPERATIONS			
Revenue	4	13,636,905	6,767,585
Cost of sales		(9,950,118)	(4,328,683)
GROSS PROFIT		3,686,787	2,438,902
Other operating income	5	526,512	861,320
Administrative expenses		(4,841,166)	(2,843,975)
OPERATING (LOSS)/PROFIT		(627,867)	456,247
Finance costs	8	(1,417,622)	(1,062,358)
LOSS BEFORE INCOME TAX	9	(2,045,489)	(606,111)
Income tax	11	-	-
LOSS FOR THE PERIOD		(2,045,489)	(606,111)
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Revaluation of Leasehold land and buildings		780,155	-
Income tax relating to item that will not be reclassified to profit or loss		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		780,155	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,265,334)	(606,111)
Profit attributable to: Owners of the parent		(2,045,489)	(606,111)
Total comprehensive income attributable to: Owners of the parent		(1,265,334)	(606,111)

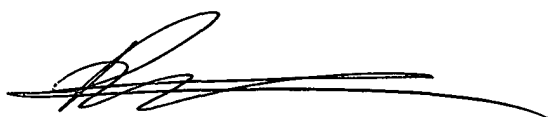
The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2023

	Notes	2023 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	9,123,210	8,971,222
Right-of-use			
Property, plant and equipment	13, 22	13,959,306	13,613,425
Investments	14	-	-
		<u>23,082,516</u>	<u>22,584,647</u>
CURRENT ASSETS			
Inventories	15	75,977	69,289
Trade and other receivables	16	1,221,929	1,076,665
Cash and cash equivalents	17	1,305,212	1,727,275
		<u>2,603,118</u>	<u>2,873,229</u>
TOTAL ASSETS		<u>25,685,634</u>	<u>25,457,876</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	3,295,851	3,295,851
Revaluation reserve	19	780,155	-
Retained earnings	19	(3,676,325)	(1,630,836)
TOTAL EQUITY		<u>399,681</u>	<u>1,665,015</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	21,227,483	21,276,612
CURRENT LIABILITIES			
Trade and other payables	20	2,658,597	1,356,181
Contract liabilities	4	668,001	717,361
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	731,872	442,707
		<u>4,058,470</u>	<u>2,516,249</u>
TOTAL LIABILITIES		<u>25,285,953</u>	<u>23,792,861</u>
TOTAL EQUITY AND LIABILITIES		<u>25,685,634</u>	<u>25,457,876</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2024 and were signed on its behalf by:



Mr R E Harrison - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2023

	Notes	2023 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	8,847,786	8,971,222
Right-of-use			
Property, plant and equipment	13, 22	13,879,069	13,613,425
Investments	14	2	2
Trade and other receivables	16	252,000	-
		<u>22,978,857</u>	<u>22,584,649</u>
CURRENT ASSETS			
Inventories	15	66,780	69,289
Trade and other receivables	16	1,202,554	1,072,815
Cash and cash equivalents	17	1,052,123	1,727,275
		<u>2,321,457</u>	<u>2,869,379</u>
TOTAL ASSETS		<u>25,300,314</u>	<u>25,454,028</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	3,295,851	3,295,851
Revaluation reserve	19	780,155	-
Retained earnings	19	(3,582,550)	(1,634,684)
TOTAL EQUITY		<u>493,456</u>	<u>1,661,167</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	21,160,196	21,276,612
CURRENT LIABILITIES			
Trade and other payables	20	2,291,664	1,356,181
Contract liabilities	4	668,001	717,361
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	686,997	442,707
		<u>3,646,662</u>	<u>2,516,249</u>
TOTAL LIABILITIES		<u>24,806,858</u>	<u>23,792,861</u>
TOTAL EQUITY AND LIABILITIES		<u>25,300,314</u>	<u>25,454,028</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2024 and were signed on its behalf by:



Mr R E Harrison - Director

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period 1 January 2022 to 31 March 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2021	3,295,851	(1,024,725)	-	2,271,126
Changes in equity				
Total comprehensive income	-	(606,111)	-	(606,111)
Balance at 31 December 2021	<u>3,295,851</u>	<u>(1,630,836)</u>	<u>-</u>	<u>1,665,015</u>
Changes in equity				
Total comprehensive income	-	(2,045,489)	780,155	(1,265,334)
Balance at 31 March 2023	<u><u>3,295,851</u></u>	<u><u>(3,676,325)</u></u>	<u><u>780,155</u></u>	<u><u>399,681</u></u>

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

COMPANY STATEMENT OF CHANGES IN EQUITY
for the period 1 January 2022 to 31 March 2023

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2021	3,295,851	(1,024,725)	-	2,271,126
Changes in equity				
Total comprehensive income	-	(609,959)	-	(609,959)
Balance at 31 December 2021	<u>3,295,851</u>	<u>(1,634,684)</u>	<u>-</u>	<u>1,661,167</u>
Changes in equity				
Total comprehensive income	-	(1,947,866)	780,155	(1,167,711)
Balance at 31 March 2023	<u><u>3,295,851</u></u>	<u><u>(3,582,550)</u></u>	<u><u>780,155</u></u>	<u><u>493,456</u></u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period 1 January 2022 to 31 March 2023

	Notes	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	1,436,472	172,913
Interest paid		(448,856)	(92,957)
Lease interest paid		(878,125)	(697,827)
Net cash from operating activities		<u>109,491</u>	<u>(617,871)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(535,807)	(251,323)
Sale of tangible fixed assets		-	3,226
Net cash from investing activities		<u>(535,807)</u>	<u>(248,097)</u>
Cash flows from financing activities			
New loans in year		620,000	3,645,992
Loan repayments in year		(510,171)	(1,305,056)
Payment of lease liabilities		(105,576)	(76,664)
Net cash from financing activities		<u>4,253</u>	<u>2,264,272</u>
(Decrease)/increase in cash and cash equivalents		<u>(422,063)</u>	<u>1,398,304</u>
Cash and cash equivalents at beginning of period	2	<u>1,727,275</u>	<u>328,971</u>
Cash and cash equivalents at end of period	2	<u><u>1,305,212</u></u>	<u><u>1,727,275</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the period 1 January 2022 to 31 March 2023

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

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Loss before income tax	(2,045,489)	(606,111)
Depreciation charges	963,235	671,295
Profit on disposal of fixed assets	-	(645)
Finance costs	1,417,622	1,062,358
	<u>335,368</u>	<u>1,126,897</u>
Increase in inventories	(6,688)	(41,491)
Increase in trade and other receivables	(145,264)	(774,228)
Increase/(decrease) in trade and other payables	1,302,416	(198,751)
(Decrease)/increase in contract liabilities	(49,360)	60,486
Cash generated from operations	<u><u>1,436,472</u></u>	<u><u>172,913</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:

Period ended 31 March 2023

	31.3.23 £	1.1.22 £
Cash and cash equivalents	<u><u>1,305,212</u></u>	<u><u>1,727,275</u></u>

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u><u>1,727,275</u></u>	<u><u>328,971</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period 1 January 2022 to 31 March 2023

1. STATUTORY INFORMATION

Coombe Abbey Park 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.

Coombe Abbey Park Group consists of Coombe Abbey Park Limited, Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited.

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 as modified by the revaluation of certain assets.

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 group has changed its accounting framework from FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) to UK-adopted international accounting standards. Further information can be found in the notes to the financial statements.

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.

Reporting period

These financial statements are prepared for the period 1st January 2022 to 31 March 2023. The comparative results are for the year ended 31 December 2021. The company changed its financial period end date to align with the group in which it is a member.

The principal accounting policies adopted are set out below.

Going concern

The directors have prepared the financial statements on the going concern basis. The directors have considered the following factors in their assessment of going concern.

Although the business has been affected by a number of external factors across the sector, the revenue that has been generated in period has only fallen short of budgets by £0.78m, achieving £13.6m. The pressure faced by the business has been in relation to the management of the cost base, which has seen the business achieve a 27% gross profit margin compared to a budgeted position of 26%. Although every effort was made in the period to recover the additional cost pressure through sales, with events booked in advance this is not possible as the prices would be locked at the point of booking. There has been a review of the cost base and plans approved to save the business £0.25m over the 12 months, with further savings being explored. The savings should not affect the revenue position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

The financial period includes two of the quietest quarters (January - March) within the hospitality sector which is reflected in the financial performance of the group. All the debt financing and majority of lease liabilities are owed to the Coventry City Council, the ultimate controlling party. The Council has provided a letter of support confirming that if required, the Council would provide financial support to the group, including deferral of loan repayments and lease liability payments. The Directors do not foresee the business having to request such support.

The business is able to meet its current obligations on existing loans and lease commitments. These have been met in the period and payments will continue to be made in line with the agreements. The rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet at 31st March 2023 includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application. The business has set funds aside as part of the cashflow projections to ensure it can meet this liability.

The business has a strong cash position which is shared with the Board of Directors on a weekly basis and formally discussed as a 13 week position at each Board meeting. The cash position at the end of May was £0.9m across the business. The group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity in 2023/24. This investment is supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

The budget for the group for 2023/24 and 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet). The business expects to achieve a positive EBITDA in 2023/24 and an improvement against the existing cost neutral EBITDA in the period.

To support the business and provide greater levels of challenge and scrutiny, the Board of Directors have appointed a sector specialist as a Non-Executive Director to the Board for all companies. The post holder should bring commercial expertise and ideas for growth alongside the overview of the current operation of the business was in post following the date under review.

The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. The ultimate controlling party, Coventry City Council, will provide financial support to the company if required.

Basis of consolidation

The group's financial statements incorporate the results, cash flows, assets and liabilities of Coombe Abbey Park 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 are recognised using the acquisition method of accounting.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue 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.

Revenue represents the provision of hotel accommodation, the sale of food and beverages and the provision of room hire and other services. All revenue arises wholly in the United Kingdom.

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.

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

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.

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 1 January 2022 to 31 March 2023

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:

Assets under construction	-	not depreciated as not yet in use
Leasehold land and buildings	-	Over 50 years
Plant and machinery	-	Between 5-20 years straight line
Fixtures and fittings	-	10 years straight line
Motor vehicles	-	25% on 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 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Fixed asset investments

In the individual entity financial statements, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

2. ACCOUNTING POLICIES - continued

Impairment of property, plant and equipment

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.

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

2. ACCOUNTING POLICIES - continued

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.

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

Income taxes include all taxes based upon the taxable profits of the company. Other taxes not based on income, such as property and capital taxes, are included within operating expenses or financial expenses according to their nature.

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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

2. ACCOUNTING POLICIES - continued

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 demonstrable committed to terminate the employment of an employee or to provide termination benefits.

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 revenue 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 1 January 2022 to 31 March 2023

3. 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 £7.5m (2021: £6.4m) at the period end. A deferred tax asset in respect of part of these losses of £1.9m (2021 - £1.6m) 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.

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.

4. REVENUE

Revenue from contracts with customers

Disaggregation of revenue

The group generates revenue primarily from Hospitality services.

	2023 £	2021 £
Rendering of services	6,287,229	2,810,354
Sale of goods	7,349,676	3,957,231
	<u>13,636,905</u>	<u>6,767,585</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

4. REVENUE - continued**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.

Major Service lines	2023	2021
	£	£
Accommodation	3,879,396	1,907,436
Food, beverages and catering	7,349,676	3,957,231
Room and marquee hire	1,034,397	483,193
Other services	1,373,436	419,725
	<u>13,636,905</u>	<u>6,767,585</u>

Timing of Revenue Recognition:

	2023	2021
	£	£
Revenue recognised at a point in time	13,515,356	6,716,504
Revenue recognised over time	121,549	51,081
	<u>13,636,905</u>	<u>6,767,585</u>

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 or within 30 days.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

4. REVENUE - continued

Contract balances

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Receivables included in "Trade and other receivables"	1,032,078	409,728

Contract liabilities

Current

Contract liabilities	668,001	717,361

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.

Contract liabilities are recognised when payment is received from customers before the respective performance obligation is satisfied.

5. OTHER OPERATING INCOME

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Other income	526,512	403,183
Government grants	-	458,137
	526,512	861,320

During the year, the group received £nil (2021: £415,280) from the UK Government in respect of the Coronavirus Job Retention Scheme as a result of the Covid-19 pandemic and £nil (2021: £42,857) Local Restriction Support Grant (LRSG).

6. EMPLOYEES AND DIRECTORS

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Wages and salaries	5,429,311	2,720,221
Social security costs	382,805	190,880
Other pension costs	79,984	38,924
	5,892,100	2,950,025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

6. EMPLOYEES AND DIRECTORS - continued

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

	Period 1.1.22 to 31.3.23	Year Ended 31.12.21
Management and administration	23	24
Hotel and banquets	302	168
	<u>325</u>	<u>192</u>

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Directors' remuneration	176,850	16,042
Directors' pension contributions to money purchase schemes	<u>8,218</u>	<u>726</u>

7. EXCEPTIONAL ITEMS

Exceptional items of £117,615 include costs for investigating and planning a proposed new redevelopment of the Coombe Abbey Hotel. It was subsequently decided that the redevelopment would not go ahead.

8. NET FINANCE COSTS

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Finance costs:		
Loan interest	539,497	364,531
Hire purchase	1,269	2,933
Leasing	876,856	694,894
	<u>1,417,622</u>	<u>1,062,358</u>

Loan interest represents amounts payable to Coventry City Council in respect of interest charged on loan balances.

9. LOSS BEFORE INCOME TAX

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

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Cost of inventories recognised as expense	2,645,482	1,185,744
Leases	50,884	79,672
Depreciation - owned assets	669,117	473,402
Depreciation - assets on hire purchase contracts and finance leases	294,118	197,893
Profit on disposal of fixed assets	<u>-</u>	<u>(645)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

10. AUDITORS' REMUNERATION

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Fees payable to the company's auditors for the audit of the company's financial statements	32,507	25,048
Taxation compliance services	1,500	-
	<u>34,007</u>	<u>25,048</u>

11. INCOME TAX

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.

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:

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Loss before income tax	(2,045,489)	(606,111)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(388,643)	(115,161)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	5,263	770
Permanent capital allowances in excess of depreciation	58,164	55,122
Adjustments for deferred tax rates	-	(379,218)
Deferred tax not recognised	325,216	438,487
Tax expense	<u>-</u>	<u>-</u>

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 March 2023.

12. 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 £(1,947,866) (2021 - £(609,959)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Assets under construction £	Leasehold land and buildings £	Improvements to property £
COST OR VALUATION			
At 1 January 2022	207,677	32,597,197	-
Additions	-	145,141	293,007
Disposals	-	-	-
Revaluations	-	780,155	-
Reclassification/transfer	(207,677)	-	-
At 31 March 2023	-	33,522,493	293,007
DEPRECIATION			
At 1 January 2022	-	10,985,787	-
Charge for period	-	616,109	48,834
Eliminated on disposal	-	-	-
At 31 March 2023	-	11,601,896	48,834
NET BOOK VALUE			
At 31 March 2023	-	21,920,597	244,173
At 31 December 2021	207,677	21,611,410	-

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2022	3,250,014	2,560,240	43,618	38,658,746
Additions	220,078	66,369	-	724,595
Disposals	-	(266,732)	-	(266,732)
Revaluations	-	-	-	780,155
Reclassification/transfer	207,677	-	-	-
At 31 March 2023	3,677,769	2,359,877	43,618	39,896,764
DEPRECIATION				
At 1 January 2022	2,950,555	2,105,901	31,856	16,074,099
Charge for period	180,768	114,479	3,045	963,235
Eliminated on disposal	-	(223,086)	-	(223,086)
At 31 March 2023	3,131,323	1,997,294	34,901	16,814,248
NET BOOK VALUE				
At 31 March 2023	546,446	362,583	8,717	23,082,516
At 31 December 2021	299,459	454,339	11,762	22,584,647

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

13. PROPERTY, PLANT AND EQUIPMENT - continued

Group

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 the group.

Leasehold land and buildings and Plant and Machinery include right-of-use assets as shown in note 22.

Cost or valuation at 31 March 2023 is represented by:

	Leasehold land and buildings £	Improvements to property £	Plant and machinery £
Valuation in 2023	780,155	-	-
Cost	32,742,338	293,007	3,677,769
	<u>33,522,493</u>	<u>293,007</u>	<u>3,677,769</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	-	-	780,155
Cost	2,359,877	43,618	39,116,609
	<u>2,359,877</u>	<u>43,618</u>	<u>39,896,764</u>

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2023 by a member of the Royal Institute of Chartered Surveyors. At 31st December 2021 the fair value of the leasehold land and buildings was not materially different to the carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

13. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Assets under construction £	Leasehold land and buildings £	Plant and machinery £
COST OR VALUATION			
At 1 January 2022	207,677	32,597,197	3,250,014
Additions	-	40,833	182,577
Disposals	-	-	-
Revaluations	-	780,155	-
Reclassification/transfer	(207,677)	-	207,677
At 31 March 2023	-	33,418,185	3,640,268
DEPRECIATION			
At 1 January 2022	-	10,985,787	2,950,555
Charge for period	-	592,038	174,518
Eliminated on disposal	-	-	-
At 31 March 2023	-	11,577,825	3,125,073
NET BOOK VALUE			
At 31 March 2023	-	21,840,360	515,195
At 31 December 2021	207,677	21,611,410	299,459
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2022	2,560,240	43,618	38,658,746
Additions	66,369	-	289,779
Disposals	(266,732)	-	(266,732)
Revaluations	-	-	780,155
Reclassification/transfer	-	-	-
At 31 March 2023	2,359,877	43,618	39,461,948
DEPRECIATION			
At 1 January 2022	2,105,901	31,856	16,074,099
Charge for period	114,479	3,045	884,080
Eliminated on disposal	(223,086)	-	(223,086)
At 31 March 2023	1,997,294	34,901	16,735,093
NET BOOK VALUE			
At 31 March 2023	362,583	8,717	22,726,855
At 31 December 2021	454,339	11,762	22,584,647

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

13. PROPERTY, PLANT AND EQUIPMENT - continued

Company

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 the company.

Leasehold land and buildings and Plant and Machinery include right-of-use assets as shown in note 22.

Cost or valuation at 31 March 2023 is represented by:

	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	780,155	-	-	-	780,155
Cost	32,638,030	3,640,268	2,359,877	43,618	38,681,793
	<u>33,418,185</u>	<u>3,640,268</u>	<u>2,359,877</u>	<u>43,618</u>	<u>39,461,948</u>

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2023 by a member of the Royal Institute of Chartered Surveyors. At 31st December 2021 the fair value of the leasehold land and buildings was not materially different to the carrying value.

14. INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2022 and 31 March 2023	2
NET BOOK VALUE	
At 31 March 2023	2
At 31 December 2021	2

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

Subsidiaries

Coombe Abbey Park (LACO) Limited

Registered office: Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, United

Nature of business: Hospitality services

	% holding	2023 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(51,932)	925
(Loss)/profit for the period/year		(52,857)	924

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

14. INVESTMENTS - continued

Company

No Ordinary Hospitality Management Limited

Registered office: Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, United

Nature of business: Hospitality services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2023	2021
		£	£
Aggregate capital and reserves		(41,841)	2,925
(Loss)/profit for the period/year		(44,766)	2,924

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 Contract.

15. INVENTORIES

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Finished goods	75,977	69,289	66,780	69,289

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Current:				
Trade debtors	1,032,078	409,728	298,263	409,728
Amounts owed by group undertakings	-	-	734,200	47,232
Other debtors	77,570	480,657	75,070	429,575
Prepayments and accrued income	112,281	186,280	95,021	186,280
	1,221,929	1,076,665	1,202,554	1,072,815
Non-current:				
Amounts owed by group undertakings	-	-	252,000	-
Aggregate amounts	1,221,929	1,076,665	1,454,554	1,072,815

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Cash in hand	4,937	-	4,937	-
Bank accounts	1,300,275	1,727,275	1,047,186	1,727,275
	1,305,212	1,727,275	1,052,123	1,727,275

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2021 £
6,001	Ordinary share capital	£0.01	60	60
3,295,791	Deferred shares	£1	3,295,791	3,295,791
			<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.

19. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2022	(1,630,836)	-	(1,630,836)
Deficit for the period	(2,045,489)		(2,045,489)
Revaluation of leasehold land and buildings	-	780,155	780,155
At 31 March 2023	<u>(3,676,325)</u>	<u>780,155</u>	<u>(2,896,170)</u>

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2022	(1,634,684)	-	(1,634,684)
Deficit for the period	(1,947,866)		(1,947,866)
Revaluation of leasehold land and buildings	-	780,155	780,155
At 31 March 2023	<u>(3,582,550)</u>	<u>780,155</u>	<u>(2,802,395)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Current:				
Trade creditors	514,552	802,811	440,076	802,811
Social security and other taxes	1,492,785	174,963	1,236,967	174,963
Other creditors	100,877	71,652	100,877	71,652
Accruals and deferred income	550,383	306,755	513,744	306,755
	<u>2,658,597</u>	<u>1,356,181</u>	<u>2,291,664</u>	<u>1,356,181</u>

21. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Current:				
Other loans	592,010	362,168	592,010	362,168
Leases (see note 22)	139,862	80,539	94,987	80,539
	<u>731,872</u>	<u>442,707</u>	<u>686,997</u>	<u>442,707</u>
Non-current:				
Other loans - 1-2 years	7,811,931	7,841,304	7,811,931	7,841,304
Leases (see note 22)	13,415,552	13,435,308	13,348,265	13,435,308
	<u>21,227,483</u>	<u>21,276,612</u>	<u>21,160,196</u>	<u>21,276,612</u>

Terms and debt repayment schedule

Group

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Other loans	592,010	592,010	1,478,868	5,741,053	8,403,941
Leases	139,862	104,331	223,368	13,087,853	13,555,414
	<u>731,872</u>	<u>696,341</u>	<u>1,702,236</u>	<u>18,828,906</u>	<u>21,959,355</u>

Company

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Other loans	592,010	592,010	1,478,868	5,741,053	8,403,941
Leases	94,987	83,230	177,182	13,087,853	13,443,252
	<u>686,997</u>	<u>675,240</u>	<u>1,656,050</u>	<u>18,828,906</u>	<u>21,847,193</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

21. FINANCIAL LIABILITIES - BORROWINGS - continued

Other loans represent amounts payable to Coventry City Council under loan agreements and are repayable in quarterly instalments with interest rates ranging from 5.15% to 6.75%. The loans are secured by way of a fixed charge against leasehold property and a floating charge on all undertakings of the company.

22. LEASING

Group
Right-of-use assets

Property, plant and equipment

	2023 £	2021 £
COST OR VALUATION		
At 1 January 2022	13,811,318	13,723,969
Additions	145,141	87,349
Revaluations	494,858	-
	<u>14,451,317</u>	<u>13,811,318</u>
DEPRECIATION		
At 1 January 2022	197,893	-
Charge for year	294,118	197,893
	<u>492,011</u>	<u>197,893</u>
NET BOOK VALUE	<u>13,959,306</u>	<u>13,613,425</u>

Company
Right-of-use assets

Property, plant and equipment

	2023 £	2021 £
COST OR VALUATION		
At 1 January 2022	13,811,318	13,723,969
Additions	40,833	87,349
Revaluations	494,858	-
	<u>14,347,009</u>	<u>13,811,318</u>
DEPRECIATION		
At 1 January 2022	197,893	-
Charge for year	270,047	197,893
	<u>467,940</u>	<u>197,893</u>
NET BOOK VALUE	<u>13,879,069</u>	<u>13,613,425</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

22. LEASING - continued

Group

Group
Other leases

	Period 1.1.22 to 31.3.23 £	Year Ended 31.12.21 £
Short-term leases	-	21,387
Low-value assets leases	12,102	5,545
Variable lease payments	38,782	52,740
	<u> </u>	<u> </u>

Group
Lease liabilities

Minimum lease payments fall due as follows:

	2023 £	2021 £
Gross obligations repayable:		
Within one year	835,394	774,886
Between one and five years	3,058,119	3,014,805
In more than five years	69,186,716	70,103,663
	<u>73,080,229</u>	<u>73,893,354</u>
Finance charges repayable:		
Within one year	695,532	694,347
Between one and five years	2,730,420	2,738,880
In more than five years	56,098,863	56,944,280
	<u>59,524,815</u>	<u>60,377,507</u>
Net obligations repayable:		
Within one year	139,862	80,539
Between one and five years	327,699	275,925
In more than five years	13,087,853	13,159,383
	<u>13,555,414</u>	<u>13,515,847</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

22. LEASING - continued

Group

The Group leases Land and Buildings and Plant and Machinery. 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.

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

In the financial period, the group entered into an agreement to lease land and buildings from Coventry City Council known as the War Memorial Park. The site includes two Cafes and an Ice Cream Kiosk. The minimum non-cancellable term of the lease is for the period commencing on 12th January 2022 and expiring on 31st May 2027. The minimum lease payments are £25,000 per annum. The lease includes restrictions on the use of the asset. The lease agreement includes variable lease payments based on revenues generated from the leased asset. The variable lease payments are not recognised in the lease liability.

In the financial period, the group entered into a non-exclusive license agreement with Coventry City Council to access the land and property at St Mary's Guildhall for the purpose of managing the commercial operations of the site, as defined in the agreement. There are no lease payments due under the agreement which expires on 30th June 2024 and can be extended by up to 12 months on an annual basis.

The weighted average incremental borrowing rate applied to measure lease liabilities during the period was 5.15%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

22. LEASING - continued

Company
Lease liabilities

Minimum lease payments fall due as follows:

	2023 £	2021 £
Gross obligations repayable:		
Within one year	785,394	774,886
Between one and five years	2,983,119	3,014,805
In more than five years	69,186,716	70,103,663
	<u>72,955,229</u>	<u>73,893,354</u>
Finance charges repayable:		
Within one year	690,407	694,347
Between one and five years	2,722,707	2,738,880
In more than five years	56,098,863	56,944,280
	<u>59,511,977</u>	<u>60,377,507</u>
Net obligations repayable:		
Within one year	94,987	80,539
Between one and five years	260,412	275,925
In more than five years	13,087,853	13,159,383
	<u>13,443,252</u>	<u>13,515,847</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

23. FINANCIAL INSTRUMENTS

The group holds or issues financial instruments to finance its 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 Coombe Abbey Park group ('the group') 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 £0.4m that can be accessed at commercial rates to invest in capital assets.

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. This facility has £1.5m available for working capital if required in the future.

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 group 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 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 2023.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade debtors	1,032,078	832,976	51,802	49,325	97,975
	<u>1,032,078</u>	<u>832,976</u>	<u>51,802</u>	<u>49,325</u>	<u>97,975</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

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 CAPL to highlight the financial impact of operational performance and to inform management of any action that maybe required. The board have visibility of a 13 week cashflow at each monthly meeting as well as the group having a cashflow forecast to the period end. 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 2023, the expected inflows from trade debtors within 30 days was £832,976 and the expected outflows from trade creditors within 30 days was £375,933. The group holds cash reserves of £1,305,212 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 2023.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade creditors	514,552	375,933	72,868	7,581	58,170
	<u>514,552</u>	<u>375,933</u>	<u>72,868</u>	<u>7,581</u>	<u>58,170</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 net and do not 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	13,555,414	139,862	104,331	223,368	13,087,853
Other loans	8,403,941	592,010	592,010	1,478,868	5,741,053
	<u>21,959,355</u>	<u>731,872</u>	<u>696,341</u>	<u>1,702,236</u>	<u>18,828,906</u>

With regards to loans and leases the group meets the obligations of the respective loans they have in place with regards to sharing management information on the performance of the businesses.

The group held cash and cash equivalents of £1,305,212 at 31st March 2023.

The group has a line of credit amounting to £1,886,540 which can be accessed at commercial rates of which £1,500,000 relates to a working capital facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

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 group to interest rate risk. Borrowings obtained at fixed rates expose the group to fair value risk

The interest rate on the current loans in place is fixed at the point the loans are drawn, mitigating exposure to interest rate risk.

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.

24. PENSION COMMITMENTS

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

The total expense recognised in the statement of profit or loss and other comprehensive income of £63,366 (2021: £38,198) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31st March 2023 contributions of £15,935 (2021: £10,657) 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 1 January 2022 to 31 March 2023

25. RELATED PARTY TRANSACTIONS**Remuneration of key management personnel**

The remuneration of key management personnel of the group, which includes directors, is as follows.

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Aggregate compensation	368,836	286,017	368,836	286,017

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	
	2023	2021	2023	2021
	£	£	£	£
Current assets				
Trade receivables	703,295	-	600	-
Current liabilities:				
Trade creditors	89,518	27,120	75,041	27,120
Other creditors	71,653	71,653	71,653	71,653
Accruals and deferred income	273,218	372,477	273,218	372,477

Other entities with common control

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Current assets				
Amounts owed by Group undertakings	-	-	734,200	47,232
Non-current assets				
Amounts owed by Group undertakings	-	-	252,000	-

Financial Liabilities with related parties

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

Coventry City Council:

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Current liabilities:				
Other loans	592,010	362,168	592,010	362,168
Lease liabilities	101,998	45,646	57,123	45,646
Non-current liabilities:				
Other loans	7,811,931	7,841,304	7,811,931	7,841,304
Lease liabilities	13,381,480	13,385,145	13,314,194	13,385,145

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

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	
	2023	2021	2023	2021
	£	£	£	£
Non-current assets				
Leasehold land and property	13,710,715	13,353,386	13,630,478	13,353,386

Transactions with related parties

The following transactions occurred with related parties during the period:

Coventry City Council:

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Income				
Sales	877,519	46,578	-	-
Expenditure				
Rates and water	467,725	164,977	467,725	164,977
Lease liability interest	871,284	690,389	863,431	690,389
Interest payable to group undertakings	539,497	364,531	539,497	364,531
Depreciation - right-of-use assets	241,837	163,602	217,766	163,602
Other	26,053	52,740	26,053	52,740

Other entities with common control

	Group		Company	
	2023	2021	2023	2021
	£	£	£	£
Other Income				
Interest income	-	-	22,901	-
Expenditure				
Loan interest	-	-	-	-
Other	-	-	-	-

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

26. 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 Coombe Abbey Park Limited are incorporated in the consolidated financial statements of Coventry Municipal Holdings Limited which are available from this address.

The ultimate parent company and ultimate controlling party of Coombe Abbey Park 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the period 1 January 2022 to 31 March 2023

27. **FIRST YEAR ADOPTION**

The company has changed its accounting framework from FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) to UK-adopted international accounting standards. The date of transition was 1st January 2021.

The significant changes arising from transition to UK-adopted international accounting standards are the recognition of right-of-use assets and lease liabilities in accordance with IFRS 16 Leases. The company has applied the first-time adopter exemptions in respect of lease liabilities and right-of-use assets and has measured lease liabilities at the date of transition based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of transition. The adjustments as a result of the transition are shown below.

RECONCILIATION OF EQUITY
1 January 2021
(DATE OF TRANSITION TO IFRSS)

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9,195,882	13,723,968	22,919,850
CURRENT ASSETS			
Inventories	27,798	-	27,798
Trade and other receivables	542,029	(239,592)	302,437
Cash and cash equivalents	328,971	-	328,971
	898,798	(239,592)	659,206
TOTAL ASSETS	10,094,680	13,484,376	23,579,056
SHAREHOLDERS' EQUITY			
Called up share capital	3,295,851	-	3,295,851
Retained earnings	(1,024,725)	-	(1,024,725)
	2,271,126	-	2,271,126
TOTAL EQUITY	2,271,126	-	2,271,126
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	4,234,586	(4,234,586)	-
Contract liabilities	46,727	-	46,727
Financial liabilities - borrowings			
Interest bearing loans and borrowings	7,085	17,643,074	17,650,159
	4,288,398	13,408,488	17,696,886
CURRENT LIABILITIES			
Trade and other payables	2,911,307	(1,356,375)	1,554,932
Contract liabilities	610,149	-	610,149
Financial liabilities - borrowings			
Interest bearing loans and borrowings	13,700	1,432,263	1,445,963
	3,535,156	75,888	3,611,044
TOTAL LIABILITIES	7,823,554	13,484,376	21,307,930
TOTAL EQUITY AND LIABILITIES	10,094,680	13,484,376	23,579,056

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 December 2021

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8,971,222	13,613,425	22,584,647
CURRENT ASSETS			
Inventories	69,289	-	69,289
Trade and other receivables	1,316,258	(239,593)	1,076,665
Cash and cash equivalents	1,727,275	-	1,727,275
	3,112,822	(239,593)	2,873,229
TOTAL ASSETS	<u>12,084,044</u>	<u>13,373,832</u>	<u>25,457,876</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	3,295,851	-	3,295,851
Retained earnings	(1,495,907)	(134,929)	(1,630,836)
	1,799,944	(134,929)	1,665,015
TOTAL EQUITY	<u>1,799,944</u>	<u>(134,929)</u>	<u>1,665,015</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	7,858,263	(7,858,263)	-
Financial liabilities - borrowings			
Interest bearing loans and borrowings	2,432	21,274,180	21,276,612
	7,860,695	13,415,917	21,276,612
CURRENT LIABILITIES			
Trade and other payables	2,418,752	(1,062,571)	1,356,181
Contract liabilities	-	(717,361)	(717,361)
Financial liabilities - borrowings			
Interest bearing loans and borrowings	4,653	438,054	442,707
	2,423,405	92,844	2,516,249
TOTAL LIABILITIES	<u>10,284,100</u>	<u>13,508,761</u>	<u>23,792,861</u>
TOTAL EQUITY AND LIABILITIES	<u>12,084,044</u>	<u>13,373,832</u>	<u>25,457,876</u>

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**RECONCILIATION OF LOSS
for the year ended 31 December 2021**

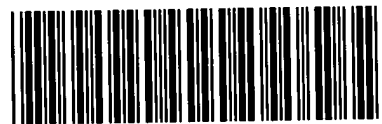
	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
Revenue	6,767,585	-	6,767,585
Cost of sales	(4,888,518)	559,835	(4,328,683)
GROSS PROFIT	1,879,067	559,835	2,438,902
Other operating income	861,320	-	861,320
Administrative expenses	(2,844,105)	130	(2,843,975)
Finance costs	(367,464)	(694,894)	(1,062,358)
LOSS BEFORE TAX	(471,182)	(134,929)	(606,111)
LOSS FOR THE PERIOD	(471,182)	(134,929)	(606,111)
Loss attributable to: Owners of the parent	<u>(471,182)</u>	<u>(134,929)</u>	<u>(606,111)</u>

The notes form part of these financial statements

REGISTERED NUMBER: 02700383 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
COOMBE ABBEY PARK LIMITED**

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for the year ended 31 March 2024

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COOMBE ABBEY PARK LIMITED

COMPANY INFORMATION
for the year ended 31 March 2024

DIRECTORS:

Mr R E Harrison
Mrs P Mudhar
Mr A J Walster
Mr J C Cockell
Mr P J Ward

SECRETARY:

Mr G S Sangha

REGISTERED OFFICE:

Coombe Abbey Hotel
Brinklow Road
Binley
Coventry
West Midlands
CV3 2AB

REGISTERED NUMBER:

02700383 (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

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

The directors present their strategic report of the company and the group for the year ended 31 March 2024.

FAIR REVIEW OF BUSINESS

Revenue was strong in the 12 month period achieving a total of £12.0m compared to £13.6m in the 15 months prior. Coombe Abey Hotel remains the most significant revenue source within the group and although it has sustained a level of revenue, the hotel has experienced a number of cost pressures due to inflation and changes in consumer buying habits due to the impact of the cost-of-living crisis affecting customers disposable income. The hotel also suffered a major flood in March 2023 which impacted over 40 bedrooms and caused significant disruption and costs to the business. Although most costs have been recovered through insurance, including business interruption, this did not reimburse all costs. The hotel was without 30% of its bedroom stock for 2 months which affected the ability to grow occupancy and secondary spend, plus resulted in additional operational costs during that period.

Occupancy was lower than budgeted at 62.9% but the average room rate was 2.5% lower than budgeted. This contributed towards a shortfall of £0.49m in revenue at the hotel compared to the budget, but also resulted in a cost saving associated with servicing the rooms. The business actively monitors the market, balancing the room rates with bookings to secure a good share across the local market and nearest neighbours. CAPL also utilises support from revenue consultants to understand market trends and room rates to inform forecasts and pricing.

The business has continued to experience increased costs due to inflationary pressures especially in relation to food, beverage and laundry. The impact of the National Living Wage increase added a further £0.17m to the payroll and sector wide food costs increased by 10-20%. There has been a significant improvement in food cost of sales during the final quarter of 2023-24 to manage food cost of sales to below budget and now a greater focus on beverage cost of sales. Both of these metrics are now showing below budget in the current financial year and continue to be monitored monthly by the Board of Directors. During the year the group was protected from the large increases in energy prices due to the nature of the contracts in place and has now secured new arrangements that will help to manage these costs going forward. The nature of operating within a Grade one listed building has meant opportunities to reduce the cost base further have been limited, due to the nature and layout of the building, but there are plans to improve the aesthetics of key areas in the hotel in 2024/25 and beyond.

The relationship with Go Ape continues to strengthen with the leisure operation in Coombe Abbey Park delivering a good financial return and footfall to the site. This supported the decision to roll out a new attraction with Go Ape, in July 2023, with the introduction of mini rovers on site and a purpose-built track, which has proved successful along with a "stumped" treasure hunt activity added in year. August 2023 saw the opening of "Hermits Hollow" a new paid play facility that was funded by Coventry City Council and sits within Coombe Abbey Park but is operated by Coombe Abbey Park (LACo) Limited.

There continues to be challenges in relation to the group VAT registration and changes to the accounting periods for VAT, which has delayed the submission of VAT returns through no fault of the business. As such the group has not submitted a VAT return for a period over 12 months in the accounts and holds a large VAT liability on the balance sheet of £2.1m which has partly been settled in 2023/24 with payments on accounts in year. The group is working with HMRC to get the returns submitted and time to pay arrangements. Following the year end the returns for 2023-24 will be submitted online by the end of December 2024.

The focus of the management team is to manage costs and make changes to continue to deliver the high-quality service expected by visitors. During 2023 the Board of Directors appointed two new Non-Executive Directors to strengthen the skill set on the Board. Jim Cockell was appointed as the sector specialist with a background in running his own hotel and careers as a hospitality and revenue management consultant. Paul Ward also joined the Board as the Council representative, with a substantive role as the Director of ICT at Coventry City Council. In addition to this, the Company also restructured its finance team, making one of the Head of Finance roles redundant. There is still further work to do to strengthen the financial support provided by the team which remains ongoing.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

At the year-end the group has a negative equity position of £980,641 (2022/23: £399,681) as a result of the loss reported in the year. The company has a strong cash position and ends the year with £1.1m cash and cash equivalents on the balance sheet. Further details on the financial standing of the company are included under the going concern statement.

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 programme 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 company has a strong cash position to meet its current and future financial liabilities. The Board of Directors receive a monthly cashflow forecast to support the financial position of the company.

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. The management team have a close eye on trends and expected changes in the room rate and occupancy across the sector and use this information to inform the pricing and forecasts for the hotel. The new sector specific Non-Executive Director (NED) role on the Board provides a further mitigation for this risk, through challenge and experience they can bring to support key business decisions.

The group's management prepare timely forecast information and review past levels of business in order to react to the current economic climate. Information on key changes is reported to the Board of Directors on a monthly basis.

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. The business has actively managed this risk through the Head of Compliance, highlighting the importance the business places on health and safety and compliance.

SECTION 172(1) STATEMENT

The Directors of the Group 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 group 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. No Ordinary Hospitality Management Ltd has been developed to be 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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

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. These are reported to the Board on a monthly basis and are based on actual performance of the business vs budget as well as comparison to a local and similar hotels competitor set.

Key performance indicators that are captured regularly are:

- Revenue to budget
- Cost of sales to budget
- EBITDA
- Occupancy and average room rate
- Cost of sales for food and beverage across the different sites
- Average spend on various meals in the hotel
- Number of covers for each sitting
- Payroll and a percentage of revenue

These are closely monitored as they affect key decisions within the business. Balancing occupancy and average room rate helps drive revenue growth and manage demand. Revenue was strong in the period achieving £12.0m over the period, 97% of the consolidated budget for the group. Occupancy was lower than budgeted at 62.9% but the average room rate was 2.5% lower than budgeted. This contributed towards a reduction in revenue at the hotel compared to the budget of £0.49m, but also resulted in a cost saving associated with servicing the rooms. The business actively monitors the market, balancing the room rates with bookings to secure a good share across the local market.

The business has been working closely with their procurement partner to manage and reduce the cost of sales to drive financial performance in 2023/24, which was visible in the last quarter of the year with a 5-6% reduction in food purchase costs and continues to reduce in 2024/25.

ON BEHALF OF THE BOARD:



.....
Mr A J Walster - Director

Date:

17th Dec 24

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activities of the group have not changed during the period under review.

The main operation of Coombe Abbey Park Limited (CAPL) was the management of Coombe Abbey Hotel, set within Coombe Abbey Park. The hotel provides a number of services including accommodation, weddings and conferences, dining services including banquets and afternoon teas, and parkland which includes Go Ape course.

The two subsidiaries within the consolidated group accounts were incorporated on 19th April 2021. These are Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited (NOHM). These companies assist the group 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.

The principal activity for Coombe Abbey Park (LACO) Limited in the period under review was that of managing the operations of St Mary's Guildhall and War Memorial Park on behalf of Coventry City Council ('the council'). The legal structure of the company is to deliver contracts on behalf of the Council where they have a hospitality, food and beverage or leisure requirement that meets the skills and experience of the Coombe Abbey team and demonstrates value for money for the Council.

No Ordinary Hospitality Management Limited's main activity in the period under review was seeking and managing bookings for contracts with IXL and Stoneleigh Abbey.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2024.

RESEARCH AND DEVELOPMENT

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

FUTURE DEVELOPMENTS

There is a planned program of internal improvements in the event rooms and public spaces taking place in 2024/25 funded through existing capital and revenue resource within the business. There is also further work to consider how best to utilise the buildings on site to better meet the customer demand and revenue growth. This would continue in 2025/26 and possibly not be completed until the following year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2023 to the date of this report.

Mr R E Harrison
Mrs P Mudhar
Mr A J Walster

Other changes in directors holding office are as follows:

Mr J Gregg - resigned 1 July 2023
Mr J C Cockell - appointed 1 September 2023
Mr P J Ward - appointed 27 September 2023

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

FINANCIAL INSTRUMENTS

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 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 £1.5m that can be accessed at commercial rates.

The Council 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 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 loans and leases, CAPL meets the obligations of the respective loans they have in place with regards to sharing management information on the performance of the businesses.

POLITICAL DONATIONS AND EXPENDITURE

During the year under review and the previous period the group did not make any donations for political purposes.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The group has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The directors have considered the following factors in their assessment of going concern.

Although the business has been affected by a number of external factors across the sector, the revenue that has been generated in year has only fallen short of budgets by £0.4m, achieving £12.0m as a group. The pressure faced by the business has been in relation to the management of the cost base as a result of the increases in payroll from the National Living Wage rise adding £0.17m to wages related costs and the wider inflationary increases from key suppliers, such as food and beverage, with sector wide food costs increasing by 10-20%. Even with this added pressure the business achieved a gross profit margin of 29% compared to a budgeted 29.3% for the hotel. Although every effort was made in the year to recover the additional cost pressure through sales, with events booked in advance this is not possible as the prices would be locked at the point of booking. There has been a review of the cost base and plans were approved and implemented to save the business £0.25m over the 12 months, with further savings being explored. Food purchasing has seen a significant improvement over the year with food cost of sale showing an improvement of between 5%-6% in the last 4 months of 2023/24, and this trend has continued into 2024/25 along with a reduction in beverage cost of sales.

The nature of operating within a Grade one listed building has meant opportunities to reduce the cost base further have been limited, due to the nature and layout of the building. Further work is underway to consider how best to utilise the available foot print of the site and drive growth in top line revenue. Work is due to take place in the final quarter of 2024/25 to improve the events and public spaces with further plans being considered for other areas in 2025/26. This will be funded through a mix of capital and revenue resources and has been built into the cashflow forecast.

All the debt financing and majority of lease liabilities are owed to the Coventry City Council, the ultimate controlling party. The Council has provided a letter of support confirming that if required, the Council would provide financial support to the group, including deferral of loan interest and loan capital repayments and lease liability payments. The Directors do not foresee the business having to request such support.

The business is able to meet its current obligations on existing loans and lease commitments. These have been met in the year and payments will continue to be made in line with the agreements. The rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet at 31st March 2024 includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application, this was through no fault of the company and the business has set funds aside as part of the cashflow projections over the next 24 months to ensure it can meet this liability. The VAT returns for 2023-24 will be submitted before the end of December 2024 and the company is seeking time to pay arrangements with HMRC to settle the liabilities.

The business has a strong cash position which is shared with the Senior Management Team on a weekly basis and formally discussed as a 13 week position at each Board monthly meeting. The cash position at the end of March 2024 was £1.1m across the group. The cashflow forecast for 24 months, demonstrates that the company has sufficient funds to meet its ongoing liabilities and continue to trade as a going concern. This includes the repayment of the VAT liability as well the current liabilities that would occur during that period.

The group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity. This investment was supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

The budget for the group for 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet). The business achieved a positive EBITDA in 2023/24 and an improvement against the cost neutral EBITDA the year before period.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

To support the business and provide greater levels of challenge and scrutiny, the Board of Directors have appointed a sector specialist as a Non-Executive Director to the Board for all companies, J Cockell who has supported the companies with his commercial expertise and ideas for growth alongside the overview of the current operation of the business.

The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. This decision is based on the current operation and the forecast cashflow position for the next two years. The ultimate controlling party, Coventry City Council, will provide financial support to the company if required.

ENGAGEMENT WITH EMPLOYEES

The group has complied with the equal opportunities policies of the Council, as the ultimate owner of the group 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

The group 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

The Group'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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

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:

17th Dec 24

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED

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 March 2024 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 2024 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 COOMBE ABBEY PARK 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 eight, 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.

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
- 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;
 - 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 has in place to mitigate risk.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COOMBE ABBEY PARK LIMITED

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

- Management override of control;
- Revenue recognition

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's 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

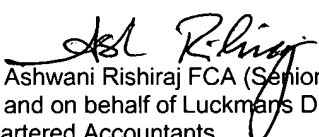
In performing an audit in accordance with UK-adopted international accounting standards and the Companies Act, we exercise professional judgement and maintain professional scepticism throughout the audit process.

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. This description forms part of our Report of the Auditors.

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

Date: 17th December 2024

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2024

	Notes	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
CONTINUING OPERATIONS			
Revenue	4	11,954,232	13,636,905
Cost of sales		(8,368,664)	(9,950,118)
GROSS PROFIT		3,585,568	3,686,787
Other operating income	5	617,058	526,512
Administrative expenses		(3,831,083)	(4,841,166)
OPERATING PROFIT/(LOSS)		371,543	(627,867)
Finance costs	8	(1,093,603)	(1,417,622)
LOSS BEFORE INCOME TAX	9	(722,060)	(2,045,489)
Income tax	11	-	-
LOSS FOR THE YEAR		(722,060)	(2,045,489)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Item that will not be reclassified to profit or loss:			
Revaluation of Leasehold land & building		(658,262)	780,155
Income tax relating to item that will not be reclassified to profit or loss		-	-
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX		(658,262)	780,155
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,380,322)</u>	<u>(1,265,334)</u>
Loss attributable to: Owners of the parent		<u>(722,060)</u>	<u>(2,045,489)</u>
Total comprehensive loss attributable to Owners of the parent		<u>(1,380,322)</u>	<u>(1,265,334)</u>

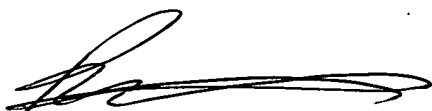
The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	8,532,852	9,123,210
Right-of-use			
Property, plant and equipment	13, 22	13,309,812	13,959,306
Investments	14	-	-
		<u>21,842,664</u>	<u>23,082,516</u>
CURRENT ASSETS			
Inventories	15	98,356	75,977
Trade and other receivables	16	996,645	1,221,929
Cash and cash equivalents	17	1,114,798	1,305,212
		<u>2,209,799</u>	<u>2,603,118</u>
TOTAL ASSETS		<u><u>24,052,463</u></u>	<u><u>25,685,634</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	3,295,851	3,295,851
Revaluation reserve	19	121,893	780,155
Retained earnings	19	(4,398,385)	(3,676,325)
TOTAL EQUITY		<u>(980,641)</u>	<u>399,681</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	20,531,142	21,227,483
CURRENT LIABILITIES			
Trade and other payables	20	2,895,604	2,658,597
Contract liabilities	4	885,019	668,001
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	721,339	731,872
		<u>4,501,962</u>	<u>4,058,470</u>
TOTAL LIABILITIES		<u>25,033,104</u>	<u>25,285,953</u>
TOTAL EQUITY AND LIABILITIES		<u><u>24,052,463</u></u>	<u><u>25,685,634</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 17/12/24 and were signed on its behalf by:



The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2024

.....
Mr R E Harrison - Director

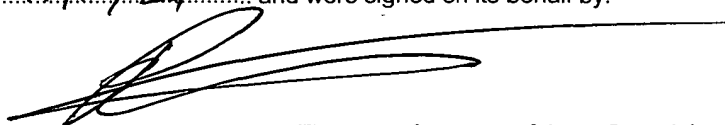
The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	13	8,234,223	8,847,786
Right-of-use			
Property, plant and equipment	13, 22	13,248,832	13,879,069
Investments	14	2	2
Trade and other receivables	16	168,000	252,000
		<u>21,651,057</u>	<u>22,978,857</u>
CURRENT ASSETS			
Inventories	15	79,522	66,780
Trade and other receivables	16	1,278,296	1,202,554
Cash and cash equivalents	17	329,001	1,052,123
		<u>1,686,819</u>	<u>2,321,457</u>
TOTAL ASSETS		<u><u>23,337,876</u></u>	<u><u>25,300,314</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	18	3,295,851	3,295,851
Revaluation reserve	19	121,893	780,155
Retained earnings	19	(4,327,830)	(3,582,550)
TOTAL EQUITY		<u>(910,086)</u>	<u>493,456</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	20,484,956	21,160,196
CURRENT LIABILITIES			
Trade and other payables	20	2,202,749	2,291,664
Contract liabilities	4	885,019	668,001
Financial liabilities - borrowings			
Interest bearing loans and borrowings	21	675,238	686,997
		<u>3,763,006</u>	<u>3,646,662</u>
TOTAL LIABILITIES		<u>24,247,962</u>	<u>24,806,858</u>
TOTAL EQUITY AND LIABILITIES		<u><u>23,337,876</u></u>	<u><u>25,300,314</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 17/12/24 and were signed on its behalf by:



The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

COMPANY STATEMENT OF FINANCIAL POSITION - continued
31 March 2024

.....
Mr R E Harrison - Director

The notes form part of these financial statements

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COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2022	3,295,851	(1,630,836)	-	1,665,015
Changes in equity				
Total comprehensive loss	-	(2,045,489)	780,155	(1,265,334)
Balance at 31 March 2023	<u>3,295,851</u>	<u>(3,676,325)</u>	<u>780,155</u>	<u>399,681</u>
Changes in equity				
Total comprehensive loss	-	(722,060)	(658,262)	(1,380,322)
Balance at 31 March 2024	<u><u>3,295,851</u></u>	<u><u>(4,398,385)</u></u>	<u><u>121,893</u></u>	<u><u>(980,641)</u></u>

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2022	3,295,851	(1,634,684)	-	1,661,167
Changes in equity				
Total comprehensive income	-	(1,947,866)	780,155	(1,167,711)
Balance at 31 March 2023	<u>3,295,851</u>	<u>(3,582,550)</u>	<u>780,155</u>	<u>493,456</u>
Changes in equity				
Total comprehensive income	-	(745,280)	(658,262)	(1,403,542)
Balance at 31 March 2024	<u><u>3,295,851</u></u>	<u><u>(4,327,830)</u></u>	<u><u>121,893</u></u>	<u><u>(910,086)</u></u>

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

		Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	1,859,535	1,436,472
Interest paid		(397,645)	(448,856)
Lease interest paid		(695,958)	(878,125)
Net cash from operating activities		<u>765,932</u>	<u>109,491</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(249,472)</u>	<u>(535,807)</u>
Net cash from investing activities		<u>(249,472)</u>	<u>(535,807)</u>
Cash flows from financing activities			
New loans in year		-	620,000
Loan repayments in year		(592,010)	(510,171)
Payment of lease liabilities		<u>(114,864)</u>	<u>(105,576)</u>
Net cash from financing activities		<u>(706,874)</u>	<u>4,253</u>
Decrease in cash and cash equivalents		<u>(190,414)</u>	<u>(422,063)</u>
Cash and cash equivalents at beginning of year	2	<u>1,305,212</u>	<u>1,727,275</u>
Cash and cash equivalents at end of year	2	<u><u>1,114,798</u></u>	<u><u>1,305,212</u></u>

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024**

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

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Loss before income tax	(722,060)	(2,045,489)
Depreciation charges	831,062	963,235
Finance costs	1,093,603	1,417,622
	<u>1,202,605</u>	<u>335,368</u>
Increase in inventories	(22,379)	(6,688)
Decrease/(increase) in trade and other receivables	225,284	(145,264)
Increase in trade and other payables	237,007	1,302,416
Increase/(decrease) in contract liabilities	217,018	(49,360)
	<u>1,859,535</u>	<u>1,436,472</u>
Cash generated from operations	<u>1,859,535</u>	<u>1,436,472</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 2024

	31.3.24 £	1.4.23 £
Cash and cash equivalents	<u>1,114,798</u>	<u>1,305,212</u>

Period ended 31 March 2023

	31.3.23 £	1.1.22 £
Cash and cash equivalents	<u>1,305,212</u>	<u>1,727,275</u>

The notes form part of these financial statements

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2024**

1. STATUTORY INFORMATION

Coombe Abbey Park 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.

Coombe Abbey Park Group consists of Coombe Abbey Park Limited, Coombe Abbey Park (LACO) Limited and No Ordinary Hospitality Management Limited.

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 as modified by the revaluation of certain assets.

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 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.

Reporting period

These financial statements are prepared for the year ended 31 March 2024. The comparative results are for the period 1st January 2022 to 31 March 2023. The company changed its financial period end date in the previous year to align with the group in which it is a member.

The principal accounting policies adopted are set out below.

Going concern

The directors have prepared the financial statements on the going concern basis. The directors have considered the following factors in their assessment of going concern.

Although the business has been affected by a number of external factors across the sector, the revenue that has been generated in year has only fallen short of budgets by £0.4m, achieving £12.0m as a group. The pressure faced by the business has been in relation to the management of the cost base as a result of the increases in payroll from the National Living Wage rise adding £0.17m to wages related costs and the wider inflationary increases from key suppliers, such a food and beverage, with sector wide food costs increasing by 10-20%. Even with this added pressure the business achieved a gross profit margin of 29% compared to a budgeted 29.3% for the hotel. Although every effort was made in the year to recover the additional cost pressure through sales, with events booked in advance this is not possible as the prices would be locked at the point of booking. There has been a review of the cost base and plans were approved and implemented to save the business £0.25m over the 12 months, with further savings being explored. Food purchasing has seen a significant improvement over the year with food cost of sale showing an improvement of between 5%-6% in the last 4 months of 2023/24, and this trend has continued into 2024/25 along with a reduction in beverage cost of sales.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

The nature of operating within a Grade one listed building has meant opportunities to reduce the cost base further have been limited, due to the nature and layout of the building. Further work is underway to consider how best to utilise the available foot print of the site and drive growth in top line revenue. Work is due to take place in the final quarter of 2024/25 to improve the events and public spaces with further plans being considered for other areas in 2025/26. This will be funded through a mix of capital and revenue resources and has been built into the cashflow forecast.

All the debt financing and majority of lease liabilities are owed to the Coventry City Council, the ultimate controlling party. The Council has provided a letter of support confirming that if required, the Council would provide financial support to the group, including deferral of loan interest and loan capital repayments and lease liability payments. The Directors do not foresee the business having to request such support.

The business is able to meet its current obligations on existing loans and lease commitments. These have been met in the year and payments will continue to be made in line with the agreements. The rate of interest in the loan agreements is fixed at the point that funds are drawn, so the business has certainty over future payments. The balance sheet at 31st March 2024 includes a large VAT liability which the business has accrued at the year-end due to a delay in the processing of a Group VAT application, this was through no fault of the company and the business has set funds aside as part of the cashflow projections over the next 24 months to ensure it can meet this liability. The VAT returns for 2023-24 will be submitted before the end of December 2024 and the company is seeking time to pay arrangements with HMRC to settle the liabilities.

The business has a strong cash position which is shared with the Senior Management Team on a weekly basis and formally discussed as a 13 week position at each Board monthly meeting. The cash position at the end of March 2024 was £1.1m across the group. The cashflow forecast for 24 months, demonstrates that the company has sufficient funds to meet its ongoing liabilities and continue to trade as a going concern. This includes the repayment of the VAT liability as well the current liabilities that would occur during that period.

The group still has access to a working capital facility of £1.5m with Coventry City Council which the group can drawdown in the future if required. There are no current plans to access these funds to support the business. The group also has access to a capital financing facility to support investment in capital equipment. CAPL utilised this facility in March 2023 to seek funding to support capital works required to make changes to the popular Bistro café at War Memorial Park to increase the indoor seating capacity. This investment was supported by a robust business case that was presented to the Board of Directors and the Council prior to accessing additional debt funding.

The budget for the group for 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet). The business achieved a positive EBITDA in 2023/24 and an improvement against the cost neutral EBITDA the year before period.

To support the business and provide greater levels of challenge and scrutiny, the Board of Directors have appointed a sector specialist as a Non-Executive Director to the Board for all companies, J Cockell who has supported the companies with his commercial expertise and ideas for growth alongside the overview of the current operation of the business.

The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. This decision is based on the current operation and the forecast cashflow position for the next two years. The ultimate controlling party, Coventry City Council, will provide financial support to the company if required.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

2. ACCOUNTING POLICIES - continued

Basis of consolidation

The group's financial statements incorporate the results, cash flows, assets and liabilities of Coombe Abbey Park 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 are recognised using the acquisition method of accounting.

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.

Revenue recognition

Revenue 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.

Revenue represents the provision of hotel accommodation, the sale of food and beverages and the provision of room hire and other services. All revenue arises wholly in the United Kingdom.

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.

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

2. ACCOUNTING POLICIES - continued

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.

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:

Assets under construction	-	not depreciated as not yet in use
Leasehold land and buildings	-	Over 50 years
Plant and machinery	-	Between 5-20 years straight line
Fixtures and fittings	-	10 years straight line
Motor vehicles	-	25% on 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 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

2. ACCOUNTING POLICIES - continued

Fixed asset investments

In the individual entity financial statements, 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 property, plant and equipment

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 year ended 31 March 2024

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 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.

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.

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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

2. ACCOUNTING POLICIES - continued

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

Income taxes include all taxes based upon the taxable profits of the company. Other taxes not based on income, such as property and capital taxes, are included within operating expenses or financial expenses according to their nature.

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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 demonstrable committed to terminate the employment of an employee or to provide termination benefits.

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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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 revenue 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.

3. 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 £9m (2023: £8.7m) at the period end. A deferred tax asset in respect of part of these losses of £2.2m (2023 - £2.1m) 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.

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.

4. REVENUE

Revenue from contracts with customers

Disaggregation of revenue

The group generates revenue primarily from Hospitality services.

	2024	2023
	£	£
Rendering of services	5,227,118	6,287,229
Sale of goods	6,727,114	7,349,676
	<u>11,954,232</u>	<u>13,636,905</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

4. REVENUE - continued

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.

Major Service lines	2024	2023
	£	£
Accommodation	2,969,936	3,879,396
Food, beverages and catering	6,727,114	7,349,676
Room and marquee hire	775,058	1,034,397
Other services	1,482,124	1,373,436
	<u>11,954,232</u>	<u>13,636,905</u>

Timing of Revenue Recognition:

	2024	2023
	£	£
Revenue recognised at a point in time	11,838,166	13,515,356
Revenue recognised over time	116,066	121,549
	<u>11,954,232</u>	<u>13,636,905</u>

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 or within 30 days.

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.

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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

4. REVENUE - continued

Contract balances

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Receivables included in "Trade and other receivables"	<u>634,585</u>	<u>1,032,078</u>
Contract liabilities		
Current		
Contract liabilities	<u>885,019</u>	<u>668,001</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.

Contract liabilities are recognised when payment is received from customers before the respective performance obligation is satisfied.

5. OTHER OPERATING INCOME

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Other income	<u>617,058</u>	<u>526,512</u>

6. EMPLOYEES AND DIRECTORS

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Wages and salaries	4,893,481	5,429,311
Social security costs	359,656	382,805
Other pension costs	76,204	79,984
	<u>5,329,341</u>	<u>5,892,100</u>

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

	Year Ended 31.3.24	Period 1.1.22 to 31.3.23
Management and administration	38	23
Hotel and banquets	<u>231</u>	<u>302</u>
	<u>269</u>	<u>325</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

6. EMPLOYEES AND DIRECTORS - continued

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Directors' remuneration	111,542	176,850
Directors' pension contributions to money purchase schemes	5,529	8,218
	<u>117,071</u>	<u>185,068</u>

7. EXCEPTIONAL ITEMS

Exceptional items of £48,938 (2023: £117,615) include costs for investigating and planning a proposed new redevelopment of the Coombe Abbey Hotel. It was subsequently decided that the redevelopment would not go ahead.

8. NET FINANCE COSTS

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Finance costs:		
Loan interest	397,645	539,497
Hire purchase	426	1,269
Leasing	695,532	876,856
	<u>1,093,603</u>	<u>1,417,622</u>

Loan interest represents amounts payable to Coventry City Council in respect of interest charged on loan balances.

9. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Cost of inventories recognised as expense	2,450,203	2,645,482
Leases	63,899	50,884
Depreciation - owned assets	599,645	669,117
Depreciation - assets on hire purchase contracts	231,417	294,118
	<u>3,945,164</u>	<u>4,659,591</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

10. AUDITORS' REMUNERATION

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	29,433	32,507
Taxation compliance services	4,050	1,500
	<u> </u>	<u> </u>

11. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2024 nor for the period ended 31 March 2023.

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:

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Loss before income tax	(722,060)	(2,045,489)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	(180,515)	(388,643)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	1,412	5,263
Depreciation in excess of capital allowances rates	123,177	58,164
Deferred tax not recognised	55,926	325,216
Tax expense	<u> </u>	<u> </u>

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 March 2023.

12. 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 £(745,280) (2023 - £(1,947,866)).

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold land and buildings £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 April 2023	33,522,493	293,007	3,677,769
Additions	84,718	104,637	57,617
Revaluations	(658,262)	-	-
At 31 March 2024	32,948,949	397,644	3,735,386
DEPRECIATION			
At 1 April 2023	11,601,896	48,834	3,131,323
Charge for year	526,283	74,522	142,486
At 31 March 2024	12,128,179	123,356	3,273,809
NET BOOK VALUE			
At 31 March 2024	20,820,770	274,288	461,577
At 31 March 2023	21,920,597	244,173	546,446
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 April 2023	2,359,877	43,618	39,896,764
Additions	2,500	-	249,472
Revaluations	-	-	(658,262)
At 31 March 2024	2,362,377	43,618	39,487,974
DEPRECIATION			
At 1 April 2023	1,997,294	34,901	16,814,248
Charge for year	85,722	2,049	831,062
At 31 March 2024	2,083,016	36,950	17,645,310
NET BOOK VALUE			
At 31 March 2024	279,361	6,668	21,842,664
At 31 March 2023	362,583	8,717	23,082,516

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 the group.

Leasehold land and buildings and Plant and Machinery include right-of-use assets as shown in note 22.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

13. PROPERTY, PLANT AND EQUIPMENT - continued

Group

Cost or valuation at 31 March 2024 is represented by:

	Leasehold land and buildings £	Improvements to property £	Plant and machinery £
Valuation in 2023	780,155	-	-
Valuation in 2024	(658,262)	-	-
Cost	32,827,056	397,644	3,735,386
	<u>32,948,949</u>	<u>397,644</u>	<u>3,735,386</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	-	-	780,155
Valuation in 2024	-	-	(658,262)
Cost	2,362,377	43,618	39,366,081
	<u>2,362,377</u>	<u>43,618</u>	<u>39,487,974</u>

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2024 by a member of the Royal Institute of Chartered Surveyors.

Company

	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 April 2023	33,418,185	3,640,268	2,359,877	43,618	39,461,948
Additions	84,718	57,017	2,500	-	144,235
Revaluations	(658,262)	-	-	-	(658,262)
At 31 March 2024	<u>32,844,641</u>	<u>3,697,285</u>	<u>2,362,377</u>	<u>43,618</u>	<u>38,947,921</u>
DEPRECIATION					
At 1 April 2023	11,577,825	3,125,073	1,997,294	34,901	16,735,093
Charge for year	507,026	134,976	85,722	2,049	729,773
At 31 March 2024	<u>12,084,851</u>	<u>3,260,049</u>	<u>2,083,016</u>	<u>36,950</u>	<u>17,464,866</u>
NET BOOK VALUE					
At 31 March 2024	<u>20,759,790</u>	<u>437,236</u>	<u>279,361</u>	<u>6,668</u>	<u>21,483,055</u>
At 31 March 2023	<u>21,840,360</u>	<u>515,195</u>	<u>362,583</u>	<u>8,717</u>	<u>22,726,855</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

13. PROPERTY, PLANT AND EQUIPMENT - continued

Company

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 the company.

Leasehold land and buildings and Plant and Machinery include right-of-use assets as shown in note 22.

Cost or valuation at 31 March 2024 is represented by:

	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2023	121,893	-	-	-	121,893
Cost	32,722,748	3,697,285	2,362,377	43,618	38,826,028
	<u>32,844,641</u>	<u>3,697,285</u>	<u>2,362,377</u>	<u>43,618</u>	<u>38,947,921</u>

The leasehold land and buildings were independently valued on a fair value basis at 31st March 2024 by a member of the Royal Institute of Chartered Surveyors.

14. INVESTMENTS

Company

	Shares in group undertaking £
COST	
At 1 April 2023 and 31 March 2024	<u>2</u>
NET BOOK VALUE	
At 31 March 2024	<u>2</u>
At 31 March 2023	<u>2</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

14. 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

Coombe Abbey Park (LACO) Limited

Registered office: Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, United

Nature of business: Hospitality services

	%		
Class of shares:	holding		
Ordinary	100.00	2024	2023
		£	£
Aggregate capital and reserves		(4,367)	(51,932)
Profit/(loss) for the year/period		<u>47,565</u>	<u>(52,857)</u>

No Ordinary Hospitality Management Limited

Registered office: Coombe Abbey Hotel Brinklow Road, Binley, Coventry, West Midlands, United

Nature of business: Hospitality services

	%		
Class of shares:	holding		
Ordinary	100.00	2024	2023
		£	£
Aggregate capital and reserves		(66,186)	(41,841)
Loss for the year/period		<u>(24,345)</u>	<u>(44,766)</u>

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 Contract.

15. INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Finished goods	<u>98,356</u>	<u>75,977</u>	<u>79,522</u>	<u>66,780</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
<i>Current:</i>				
Trade debtors	724,439	1,032,078	323,653	298,263
Amounts owed by group undertakings	-	-	733,154	734,200
Other debtors	182,592	77,570	158,623	75,070
Prepayments and accrued income	89,614	112,281	62,866	95,021
	<u>996,645</u>	<u>1,221,929</u>	<u>1,278,296</u>	<u>1,202,554</u>
<i>Non-current:</i>				
Amounts owed by group undertakings	-	-	168,000	252,000
	<u>-</u>	<u>-</u>	<u>168,000</u>	<u>252,000</u>
 Aggregate amounts	<u>996,645</u>	<u>1,221,929</u>	<u>1,446,296</u>	<u>1,454,554</u>

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Cash in hand	-	4,937	-	4,937
Bank accounts	1,114,798	1,300,275	329,001	1,047,186
	<u>1,114,798</u>	<u>1,305,212</u>	<u>329,001</u>	<u>1,052,123</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2024	2023
Number:	Class:	Nominal value:	£	£
6,001	Ordinary share capital	£0.01	60	60
3,295,791	Deferred shares	£1	3,295,791	3,295,791
			<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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

19. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2023	(3,676,325)	780,155	(2,896,170)
Deficit for the year	(722,060)		(722,060)
Revaluation of leasehold land and buildings	-	(658,262)	(658,262)
At 31 March 2024	<u>(4,398,385)</u>	<u>121,893</u>	<u>(4,276,492)</u>

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2023	(3,582,550)	780,155	(2,802,395)
Deficit for the year	(745,280)		(745,280)
Revaluation of leasehold land and buildings	-	(658,262)	(658,262)
At 31 March 2024	<u>(4,327,830)</u>	<u>121,893</u>	<u>(4,205,937)</u>

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Current:				
Trade creditors	435,282	514,552	353,033	440,076
Social security and other taxes	2,116,084	1,492,785	1,580,758	1,236,967
Other creditors	89,817	100,877	86,798	100,877
Accruals and deferred income	254,421	550,383	182,160	513,744
	<u>2,895,604</u>	<u>2,658,597</u>	<u>2,202,749</u>	<u>2,291,664</u>

21. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Current:				
Other loans	592,010	592,010	592,010	592,010
Leases (see note 22)	129,329	139,862	83,228	94,987
	<u>721,339</u>	<u>731,872</u>	<u>675,238</u>	<u>686,997</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

21. FINANCIAL LIABILITIES - BORROWINGS - continued

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Non-current:				
Other loans - 1-2 years	7,219,921	7,811,931	7,219,921	7,811,931
Leases (see note 22)	13,311,221	13,415,552	13,265,035	13,348,265
	<u>20,531,142</u>	<u>21,227,483</u>	<u>20,484,956</u>	<u>21,160,196</u>

Terms and debt repayment schedule

Group

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Other loans	592,010	552,517	1,281,028	5,386,376	7,811,931
Leases	129,329	85,903	181,166	13,044,152	13,440,550
	<u>721,339</u>	<u>638,420</u>	<u>1,462,194</u>	<u>18,430,528</u>	<u>21,252,481</u>

Company

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Other loans	592,010	552,517	1,281,028	5,386,376	7,811,931
Leases	83,228	63,501	157,382	13,044,152	13,348,263
	<u>675,238</u>	<u>616,018</u>	<u>1,438,410</u>	<u>18,430,528</u>	<u>21,160,194</u>

Other loans represent amounts payable to Coventry City Council under loan agreements and are repayable in quarterly instalments with interest rates ranging from 5.15% to 6.75%. The loans are secured by way of a fixed charge against leasehold property and a floating charge on all undertakings of the company.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

22. LEASING

Group
Right-of-use assets

Property, plant and equipment

	2024 £	2023 £
COST OR VALUATION		
At 1 April 2023	14,451,317	13,811,318
Additions	-	145,141
Revaluations	(418,077)	494,858
	<u>14,033,240</u>	<u>14,451,317</u>
 DEPRECIATION		
At 1 April 2023	492,011	197,893
Charge for year	231,417	294,118
	<u>723,428</u>	<u>492,011</u>
 NET BOOK VALUE	<u><u>13,309,812</u></u>	<u><u>13,959,306</u></u>

Company
Right-of-use assets

Property, plant and equipment

	2024 £	2023 £
COST OR VALUATION		
At 1 April 2023	14,347,009	13,811,318
Additions	-	40,833
Revaluations	(418,077)	494,858
	<u>13,928,932</u>	<u>14,347,009</u>
 DEPRECIATION		
At 1 April 2023	467,940	197,893
Charge for year	212,160	270,047
	<u>680,100</u>	<u>467,940</u>
 NET BOOK VALUE	<u><u>13,248,832</u></u>	<u><u>13,879,069</u></u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

22. LEASING - continued

Group

Group

Other leases

	Year Ended 31.3.24 £	Period 1.1.22 to 31.3.23 £
Low-value assets leases	13,127	12,102
Variable lease payments	<u>50,772</u>	<u>38,782</u>

Group

Lease liabilities

Minimum lease payments fall due as follows:

	2024 £	2023 £
Gross obligations repayable:		
Within one year	819,128	835,394
Between one and five years	2,980,768	3,058,119
In more than five years	68,469,936	69,186,716
	<u>72,269,832</u>	<u>73,080,229</u>
Finance charges repayable:		
Within one year	689,799	695,532
Between one and five years	2,713,699	2,730,420
In more than five years	55,425,784	56,098,863
	<u>58,829,282</u>	<u>59,524,815</u>
Net obligations repayable:		
Within one year	129,329	139,862
Between one and five years	267,069	327,699
In more than five years	13,044,152	13,087,853
	<u>13,440,550</u>	<u>13,555,414</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

22. LEASING - continued

Group

The Group leases Land and Buildings and Plant and Machinery. 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.

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

In the financial period, the group entered into an agreement to lease land and buildings from Coventry City Council known as the War Memorial Park. The site includes two Cafes and an Ice Cream Kiosk. The minimum non-cancellable term of the lease is for the period commencing on 12th January 2022 and expiring on 31st May 2027. The minimum lease payments are £25,000 per annum. The lease includes restrictions on the use of the asset. The lease agreement includes variable lease payments based on revenues generated from the leased asset. The variable lease payments are not recognised in the lease liability.

In the financial period, the group entered into a non-exclusive license agreement with Coventry City Council to access the land and property at St Mary's Guildhall for the purpose of managing the commercial operations of the site, as defined in the agreement. There are no lease payments due under the agreement which expires on 30th June 2024 and can be extended by up to 12 months on an annual basis.

The weighted average incremental borrowing rate applied to measure lease liabilities during the period was 5.15%.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

22. LEASING - continued

**Company
Lease liabilities**

Minimum lease payments fall due as follows:

	2024 £	2023 £
Gross obligations repayable:		
Within one year	769,128	785,394
Between one and five years	2,930,768	2,983,119
In more than five years	68,469,936	69,186,716
	72,169,832	72,955,229
Finance charges repayable:		
Within one year	685,900	690,407
Between one and five years	2,709,885	2,722,707
In more than five years	55,425,784	56,098,863
	58,821,569	59,511,977
Net obligations repayable:		
Within one year	83,228	94,987
Between one and five years	220,883	260,412
In more than five years	13,044,152	13,087,853
	13,348,263	13,443,252

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

23. FINANCIAL INSTRUMENTS

The group holds or issues financial instruments to finance its 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 Coombe Abbey Park group ('the group') 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 £0.4m that can be accessed at commercial rates to invest in capital assets.

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. This facility has £1.5m available for working capital if required in the future.

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 group 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 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 2024.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade debtors	634,585	250,028	126,274	33,739	224,544
	<u>634,585</u>	<u>250,028</u>	<u>126,274</u>	<u>33,739</u>	<u>224,544</u>

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

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 CAPL to highlight the financial impact of operational performance and to inform management of any action that maybe required. The board have visibility of a 13 week cashflow at each monthly meeting as well as the group having a cashflow forecast to the period end. 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 2024, the expected inflows from trade debtors within 30 days was £250,028 and the expected outflows from trade creditors within 30 days was £278,552. The group holds cash reserves of £1,114,798 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 2024.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade creditors	345,428	278,551	41,624	492	24,761
	<u>345,428</u>	<u>278,551</u>	<u>41,624</u>	<u>492</u>	<u>24,761</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 net and do not 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	13,440,550	129,329	85,903	181,167	13,044,152
Other loans	7,811,931	592,010	552,517	1,281,028	5,386,376
	<u>21,252,481</u>	<u>721,339</u>	<u>638,420</u>	<u>1,462,194</u>	<u>18,430,528</u>

With regards to loans and leases the group meets the obligations of the respective loans they have in place with regards to sharing management information on the performance of the businesses.

The group held cash and cash equivalents of £1,114,798 at 31st March 2024.

The group has a line of credit amounting to £1,886,540 which can be accessed at commercial rates of which £1,500,000 relates to a working capital facility.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

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 group to interest rate risk. Borrowings obtained at fixed rates expose the group to fair value risk

The interest rate on the current loans in place is fixed at the point the loans are drawn, mitigating exposure to interest rate risk.

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.

24. PENSION COMMITMENTS

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

The total expense recognised in the statement of profit or loss and other comprehensive income of £65,454 (2023: £63,366) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31st March 2024 contributions of £15,268 (2023: £15,935) 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.

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

25. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

The remuneration of key management personnel of the group, which includes directors, is as follows.

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Aggregate compensation	383,835	368,836	383,835	368,836

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	
	2024	2023	2024	2023
	£	£	£	£
Current assets				
Trade receivables	397,018	703,295	-	660
Current liabilities:				
Trade creditors	85,696	89,518	75,736	75,041
Other creditors	71,653	71,653	71,653	71,653
Accruals and deferred income	-	273,218	-	273,218

Other entities with common control

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current assets				
Amounts owed by Group undertakings	-	-	711,535	734,200
Non-current assets				
Amounts owed by Group undertakings	-	-	168,000	252,000

Financial Liabilities with related parties

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

Coventry City Council:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current liabilities:				
Other loans	592,010	592,010	592,010	592,010
Lease liabilities	109,170	101,998	63,069	57,123
Non-current liabilities:				
Other loans	7,219,921	7,811,931	7,219,921	7,811,931
Lease liabilities	13,297,311	13,381,480	13,251,125	13,314,194

COOMBE ABBEY PARK LIMITED (REGISTERED NUMBER: 02700383)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

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	
	2024	2023	2024	2023
	£	£	£	£
Non-current assets				
Leasehold land and property	13,517,266	13,710,715	13,038,209	13,630,478

Transactions with related parties

The following transactions occurred with related parties during the period:

Coventry City Council:

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Income				
Sales	1,015,221	877,519	-	-
Expenditure				
Rates and water	277,653	467,725	277,653	467,725
Lease liability interest	692,786	871,284	687,661	863,431
Interest payable to group undertakings	397,645	539,497	397,645	539,497
Depreciation - right-of-use assets	193,470	241,837	174,213	217,766
Other	32,355	26,053	32,355	26,053

Other entities with common control

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Other Income				
Interest income	-	-	18,320	22,901

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

26. 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 Coombe Abbey Park Limited are incorporated in the consolidated financial statements of Coventry Municipal Holdings Limited which are available from this address.

The ultimate parent company and ultimate controlling party of Coombe Abbey Park 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.

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REGISTERED NUMBER: 04931967 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
COVENTRY TECHNICAL RESOURCES LIMITED**



COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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Statement of Changes in Equity	10
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COVENTRY TECHNICAL RESOURCES LIMITED

COMPANY INFORMATION
for the year ended 31 March 2024

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 2024**

The directors present their report with the financial statements of the company for the year ended 31 March 2024.

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 4 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 2024 report a net profit before tax of £4,355 (2023: £7,358). At the balance sheet date, the company has total equity of £2,774,784 (2023: £2,770,429), and total cash and equivalent balance of £2,715,586 (2023: £2,663,963)

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 2023 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 2024**

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

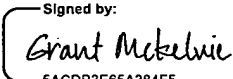
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

Signed by:

.....5ACDB3E65A38AF5.....
Mr G McKelvie - Director

Date: 18 December 2024

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 2024 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 2024 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 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 UK GAAP, we exercise professional judgement and maintain professional scepticism throughout the audit process.

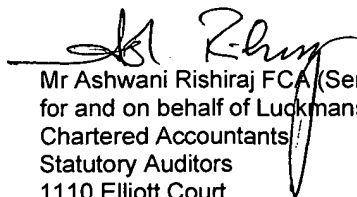
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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. 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: 18th December 2024

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

**STATEMENT OF COMPREHENSIVE
INCOME
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
TURNOVER		361,802	380,865
Administrative expenses		362,841	373,507
OPERATING (LOSS)/PROFIT		(1,039)	7,358
Interest receivable and similar income		5,394	-
PROFIT BEFORE TAXATION	4	4,355	7,358
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		4,355	7,358
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,355	7,358

The notes form part of these financial statements

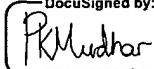
COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

BALANCE SHEET
31 March 2024

	Notes	£	2024 £	£	2023 £
CURRENT ASSETS					
Debtors	6		87,042		131,160
Cash at bank			2,715,586		2,663,963
			<u>2,802,628</u>		<u>2,795,123</u>
CREDITORS					
Amounts falling due within one year	7		27,844		24,694
			<u>2,774,784</u>		<u>2,770,429</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,774,784</u>		<u>2,770,429</u>
CAPITAL AND RESERVES					
Called up share capital	8		1,758,062		1,758,062
Share premium			31,430,999		31,430,999
Retained earnings	9		(30,414,277)		(30,418,632)
SHAREHOLDERS' FUNDS			<u>2,774,784</u>		<u>2,770,429</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 18 December 2024 and were signed on its behalf by:

DocuSigned by:

3FA11338042442E.....
 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 2024**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2022	1,758,062	(30,425,990)	31,430,999	2,763,071
Changes in equity				
Total comprehensive income	-	7,358	-	7,358
Balance at 31 March 2023	<u>1,758,062</u>	<u>(30,418,632)</u>	<u>31,430,999</u>	<u>2,770,429</u>
Changes in equity				
Total comprehensive income	-	4,355	-	4,355
Balance at 31 March 2024	<u><u>1,758,062</u></u>	<u><u>(30,414,277)</u></u>	<u><u>31,430,999</u></u>	<u><u>2,774,784</u></u>

The notes form part of these financial statements

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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.

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 paragraphs 88C and 88D of IAS 12 Income Taxes;
- 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.

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024****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

	2024	2023
	£	£
Wages and salaries	278,767	283,381
Social security costs	33,421	37,645
Other pension costs	8,165	9,149
	<u>320,353</u>	<u>330,175</u>

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024****3. EMPLOYEES AND DIRECTORS - continued**

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

	2024	2023
Business development	<u>4</u>	<u>5</u>

	2024 £	2023 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2024 £	2023 £
Audit Fees	<u>3,609</u>	<u>3,835</u>

5. TAXATION**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 March 2024 nor for the year ended 31 March 2023.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade receivables	66,161	131,160
Prepayments and accrued income	<u>20,881</u>	<u>-</u>
	<u>87,042</u>	<u>131,160</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Social security and other taxes	2,990	12,807
Other creditors	21,002	1,492
Accruals and deferred income	<u>3,852</u>	<u>10,395</u>
	<u>27,844</u>	<u>24,694</u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2024 £	2023 £
1,758,062	Ordinary shares	£1	<u>1,758,062</u>	<u>1,758,062</u>

COVENTRY TECHNICAL RESOURCES LIMITED (REGISTERED NUMBER: 04931967)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

8. CALLED UP SHARE CAPITAL - continued

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 2023	(30,418,632)	31,430,999	1,012,367
Profit for the year	4,355	-	4,355
At 31 March 2024	<u>(30,414,277)</u>	<u>31,430,999</u>	<u>1,016,722</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.

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REGISTERED NUMBER: 04523598 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
COVENTRY REGENERATION LIMITED**

TUESDAY



A45 *ADINIFFN* #277
24/12/2024
COMPANIES HOUSE

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2024**

	Page
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Report of the Directors	2
Independent Auditors' Report	4
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Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

COVENTRY REGENERATION LIMITED

COMPANY INFORMATION
for the year ended 31 March 2024

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 2024**

The directors present their report with the financial statements of the company for the year ended 31 March 2024.

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. The loan facility was transferred from the current lender, Coventry City Council, to Coventry Municipal Holdings Ltd, parent undertaking, after the year end and the final repayment date of the loan has been extended to 29th November 2029.

The accounts have been prepared under FRS 101. The results for the year show a profit of £57 (2023: £93).

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 2023 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.

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

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.

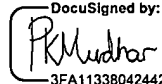
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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:

DocuSigned by:



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Mrs P Mudhar - Director

Date: 19 December 2024

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 2024 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 2024 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.

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 UK GAAP, we exercise professional judgement and maintain professional scepticism throughout the audit process.

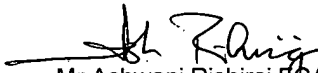
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion or override of internal controls. There are inherent limitations in the audit procedures performed.

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. 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: 19th December 2024

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

**STATEMENT OF COMPREHENSIVE
INCOME
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
TURNOVER		-	-
Administrative expenses		12,585	8,083
		(12,585)	(8,083)
Other operating income		12,889	8,348
OPERATING PROFIT		304	265
Interest receivable and similar income		68	22
		372	287
Interest payable and similar expenses	4	315	194
PROFIT BEFORE TAXATION	5	57	93
Tax on profit	6	-	-
PROFIT FOR THE FINANCIAL YEAR		57	93
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		57	93

The notes form part of these financial statements

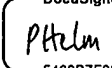
COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

BALANCE SHEET
31 March 2024

	Notes	2024 £	2023 £
CURRENT ASSETS			
Debtors	7	17,064	10,726
Cash at bank		5,239	5,070
		<u>22,303</u>	<u>15,796</u>
CREDITORS			
Amounts falling due within one year	8	17,105	10,655
		<u>5,198</u>	<u>5,141</u>
NET CURRENT ASSETS			
		<u>5,198</u>	<u>5,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		5,198	5,141
CREDITORS			
Amounts falling due after more than one year	9	5,000	5,000
		<u>198</u>	<u>141</u>
NET ASSETS			
		<u>198</u>	<u>141</u>
CAPITAL AND RESERVES			
Called up share capital	11	5	5
Share premium		31,430,995	31,430,995
Retained earnings	12	(31,430,802)	(31,430,859)
		<u>198</u>	<u>141</u>
SHAREHOLDERS' FUNDS			
		<u>198</u>	<u>141</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 19 December 2024 and were signed on its behalf by:

DocuSigned by:

 5469B7F9892B4FE.....
 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 2024**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2022	5	(31,430,952)	31,430,995	48
Changes in equity				
Total comprehensive income	-	93	-	93
Balance at 31 March 2023	5	(31,430,859)	31,430,995	141
Changes in equity				
Total comprehensive income	-	57	-	57
Balance at 31 March 2024	5	(31,430,802)	31,430,995	198

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 2024**

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.

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

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

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 paragraphs 88C and 88D of IAS 12 Income Taxes;
- 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 2024

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 2024 nor for the year ended 31 March 2023.

The average number of employees during the year was NIL (2023 - NIL).

	2024	2023
	£	£
Directors' remuneration	-	-

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Loan interest	315	194

5. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2024	2023
	£	£
Auditors' remuneration	3,718	5,202

6. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2024 nor for the year ended 31 March 2023.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade receivables	12,733	10,726
Prepayments and accrued income	4,331	-
	17,064	10,726

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	8,285	-
Amounts owed to group undertakings	4,175	4,006
Accruals and deferred income	4,645	6,649
	<u>17,105</u>	<u>10,655</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Other loans (see note 10)	<u>5,000</u>	<u>5,000</u>

10. FINANCIAL LIABILITIES - BORROWINGS

	2024	2023
	£	£
Non-current: Loan	<u>5,000</u>	<u>5,000</u>

Terms and debt repayment schedule

	1-2 years
	£
Loan	<u>5,000</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2024	2023
Number:	Class:	Nominal value:	£	£
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

	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2023	(31,430,859)	31,430,995	136
Profit for the year	57	-	57
At 31 March 2024	<u>(31,430,802)</u>	<u>31,430,995</u>	<u>193</u>

COVENTRY REGENERATION LIMITED (REGISTERED NUMBER: 04523598)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

13. POST BALANCE SHEET EVENTS

There are no significant events after the Balance sheet date.

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 2024. 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.

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**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
TOM WHITE WASTE LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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TOM WHITE WASTE LIMITED
COMPANY INFORMATION
for the year ended 31 March 2024

DIRECTORS:

Mr P Helm
Mr G W McKelvie
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

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

The directors present their strategic report of the company and the group for the year ended 31 March 2024.

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 invest 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 2024 shows group revenues decreased by 2.3% from £21,567,957 in 2023 to £21,068,301 in 2024. Gross profit decreased by 1.7% from £6,031,337 in 2023 to £5,928,858 in 2024. The group made a loss after tax for the year of £1,788,025 compared to £313,851 loss after tax in the previous year. At 31 March 2024 total equity stood at £1,256,157 (2023: £3,044,182) with total cash and cash equivalents of £209,613 (2023: £472,826).

A summary of the Group's key performance indicators are as follows:

	Year ended 31.3.24	Year ended 31.3.23
Group Revenue	£21.07m	£21.57m
Gross Margin	28.1%	28.0%
Operating Margin	-5.5%	1.2%

**GROUP STRATEGIC REPORT
for the year ended 31 March 2024**

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. An example of this is the impact of the Simpler Recycling legislation which will affect all businesses and their waste disposal requirements. The impact of this change in legislation on the services offered by Tom Whites is being considered by the Senior Management Team to ensure that the company can meet the needs of its customers in compliance with this legislation.

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. Services provided extend beyond the Coventry and Warwickshire borders through sub-contract arrangements which allows greater diversification of the customer base and services.

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. This has been a key area of focus from the management team and directors during the year under review and 2024/25 to ensure the company has sufficient funds to meet its liabilities.

Market Risk

The waste management industry faces price volatility in a number of areas. Legislation changes directly affect 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. The Production Manager has a key role in managing this risk in relation to disposal cost volatility and seeking the best value from off takers. This is a key area of focus for the Management Team and Board of Directors.

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 move in the group's favour.

GROUP STRATEGIC REPORT
for the year ended 31 March 2024

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.

FUTURE DEVELOPMENTS

The main focus on the Management Team and Board of Directors is to maximise the value that is created through the operation of the business. This includes taking decisions in relation to the utilisation of the site and markets segments to grow into. This is all being considered as part of the Business Plan for 2025-26 plus 2 years that is currently under development and due to be approved by the Shareholder in March 2025.

ON BEHALF OF THE BOARD:

.....
Mr A J Walster - Director

Date:

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2024.

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 2024.

RESEARCH AND DEVELOPMENT

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

EVENTS SINCE THE END OF THE YEAR

Following the year ended 31st March 2024, Tom White Waste Limited has been seeking to refinance the mortgage on the main operational site. The company has continued to meet all its liabilities in relation to loans and hire purchase contracts (HP) but the value of debt to EBITDA has been higher than the company would expect, as a result of the levels of investment through HP plant and vehicles over the last few years. The lower EBITDA has been due to a number of factors including the end of some revenue contracts which were replaced with other contracts at lower margins, higher disposal costs, impact of market forces on sales and the inflationary impact on the cost base. To address this, the Board of Directors have undertaken a balance sheet restructure through the sale and leaseback of the main operational site with their ultimate shareholder, Coventry City Council. This transaction was completed in January 2025 and as such allows the company to settle some of the loans and HP contracts in place.

In December 2024, the Tom Whites and Coventry Technical Resources executed an intercompany loan, which has now been fully repaid along with any interest as part of the balance sheet restructure.

Information relating to other 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 2023 to the date of this report.

Mr P Helm
Mr G W McKelvie
Mr A J Walster
Mr A P Williams

Other changes in directors holding office are as follows:

Mr J A Tranter ceased to be a director after 31 March 2024 but prior to the date of this report.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

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.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The directors have considered the following factors in their assessment of going concern.

During the year, the business has maintained the revenue achieved at £21.07m compared to £21.57m in the year before, within a tougher market, where all businesses are experiencing a pressure on their cost base due to inflationary increases. The gross profit margin in the current year is 28.1% compared to 28% in the previous year, a strong position for the business. The percentage of disposal costs to revenue is a key metric and one that is being closely monitored by the Board due to the impact this has on the gross profit margin.

The business is able to meet its current obligations on existing loans and lease commitments. These have been met in the period and payments will continue to be made in line with the agreements. The cash position at the year end of £0.209m is lower than at the end of March 2023, but still positive. The Board of Directors have visibility of the cash flow forecast every month and the management team have more frequent oversight and management of the cash position. The execution of the intercompany loan and balance sheet restructure in 2024/25 have strengthened the cash position and place the company in a strong financial position moving forward.

The budget for the group for 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet). The business achieved a positive EBITDA in 2023/24.

The Group has prepared a detailed three year financial forecast. Following the sale and leaseback transaction after the year end date, as disclosed in Note 25 to these financial statements, the group has sufficient cash reserves to continue trading for the foreseeable future. This is demonstrated in the three year financial forecast which shows a strong underlying business with opportunity for growth back to previously enjoyed EBITDA and profit levels based on the revenue assumptions and associated costs for delivery. The financial forecast to support the balance sheet restructure was subject to an independent business review, that supported the actions and growth assumptions for future years by the management team and approved by the Board of Directors, demonstrates a viable underlying business with a strong business plan. This plan is currently being updated and will be presented to the Shareholder Committee in March 2025 as part of the Business Planning and budget review process.

The balance sheet structure and the business plan supports the Directors view that the company is a going concern. The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. This decision is based on the current operation and the forecast cashflow position.

**REPORT OF THE DIRECTORS
for the year ended 31 March 2024**

ENGAGEMENT WITH EMPLOYEES

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. 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.

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.

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:

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 2024 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 2024 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 seven, 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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TOM WHITE WASTE LIMITED

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. This description forms part of our Report of the Auditors.

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:

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
CONTINUING OPERATIONS			
Revenue	3	21,068,301	21,567,957
Cost of sales		(15,139,443)	(15,536,620)
GROSS PROFIT		5,928,858	6,031,337
Other operating income	4	189,054	73,120
Administrative expenses		(7,280,158)	(5,837,676)
OPERATING (LOSS)/PROFIT		(1,162,246)	266,781
Finance costs	7	(751,038)	(367,056)
Finance income	7	21,363	654
LOSS BEFORE INCOME TAX	8	(1,891,921)	(99,621)
Income tax	10	103,896	(214,230)
LOSS FOR THE YEAR		(1,788,025)	(313,851)
Loss attributable to: Owners of the parent		(1,788,025)	(313,851)

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 2024

	2024 £	2023 £
LOSS FOR THE YEAR	(1,788,025)	(313,851)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,788,025)</u>	<u>(313,851)</u>
Total comprehensive income attributable to: Owners of the parent	<u>(1,788,025)</u>	<u>(313,851)</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	12	8,288,723	8,125,177
Right-of-use			
Property, plant and equipment	12, 20	7,142,256	6,488,701
Investments	13	-	-
		<u>15,430,979</u>	<u>14,613,878</u>
CURRENT ASSETS			
Trade and other receivables	14	3,208,971	3,350,431
Tax receivable		11,506	509,276
Cash and cash equivalents	15	209,613	472,826
		<u>3,430,090</u>	<u>4,332,533</u>
TOTAL ASSETS		<u><u>18,861,069</u></u>	<u><u>18,946,411</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	100	100
Retained earnings	17	1,256,057	3,044,082
TOTAL EQUITY		<u><u>1,256,157</u></u>	<u><u>3,044,182</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	9,409,787	8,058,512
Deferred tax	22	1,156,454	1,248,711
		<u>10,566,241</u>	<u>9,307,223</u>
CURRENT LIABILITIES			
Trade and other payables	18	5,289,279	4,895,048
Contract liabilities	3	-	282,133
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	1,749,392	1,417,825
		<u>7,038,671</u>	<u>6,595,006</u>
TOTAL LIABILITIES		<u><u>17,604,912</u></u>	<u><u>15,902,229</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>18,861,069</u></u>	<u><u>18,946,411</u></u>

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

The notes form part of these financial statements

TOM WHITE WASTE LIMITED (REGISTERED NUMBER: 01201361)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2024

.....
Mr A J Walster - Director

.....
Mr G W McKelvie - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2024

	Notes	2024 £	2023 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Property, plant and equipment	12	8,288,723	8,125,177
Right-of-use			
Property, plant and equipment	12, 20	7,142,256	6,488,701
Investments	13	101	101
		<u>15,431,080</u>	<u>14,613,979</u>
CURRENT ASSETS			
Trade and other receivables	14	4,741,097	4,843,006
Tax receivable		-	509,276
Cash and cash equivalents	15	209,550	472,338
		<u>4,950,647</u>	<u>5,824,620</u>
TOTAL ASSETS		<u><u>20,381,727</u></u>	<u><u>20,438,599</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	100	100
Retained earnings	17	1,225,474	3,024,787
TOTAL EQUITY		<u><u>1,225,574</u></u>	<u><u>3,024,887</u></u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	9,409,787	8,058,512
Deferred tax	22	1,156,454	1,248,711
		<u>10,566,241</u>	<u>9,307,223</u>
CURRENT LIABILITIES			
Trade and other payables	18	6,840,520	6,406,531
Contract liabilities	3	-	282,133
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	1,749,392	1,417,825
		<u>8,589,912</u>	<u>8,106,489</u>
TOTAL LIABILITIES		<u><u>19,156,153</u></u>	<u><u>17,413,712</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>20,381,727</u></u>	<u><u>20,438,599</u></u>

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

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION - continued
31 March 2024

.....
Mr A J Walster - Director

.....
Mr G W McKelvie - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	100	3,357,933	3,358,033
Changes in equity			
Total comprehensive income	-	(313,851)	(313,851)
Balance at 31 March 2023	100	3,044,082	3,044,182
Changes in equity			
Total comprehensive income	-	(1,788,025)	(1,788,025)
Balance at 31 March 2024	100	1,256,057	1,256,157

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	100	3,277,380	3,277,480
Changes in equity			
Total comprehensive income	-	(252,593)	(252,593)
Balance at 31 March 2023	100	3,024,787	3,024,887
Changes in equity			
Total comprehensive income	-	(1,799,313)	(1,799,313)
Balance at 31 March 2024	100	1,225,474	1,225,574

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

		2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	1,368,849	1,352,993
Interest paid		(398,348)	(166,067)
Lease interest paid		(352,690)	(200,989)
Tax paid		-	(149,342)
Tax refund		509,276	-
Net cash from operating activities		1,127,087	836,595
Cash flows from investing activities			
Purchase of tangible fixed assets		(560,214)	(352,314)
Sale of tangible fixed assets		84,438	371,500
Interest received		21,363	654
Net cash from investing activities		(454,413)	19,840
Cash flows from financing activities			
Proceeds from borrowings		450,000	533,000
Repayment of borrowings		(63,202)	(71,558)
Repayment of lease liabilities		(1,322,685)	(1,316,407)
Net cash from financing activities		(935,887)	(854,965)
(Decrease)/increase in cash and cash equivalents		(263,213)	1,470
Cash and cash equivalents at beginning of year	2	472,826	471,356
Cash and cash equivalents at end of year	2	209,613	472,826

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2024

1.	RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS	2024	2023
		£	£
	Loss before income tax	(1,891,921)	(99,621)
	Depreciation charges	2,296,594	1,626,682
	Profit on disposal of fixed assets	(19,057)	(121,910)
	Finance costs	751,038	367,056
	Finance income	(21,363)	(654)
		1,115,291	1,771,553
	Decrease in trade and other receivables	141,460	406,099
	Increase/(decrease) in trade and other payables	394,231	(1,106,792)
	(Decrease)/increase in contract liabilities	(282,133)	282,133
	Cash generated from operations	1,368,849	1,352,993

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 2024

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	209,613	472,826

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	472,826	471,370
Bank overdrafts	-	(14)
	472,826	471,356

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2024**

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

2. ACCOUNTING POLICIES - continued

Going concern

The directors have prepared the financial statements on the going concern basis. The directors have considered the following factors in their assessment of going concern.

During the year, the business has maintained the revenue achieved at £21.07m compared to £21.57m in the year before, within a tougher market, where all businesses are experiencing a pressure on their cost base due to inflationary increases. The gross profit margin in the current year is 28.1% compared to 28% in the previous year, a strong position for the business. The percentage of disposal costs to revenue is a key metric and one that is being closely monitored by the Board due to the impact this has on the gross profit margin.

The business is able to meet its current obligations on existing loans and lease commitments. These have been met in the period and payments will continue to be made in line with the agreements. The cash position at the year end of £0.209m is lower than at the end of March 2023, but still positive. The Board of Directors have visibility of the cash flow forecast every month and the management team have more frequent oversight and management of the cash position. The execution of the intercompany loan and balance sheet restructure in 2024/25 have strengthened the cash position and place the company in a strong financial position moving forward.

The budget for the group for 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet). The business achieved a positive EBITDA in 2023/24.

The Group has prepared a detailed three year financial forecast. Following the sale and leaseback transaction after the year end date, as disclosed in Note 25 to these financial statements, the group has sufficient cash reserves to continue trading for the foreseeable future. This is demonstrated in the three year financial forecast which shows a strong underlying business with opportunity for growth back to previously enjoyed EBITDA and profit levels based on the revenue assumptions and associated costs for delivery. The financial forecast to support the balance sheet restructure was independently reviewed as part of an independent business review and confirms that the actions and growth assumptions for future years by the management team and approved by the Board of Directors, demonstrates a viable underlying business with a strong business plan. This plan is currently being updated and will be presented to the Shareholder Committee in March 2025 as part of the Business Planning and budget review process.

The balance sheet structure and the business plan supports the Directors view that the company is a going concern. The Directors have a reasonable expectation that the group has adequate financial resources to continue to operate and have therefore prepared the financial statements on the going concern basis. This decision is based on the current operation and the forecast cashflow position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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 £4.7m at 31 March 2024 (2023: £3.3m). A deferred tax asset in respect of these losses of £1.2m (2023: £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 2024**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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.

	2024	2023
	£	£
Rendering of services	21,068,301	21,567,957

Timing of Revenue Recognition:

	2024	2023
	£	£
Revenue recognised at a point in time	17,749,036	19,868,540
Revenue recognised over time	3,319,265	1,699,417
	21,068,301	21,567,957

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

3. REVENUE - continued**Contract balances**

	2024	2023
	£	£
Receivables included in "Trade and other receivables"	<u>2,727,488</u>	<u>2,862,471</u>
Contract liabilities		
Current		
Contract liabilities	<u>-</u>	<u>282,133</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

	2024	2023
	£	£
Rents received	97,500	16,250
Gain on finance lease termination	91,554	-
Management fees receivable	<u>-</u>	<u>56,870</u>
	<u>189,054</u>	<u>73,120</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

5. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	6,728,645	6,013,984
Social security costs	694,541	951,282
Other pension costs	188,037	175,374
	<u>7,611,223</u>	<u>7,140,640</u>

The average number of employees (including directors) employed by the group and company during the year was:

	Group 2024 Number	Group 2023 Number	Company 2024 Number	Company 2023 Number
Directors	4	4	4	4
Finance and administration	19	29	19	29
Sales	6	4	6	4
Drivers	123	129	123	129
Transfer Yard	36	35	36	35
Workshop	4	4	4	4
	<u>192</u>	<u>205</u>	<u>192</u>	<u>205</u>

	2024	2023
	£	£
Directors' remuneration	144,493	124,969
Directors' pension contributions to money purchase schemes	<u>18,757</u>	<u>11,741</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2024	2023
	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

6. EXCEPTIONAL ITEMS

	2024	2023
	£	£
Exceptional Items	<u>-</u>	<u>205,352</u>

Exceptional items in the previous year relate to the disposal of assets acquired for the re-development of the Materials Recycling Facility ("MRF"), a project which was subsequently terminated during the year.

7. NET FINANCE COSTS

	2024	2023
	£	£
Finance income:		
Interest income	<u>21,363</u>	<u>654</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

7. NET FINANCE COSTS - continued

	2024	2023
	£	£
Finance costs:		
Bank loan interest	321,052	150,830
Other loan interest	34,507	9,682
Other interest	38,991	-
Late payment interest	3,798	5,555
Hire purchase	131,724	90,178
Leasing	220,966	110,811
	<u>751,038</u>	<u>367,056</u>
Net finance costs	<u>729,675</u>	<u>366,402</u>

Other loan interest represents amounts due to Coventry City Council for the year in respect of 'other loans' outstanding as shown in Note 19.

8. LOSS BEFORE INCOME TAX

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

	2024	2023
	£	£
Leases	34,260	-
Depreciation - owned assets	846,242	749,442
Depreciation - assets on hire purchase contracts	1,450,351	877,242
Profit on disposal of fixed assets	(19,057)	(121,910)
Auditors remuneration	<u>30,000</u>	<u>30,000</u>

9. AUDITORS' REMUNERATION

	2024	2023
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>30,000</u>	<u>30,000</u>
Total audit fees	<u>30,000</u>	<u>30,000</u>

10. INCOME TAX**Analysis of tax (income)/expense**

	2024	2023
	£	£
Current tax:		
Adjustments in respect of prior periods	(11,639)	-
Deferred tax	<u>(92,257)</u>	<u>214,230</u>
Total tax (income)/expense in consolidated statement of profit or loss	<u>(103,896)</u>	<u>214,230</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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:

	2024 £	2023 £
Loss before income tax	<u>(1,891,921)</u>	<u>(99,621)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	(472,980)	(18,928)
Effects of:		
Change in unrecognised deferred tax assets	334,189	333,797
Capital allowances in excess of depreciation	-	(89,360)
Depreciation on assets not qualifying for tax allowance	44,615	23,789
Revenue items capitalised	(15,994)	(8,193)
Effect of change in corporation tax rate	-	(22,950)
Other adjustments	17,913	(3,925)
Tax adjustment in respect of prior years	<u>(11,639)</u>	<u>-</u>
Tax (income)/expense	<u>(103,896)</u>	<u>214,230</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 £(1,799,313) (2023 - £(252,593)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

12. PROPERTY, PLANT AND EQUIPMENT**Group**

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
COST			
At 1 April 2023	6,778,229	2,720,809	7,198,899
Additions	10,450	-	1,242,645
Disposals	-	-	(267,869)
At 31 March 2024	6,788,679	2,720,809	8,173,675
DEPRECIATION			
At 1 April 2023	966,583	161,686	4,049,615
Charge for year	114,487	254,435	960,461
Eliminated on disposal	-	-	(247,131)
At 31 March 2024	1,081,070	416,121	4,762,945
NET BOOK VALUE			
At 31 March 2024	5,707,609	2,304,688	3,410,730
At 31 March 2023	5,811,646	2,559,123	3,149,284
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2023	595,316	5,869,690	23,162,943
Additions	72,974	1,853,006	3,179,075
Disposals	-	(560,910)	(828,779)
At 31 March 2024	668,290	7,161,786	25,513,239
DEPRECIATION			
At 1 April 2023	378,209	2,992,972	8,549,065
Charge for year	99,081	868,129	2,296,593
Eliminated on disposal	-	(516,267)	(763,398)
At 31 March 2024	477,290	3,344,834	10,082,260
NET BOOK VALUE			
At 31 March 2024	191,000	3,816,952	15,430,979
At 31 March 2023	217,107	2,876,718	14,613,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

12. PROPERTY, PLANT AND EQUIPMENT - continued**Company**

	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £
COST			
At 1 April 2023	6,778,229	2,720,809	7,198,899
Additions	10,450	-	1,242,645
Disposals	-	-	(267,869)
At 31 March 2024	6,788,679	2,720,809	8,173,675
DEPRECIATION			
At 1 April 2023	966,583	161,686	4,049,615
Charge for year	114,487	254,435	960,461
Eliminated on disposal	-	-	(247,131)
At 31 March 2024	1,081,070	416,121	4,762,945
NET BOOK VALUE			
At 31 March 2024	5,707,609	2,304,688	3,410,730
At 31 March 2023	5,811,646	2,559,123	3,149,284
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2023	595,316	5,869,690	23,162,943
Additions	72,974	1,853,006	3,179,075
Disposals	-	(560,910)	(828,779)
At 31 March 2024	668,290	7,161,786	25,513,239
DEPRECIATION			
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Charge for year	99,081	868,129	2,296,593
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At 31 March 2024	477,290	3,344,834	10,082,260
NET BOOK VALUE			
At 31 March 2024	191,000	3,816,952	15,430,979
At 31 March 2023	217,107	2,876,718	14,613,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

13. INVESTMENTS**Company**

Shares in
group
undertaking
£

COST

At 1 April 2023
and 31 March 2024

101

NET BOOK VALUE

At 31 March 2024

101

At 31 March 2023

101

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		

31.3.24	31.3.23
£	£

Aggregate capital and reserves	30,848	19,395
Profit/(loss) for the year	11,453	(61,257)

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		

31.3.24	31.3.23
£	£

Aggregate capital and reserves	(164)	1
Loss for the year	(165)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current:				
Trade debtors	2,727,488	2,862,471	2,727,488	2,755,564
Amounts owed by group undertakings	-	-	1,532,126	1,599,482
Other debtors	2,794	92,203	2,794	92,203
Prepayments and accrued income	478,689	395,757	478,689	395,757
	<u>3,208,971</u>	<u>3,350,431</u>	<u>4,741,097</u>	<u>4,843,006</u>

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Cash in hand	713	199	713	199
Bank deposit account	1,120	-	1,120	-
Bank accounts	207,780	472,627	207,717	472,139
	<u>209,613</u>	<u>472,826</u>	<u>209,550</u>	<u>472,338</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2024	2023
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

17. RESERVES**Group**

	Retained earnings £
At 1 April 2023	3,044,082
Deficit for the year	<u>(1,788,025)</u>
At 31 March 2024	<u><u>1,256,057</u></u>

Company

	Retained earnings £
At 1 April 2023	3,024,787
Deficit for the year	<u>(1,799,313)</u>
At 31 March 2024	<u><u>1,225,474</u></u>

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current:				
Trade creditors	3,304,483	2,420,241	3,122,532	2,420,242
Amounts owed to group undertakings	7,154	503,880	1,860,549	2,135,565
Social security and other taxes	702,168	748,009	581,965	627,806
Other creditors	88,877	109,506	88,877	109,506
Accruals and deferred income	<u>1,186,597</u>	<u>1,113,412</u>	<u>1,186,597</u>	<u>1,113,412</u>
	<u><u>5,289,279</u></u>	<u><u>4,895,048</u></u>	<u><u>6,840,520</u></u>	<u><u>6,406,531</u></u>

19. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Current:				
Bank loans	300,840	300,840	300,840	300,840
Leases (see note 20)	<u>1,448,552</u>	<u>1,116,985</u>	<u>1,448,552</u>	<u>1,116,985</u>
	<u><u>1,749,392</u></u>	<u><u>1,417,825</u></u>	<u><u>1,749,392</u></u>	<u><u>1,417,825</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

19. FINANCIAL LIABILITIES - BORROWINGS - continued

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Non-current:				
Bank loans - 1-2 years	3,399,963	2,931,265	3,399,963	2,931,265
Other loans - 1-2 years	510,792	533,000	510,792	533,000
Leases (see note 20)	5,499,032	4,594,247	5,499,032	4,594,247
	<u>9,409,787</u>	<u>8,058,512</u>	<u>9,409,787</u>	<u>8,058,512</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	2,196,603	3,700,803
Other loans	-	-	510,792	-	510,792
Leases	1,448,552	1,369,232	2,940,553	1,189,247	6,947,584
	<u>1,749,392</u>	<u>1,670,072</u>	<u>4,353,865</u>	<u>3,385,850</u>	<u>11,159,179</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	2,196,603	3,700,803
Other loans	-	-	510,792	-	510,792
Leases	1,448,552	1,369,232	2,940,553	1,189,247	6,947,584
	<u>1,749,392</u>	<u>1,670,072</u>	<u>4,353,865</u>	<u>3,385,850</u>	<u>11,159,179</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

19. FINANCIAL LIABILITIES - BORROWINGS - continued

Bank loans and overdrafts

Bank loan of £3,242,401 is repaid in monthly instalments until March 2035 after which time the amount outstanding will be repayable in full. Interest on this loan is charged at 2.25% per annum above the Bank of England base rate.

During the year, the group entered into a new bank loan facility for £450,000 repayable in full by August 2035. Interest is charged at 2.25% per annum above the Bank of England base rate. Interest is paid in quarterly instalments at the end of each interest period. The loan balance outstanding at 31 March 2024 is £458,402.

After the year end date, the Group has undertaken a balance sheet restructure with the sale and leaseback of the site that this liability is secured against. As a result of that transaction, this liability has been settled for payment in 2024/25 and will be reflected in the accounts for Group during that financial year.

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 during the year. 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.

Post the year end the Group entered into an intercompany loan with Coventry Technical Resources Limited which will be settled as part of the sale and leaseback transaction and reflected in the accounts for 2024/25.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

20. LEASING

Group
Right-of-use assets

Property, plant and equipment

	2024 £	2023 £
COST		
At 1 April 2023	9,049,444	5,519,026
Additions	2,618,862	3,918,713
Disposals	(118,500)	(309,000)
Transfer to ownership	(2,159,503)	(79,295)
	<u>9,390,303</u>	<u>9,049,444</u>
 DEPRECIATION		
At 1 April 2023	2,560,743	1,807,767
Charge for year	1,450,351	877,242
Eliminated on disposal	(97,762)	(82,400)
Transfer to ownership	(1,665,285)	(41,866)
	<u>2,248,047</u>	<u>2,560,743</u>
 NET BOOK VALUE	<u><u>7,142,256</u></u>	<u><u>6,488,701</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

Company
Right-of-use assets

Property, plant and equipment

	2024 £	2023 £
COST		
At 1 April 2023	9,049,444	5,519,026
Additions	2,618,862	3,918,713
Disposals	(118,500)	(309,000)
Transfer to ownership	(2,159,503)	(79,295)
	<u>9,390,303</u>	<u>9,049,444</u>
 DEPRECIATION		
At 1 April 2023	2,560,743	1,807,767
Charge for year	1,450,351	877,242
Eliminated on disposal	(97,762)	(82,400)
Transfer to ownership	(1,665,285)	(41,866)
	<u>2,248,047</u>	<u>2,560,743</u>
 NET BOOK VALUE	<u><u>7,142,256</u></u>	<u><u>6,488,701</u></u>

Group
Other leases

	2024 £	2023 £
Short-term leases	<u><u>34,260</u></u>	<u><u>-</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

20. LEASING - continued

Group
Lease liabilities

Minimum lease payments fall due as follows:

	2024 £	2023 £
Gross obligations repayable:		
Within one year	1,814,004	1,396,209
Between one and five years	5,232,909	3,881,151
In more than five years	1,363,378	1,850,162
	8,410,291	7,127,522
Finance charges repayable:		
Within one year	365,452	279,224
Between one and five years	923,124	844,947
In more than five years	174,131	292,119
	1,462,707	1,416,290
Net obligations repayable:		
Within one year	1,448,552	1,116,985
Between one and five years	4,309,785	3,036,204
In more than five years	1,189,247	1,558,043
	6,947,584	5,711,232

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

20. 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 £353,500. The lease liability is recognised in the financial statements at the present value of future minimum lease payments.

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 4.10% per annum (2022: 3% per annum).

During the year, the Group entered into a short term lease agreements where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2024, total undiscounted lease payments due under such agreement is £4,794 (2023: £8,334).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

20. LEASING - continued

Company
Lease liabilities

Minimum lease payments fall due as follows:

	2024 £	2023 £
Gross obligations repayable:		
Within one year	1,814,004	1,396,209
Between one and five years	5,232,909	3,881,151
In more than five years	1,363,378	1,850,162
	8,410,291	7,127,522
Finance charges repayable:		
Within one year	365,452	279,224
Between one and five years	923,124	844,947
In more than five years	174,131	292,119
	1,462,707	1,416,290
Net obligations repayable:		
Within one year	1,448,552	1,116,985
Between one and five years	4,309,785	3,036,204
In more than five years	1,189,247	1,558,043
	6,947,584	5,711,232

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024**

20. 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 £353,500. The lease liability is recognised in the financial statements at the present value of future minimum lease payments.

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 4.10% per annum (2023: 3.75% per annum).

During the year, the company entered into a short term lease agreements where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2024, total undiscounted lease payments due under such agreements is £4,794 (2023: £8,334).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

21. 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 during the year, 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:

	2024	2023
	£	£
1 - 30 days	2,229,298	1,667,126
31 - 60 days	133,387	563,340
61 - 90 days	8,476	261,430
91 - 120 days	356,327	370,575
	<u>2,727,488</u>	<u>2,862,471</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 2024 that group had cash and cash equivalents of £209,613 (2023: £472,826).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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 2024, the expected inflows from trade debtors within 30 days was £2,229,298 (2023: £1,667,126) and the expected outflows from trade creditors within 30 days was £1,279,120 (2023: £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:

	2024 £	2023 £
1 - 30 days	1,279,120	1,283,173
31 - 60 days	833,436	777,579
61 - 90 days	233,079	123,855
91 - 120 days	958,848	235,634
	<u>3,304,483</u>	<u>2,420,241</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.

	Total £	1 year or less £	1-2 years £	2-5 years £	More than 5 years £
2024					
Lease liabilities	6,947,584	1,448,552	1,369,232	2,940,553	1,189,247
Bank loans and overdrafts	3,700,803	300,840	300,840	902,520	2,196,603
Other loans	510,792	-	-	510,792	-
	<u>11,159,179</u>	<u>1,749,392</u>	<u>1,670,072</u>	<u>4,353,865</u>	<u>3,385,850</u>
2023					
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>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

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 during the year.

At 31 March 2024 the Bank of England base rate was 5.25% compared to 4.25% at the previous reporting date. During the current financial year, the Bank of England's base rate was reduced to 5%. 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 5.5%	(13,648)	(13,348)
Bank of England base rate at 7.0%	(62,284)	(62,284)

22. DEFERRED TAX**Group**

	2024 £	2023 £
Balance at 1 April	1,248,711	1,034,481
(Credit)/Charge to profit or loss	(92,257)	214,230
Balance at 31 March	<u>1,156,454</u>	<u>1,248,711</u>

Company

	2024 £	2023 £
Balance at 1 April	1,248,711	1,034,481
(Credit) to profit or loss	(92,257)	214,230
Balance at 31 March	<u>1,156,454</u>	<u>1,248,711</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

22. DEFERRED TAX - continued

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 £4.7m at 31 March 2024 (2023: £3.3m). A deferred tax asset in respect of these losses of £1.2m (2023: £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.

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 £188,037 (2023: £175,373) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2024 contributions of £38,793 (2023: £25,709) 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 year ended 31 March 2024

24. 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:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Current assets:				
Amounts owed by group undertakings	-	-	1,532,126	1,599,482
Current liabilities:				
Amounts due to group undertakings	-	-	1,853,395	1,631,685

Coventry City Council:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Current assets:				
Trade debtors	181,087	245,612	181,087	245,612
Current liabilities:				
Amounts owed by group undertakings	7,154	503,880	7,154	503,880
Trade creditors	988,352	663,519	988,352	663,519
Accruals	920,000	800,000	920,000	800,000

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:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Non-current liabilities				
Other loans	510,792	533,000	510,792	533,000

Transactions with related parties

The following transactions occurred with related parties during the year:

Entities with common control:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Income				
Management fees	-	-	3,753,182	2,701,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2024

Coventry City Council:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Income				
Sales	3,753,182	2,701,678	-	-
Expenditure				
Management charge	-	72,323	-	72,323
Interest payable on other loans (see Note 7)	34,507	9,682	34,507	9,682

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

25. EVENTS AFTER THE REPORTING PERIOD

On 14th January 2025, the ultimate shareholder, Coventry City Council approved to undertake the sale and leaseback of the main operational site on Blackburn Road owned by Tom White Waste. Following approval, the legal documents have been executed and the transaction was completed on 27 January 2025. The impact of the transaction will be reflected in the accounts for 2024/25.

26. 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 entity 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.

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Coventry City Council

Briefing note

To: Scrutiny Co-ordination Committee

Date: 06 March 2025

Subject: Artificial Intelligence

1 Purpose of the Note

- 1.1 To provide Scrutiny Co-ordination Committee with an update with regards to Artificial Intelligence (AI) and the implications and possibilities for Coventry City Council.

2 Recommendations

- 2.1 Scrutiny Co-ordination Committee are recommended to:

- 1) Note the details in the presentation (Appendix 1) regarding the topics covered.
- 2) Make any relevant recommendations to the Cabinet Member.

3 Information/Background

- 3.1 Outline information is provided in the appended slides (Appendix 1) and the Board will receive a presentation from Officers at the meeting which will contain more detail and context on these topics.

4 Health Inequalities Impact

- 4.1 There are no Health Inequalities impacts directly related to this report.

Appendix 1: Artificial Intelligence

Paul Ward, Director of Digital Services, 024 7697 1381

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Artificial Intelligence

Scrutiny Co-ordination Committee

6th March 2025



Coventry City Council

coventry.gov.uk

Items we will cover...

- Our current position regarding Artificial Intelligence
- Our developing policy position regarding Artificial Intelligence
- Our approach to skills and Artificial Intelligence
- Next steps with Artificial Intelligence



Our current position regarding Artificial Intelligence (AI)



Everyday uses of AI

- AI powers virtual assistants like Siri and Alexa for voice commands.
- Recommendation systems on platforms like Netflix and Amazon use AI
- AI is used in navigation apps for real-time traffic updates.
- Chatbots provide customer support on websites and apps – these are being enhanced using AI.
- AI is used to improve car safety using features such as automatic breaking and driver-assist steering.
- AI is common on smartphones for secure log in via facial recognition.
- Social media platforms also use AI to determine what content you see based on the content you have previously interacted with.
- The image on this slide was created by AI

Our current position regarding Artificial Intelligence (AI)

Where AI could help within the organisation

- Areas that currently need a large amount of administrative effort
- Areas that require linking lots of bits of data together
- Areas that would benefit from being able to analyse and summarise large amounts of data
- Areas where data input / manipulation into a line of business system is time intensive
- Areas that could benefit from “chatbot” type functionality
- Generic, repeatable tasks where there is similar activity undertaken irrespective of service area



Our current position regarding Artificial Intelligence (AI)

What is the
opportunity for
the city council
by using AI

- Using data to understand our residents better
- Providing more information and data to better serve residents
- Allowing to redesign our services in ways that were not possible before – becoming much more resident focussed
- Creating the opportunity for earlier interventions
- Joining up delivery across, and outside, the organisation leading to process improvement
- Enhanced casework and case management
- Organisational efficiency and optimisation

Our current position regarding Artificial Intelligence (AI)

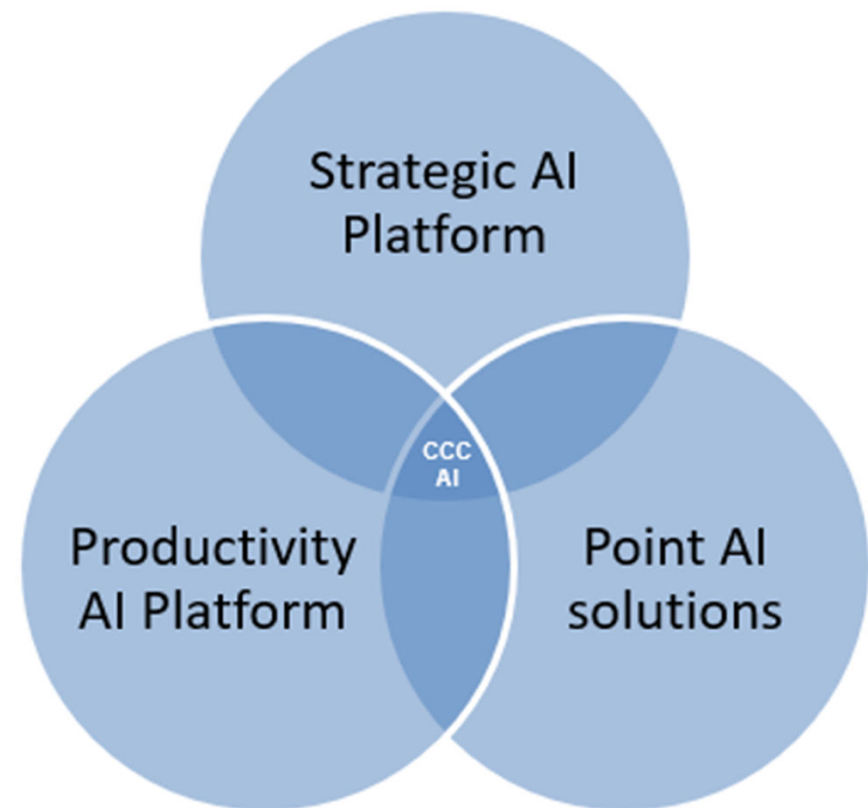
AI is not new, it has been around since the 1940's/50's

Since April 2023 there has been an explosion of AI toolsets largely due to how accessible and cheap large scale compute resource has become and large technology companies creating AI products push directly to consumers

We have been running several pilots to understand the potential the AI has for the organisation.

Whilst these pilots have shown a significant potential for the organisation, they have also highlighted several areas that need careful consideration including; data protection, data quality, ethics, cost and sustainability etc.

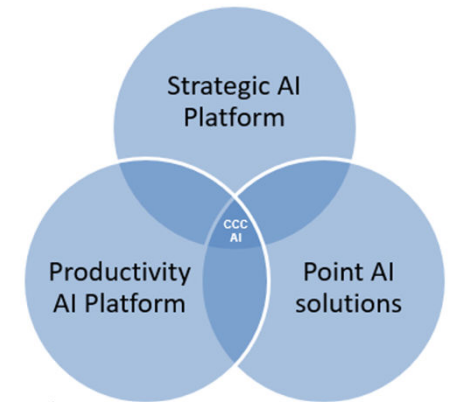
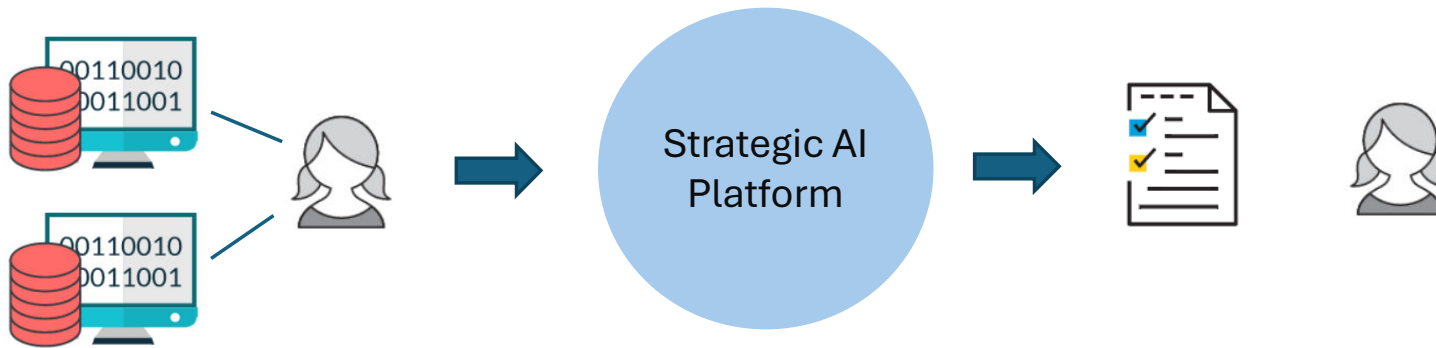
Our work to date has shown that there is no “one-size fits all” and that we need a controlled number of “right fit” solutions to deliver our overall approach to AI



Our current position regarding Artificial Intelligence (AI)

Strategic AI Platform:

This is where we are thinking less about our line of business systems and more about our core datasets, and business function/output.



Following a pilot within Childrens Services we are working with a company called Palantir for a further 12 months in the development of our strategic AI platform

Our current position regarding Artificial Intelligence (AI)

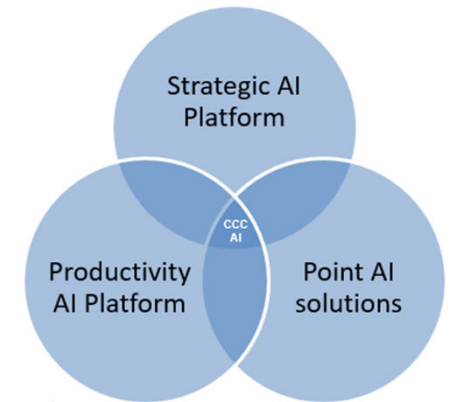
Productivity AI Platform:

This is a more general AI productivity / assistant platform. For us, given our use of Microsoft tools – this is Microsoft CoPilot and wider Microsoft services. For example using CoPilot for minute taking or helping create reports and presentations.

Point AI solutions:

We run over 300 line of business systems. The majority of suppliers for these are creating AI modules or functions directly integrated into their systems. These are considered on a case-by-case basis

Across all of these types of platform AI should be viewed as an **assistant to colleagues**, helping to analyse or summarise data, or create content based on sets of instructions, much like a personal assistant. AI **cannot, and will not** be used for automated decision making, it presents / creates data / information for a colleague to then, review and then make a decision / take action.



Our developing policy position regarding Artificial Intelligence

Some incredibly important considerations in the use of AI

- **Bias**

AI's "knowledge" is based on the data it has been trained on and what it has learnt from. If that data contains a bias, either intentionally or unintentionally, then it will influence the output that AI provides

- **Ethics**

Beyond bias, there are a wider set of ethical considerations that need to be made in the use of AI. The Turing Institute describes these as a "*set of values, principles, and techniques that employ widely accepted standards of right and wrong to guide moral conduct in the development and use of AI technologies.*"

- **Accuracy**

The technology is very impressive – but the accuracy of content that is created does need to be checked – in the same way you might when working with new colleagues in training

- **Security / Privacy**

AI relies on access to large amounts of data to learn from. We need to be very careful and clear about what data can be processed and how and where it is processed. Data protection and processing transparency are fundamental.

- **Cost, Scalability & Sustainability**

The computer power required, particularly by Generative AI systems, is significant and therefore there is a cost and environmental impact associated. We need to be mindful of the full costs (financial and environmental) of AI solutions, and how scalable this might, or might not make them

Please create a picture of a family which would best represent the diversity of Coventry



Copilot

Sure, I'll try to create that for you.

February 2024



February 2025



Our developing policy position regarding Artificial Intelligence

- **Ethics**
- We have well established **Data Protection Impact Assessment (DPIA)** processes and procedures which deal with systematically identifying and minimising risks related to personal data processing. It helps the Council comply with data protection obligations and accountability requirements. DPIAs are particularly important when a new data processing activity is introduced or when significant changes are made to existing processes, and therefore, will be used in conjunction with all AI projects
- We have well established **Equality Impact Assessments (EIA)** processes and procedures which deal with ensuring that we consider the effect of the Council's decision-making processes on different groups of people protected from discrimination and will be used in conjunction with all AI projects
- We need to develop a framework which assesses the ethical implications of AI projects
 - We are not alone – all organisation's investigating AI are considering their approach to ethics
 - We are reviewing the approach suggested by SOCITM (Society for Innovation, Technology and Modernisation)
 - We need to think about how we align this assessment with the DPIA/EIA approach already in place

Currently being
reviewed

Our developing policy position regarding Artificial Intelligence

Page 360



Human Agency, Liberty and Dignity

Technical Robustness and Safety

Privacy and Data Governance

Transparency

Diversity, Non-discrimination and Fairness

Accountability

Full definitions for reference on next slide

Currently being
reviewed

Our developing policy position regarding Artificial Intelligence

Human Agency, Liberty and Dignity: Because we value the ability for humans to be autonomous and self-governing (positive liberty), humans' freedom from external restrictions (negative liberties, such as freedom of movement or freedom of association), and because we hold that each individual has an inherent worth and we should not undermine respect for human life (human dignity), we need to ensure that AI and big data systems do not negatively affect human agency, liberty, and dignity.

Technical Robustness and Safety: Because we value humans, human life, and human resources, it is important that the system and its use is safe (often defined as an absence of risk) and secure (often defined as a protection against harm, i.e., something which achieves safety). Under this category we also include the quality of system decisions in terms of their accuracy, reliability, and precision.

Privacy and Data Governance: Because AI and big data systems often use information or data that is private or sensitive, it is important to make sure that the system does not violate or infringe upon the right to privacy, and that private and sensitive data is well-protected. While the definition of privacy and the right to privacy is controversial, it is closely linked to the importance of an individual's ability to have a private life, which is a human right. Under this requirement we also include issues relating to quality and integrity of data (i.e., whether the data is representative of reality), and access to data, as well as other data rights such as ownership.

Transparency: Because AI and big data systems can be involved in high-stakes decision-making, it is important to understand how the system achieves its decisions. Transparency, and concepts such as explainability, explicability, and traceability relate to the importance of having (or being able to gain) information about a system (transparency), and being able to understand or explain a system and why it behaves as it does (explainability).

Diversity, Non-discrimination and Fairness: Because bias can be found at all levels of the AI and big data systems (datasets, algorithms, or users' interpretation), it is vital that this is identified and removed. Systems should be deployed and used with an inclusionary, fair, and non-discriminatory agenda. Requiring the developers to include people from diverse backgrounds (e.g., different ethnicities, genders, disabilities, ideologies, and belief systems), stakeholder engagement, and diversity analysis reports and product testing, are ways to include diverse views in these systems.

Individual, Societal and Environmental Wellbeing: Because AI and big data systems can have huge effects for individuals, society, and the environment, systems should be trialed, tested, and anomaly-detected to ensure the reduction, elimination, and reversal of harm caused to individual, societal and environmental well-being.

Accountability: Because AI and big data systems act like agents in the world, it is important that someone is accountable for the systems' actions. Furthermore, an individual must be able to receive adequate compensation in the case of harm from a system (redress). We must be able to evaluate the system, especially in the situation of a bad outcome (audibility). There must also be processes in place for minimisation and reporting of negative impacts, with internal and external governance frameworks (e.g., whistleblowing), and human oversight.

Source: Ethical framework for Smart Information Systems - Socitm (<https://socitm.net/resource-hub/collections/digital-ethics/ethical-framework-for-smart-information-systems/>)

Our developing policy position regarding Artificial Intelligence

- **Sustainability**

- Choosing when is appropriate to use AI and when it is not, based on cost and sustainability
- Choosing the most appropriate AI model / “engine” to use for the relevant task (“right-sizing”)
- Understanding the sustainability commitments from the hosting providers



“Microsoft has made significant strides towards achieving net zero emissions, with a comprehensive plan that encompasses carbon negativity, water positivity, zero waste, and ecosystem protection. The company aims to become carbon negative by 2030 and to remove from the atmosphere an equivalent amount of all the carbon dioxide it has emitted since its founding by 2050”



“Climate scientists agree that the world needs to reduce carbon emissions, and we’re working to do our part. We aim to reach net-zero carbon emissions across our operations by 2040 by investing in carbon-free energy, scaling solutions, and collaborating with partners to broaden our impact.”



Our approach to skills and Artificial Intelligence

multiverse

- Data is the fuel for AI
- We have a large number of systems and a large amount of data
- Data has potential to be goldmine of insight
- Partnering with Multiverse in the delivery of Level 3, 4 and 6 Data Skill apprenticeships.
- 50 learners on two cohorts that launched in 2024
- Third cohort launching in March 2025
- Data hackathons to develop solutions, build community of practice and break down silo working

Next steps with Artificial Intelligence

Strategic AI Platform	Productivity AI Platform/Point AI solutions	AI enablers
Progressing pilot opportunities across the organisation with a view to creating options for longer term improvements and efficiencies. This is a whole organisation approach but with an initial focus on: - Childrens Services Administration (bringing in SEND and EHCPs) - Adults Services and Housing (with an initial focus on Housing Assessments) - Coventry Connects (Customer Services) – creating a single customer view/single property view (focussing on Residential Financial Support / centralised Financial Assessment)	Progressing pilot opportunities for productivity enhancements using CoPilot / Microsoft functionality including an initial review of where AI might be able to assist within our Translation service. Running a digital change and adoption survey which will hopefully highlight “quick win” areas to focus on increased support for adoption of existing technology to increase productivity and efficiency.	Progressing the third cohort of our Data Academy Apprenticeships with Multiverse. Developing our position regarding an ethical framework/assessment for AI projects. Continuing to monitor and develop the financial case for ongoing investment in Artificial Intelligence Developing a communication and engagement plan to “launch” our approach to AI as an organisation but also to be clear with the public as to how and when we will be using AI

Please see page 2 onwards for background to items

10th June 2024
LGA Peer Review Findings Draft Scrutiny Annual Report 2023-24
26th June 2024
Serious Violence Duty Proposed Consultation for the Community Safety Partnership Plan 2024-2027
21st August 24
City Centre PSPO Monitoring City-wide PSPO Consultation Additional Licensing of HMO's (Cabinet Report) Dog Control PSPO (Cabinet Report)
19th September 24
National Planning Policy Framework Consultation
25th September 24 (moved from 18th September)
One Coventry Plan Performance report (Cabinet Report) City-wide PSPO (Cabinet Report)
31st October 2024 (moved from 23rd October)
Climate Change Strategy (Cabinet Report) Temporary Accommodation (Cabinet Report)
14th November 2024
Coventry City Council Transformation Programme
20th November 2024
Shareholder Committee Reports Strategic Energy Partnership Performance Update
18th December 2024
Community Safety Plan 2024-27 WMCA Corporate Update and Scrutiny Annual Report Regulation 19 Local Plan
21st January 2024
Binley Cycleway – Section 7 (Clifford Bridge Road) – Call In
30th January 2025 (moved from 29th January)
Complaints Reports Coventry Cultural Strategy – progress report
6th March 2025 (moved from 5th March)
Artificial Intelligence Coventry Municipal Holdings Ltd – published accounts Peer Review Progress Update
10th April 2025 (moved from 9th April)
Health Inequalities and Marmot HDRC One Coventry Plan Performance Report (24/25 pt 2)
2024-25
Domestic Abuse Adaption and Resilience Plan Cost of Living and Poverty Planning Performance

SCRUCO Work Programme 2024-25

Fly-tipping Overview Communications Strategy External Partnerships Offender Management
2025-26
Transformation Programme update (November) PSPO reviews – 2027-28 Strategic Energy Partnership Projects Shareholder Reports Regulation 19 Local Plan – representations and findings Complaints Reports

2025-26

SCRUCO Work Programme 2024-25

Date	Title	Detail	Cabinet Member/ Lead Officer
10th June 2024	LGA Peer Review Findings	Following a visit by a peer review team in January 2024 Scruco will consider the recommendations and actions	Vanessa Millar / Michelle McGinty Cllr Duggins
	Draft Scrutiny Annual Report 2023-24	To consider the draft report before it is presented to Council	
26th June 2024	Serious Violence Duty	At their meeting in November 2023 the Committee requested a 6-month progress update, including the measurables identified by the Police and Crime Board to measure success. Check whether guidance has been sent to schools. Including the inspection report on tackling the risk of serious youth violence and criminal exploitation	Cllr AS Khan Allison Duggal Caroline Ryder Neil Macdonald WMP
	Proposed Consultation for the Community Safety Partnership Plan 2024-2027	To consider the consultation plan for the Community Safety Partnership Plan 2024-27	Joy Adams Cllr AS Khan
21st August 24	City Centre PSPO Monitoring	As requested, Scruco will consider progress on implementation of the new PSPO agreed at Cabinet 13 th June 2023	Liam Nagle Cllr AS Khan
	City-wide PSPO Consultation	Summary of findings from the Public Consultation and opportunity for members to be part of the consultation process which will form part of the final report to Cabinet.	Joy Adams Cllr AS Khan
	Additional Licensing of HMO's (Cabinet Report)		Adrian Chowns Cllr Welsh
	Dog Control PSPO (Cabinet Report)		Cllr A Khan
19th September 24	National Planning Policy Framework Consultation	To consider the response from the Council to the governments consultation on the National Planning Policy Framework	Rob Back Cllr N Akhtar

SCRUCO Work Programme 2024-25

Date	Title	Detail	Cabinet Member/ Lead Officer
25th September 24 (moved from 18th September)	One Coventry Plan Performance report (Cabinet Report)		Valerie De Souza Cllr Duggins
	City-wide PSPO (Cabinet Report)		Joy Adams Cllr AS Khan
31st October 2024 (moved from 23rd October)	Climate Change Strategy (Cabinet Report)		Rhian Palmer Cllr O'Boyle
	Temporary Accommodation (Cabinet Report)	Referred from SB4 as meeting schedules do not match with Cabinet.	Jim Crawshaw Cllr N Akhtar
14th November 2024	Coventry City Council Transformation Programme	To review the progress and implementation of the CCC Transformation Programme and funding associated with it.	Cllr Brown Michelle McGinty
20th November 2024	Shareholder Committee Reports	A chance for Scrucro to consider the reports ahead of the Shareholder Panel. The Board asks that future reports are shared after the audited accounts are published.	Cllr Duggins Andrew Walster
	Strategic Energy Partnership Performance Update	Shareholder Panel Report	Anna Livesey Cllr O'Boyle
18th December 2024	Community Safety Plan 2024-27	To consider the results of crime survey and to feed into the development of the community safety partnership plan.	Joy Adams Cllr AS Khan
	WMCA Corporate Update and Scrutiny Annual Report		James Hughes
	Regulation 19 Local Plan		Chris Styles, Rob Back Cllr N Akhtar

Date	Title	Detail	Cabinet Member/ Lead Officer
21st January 2024	Binley Cycleway – Section 7 (Clifford Bridge Road) – Call In	To consider a call-in on the Binley Cycleway – Section 7	Andrew Walster Cllr Hetherton
30th January 2025 (moved from 29th January)	Complaints Reports	To consider the progress on implementing recommendations and lessons learned identified as a result of formal complaint investigations to the Ombudsman, as well as Adults and Children's Social Care	Adrian LeCras Mandeep Chouhan Cllr Brown
	Coventry Cultural Strategy – progress report	Following their meeting on 20 th December 2023, the committee requested a further update on progress in delivering the Cultural Works model, including communication with Members.	David Nuttall/ Salla Virman Cllr N Akhtar
6th March 2025 (moved from 5th March)	Artificial Intelligence	To consider how AI is prioritised and utilised across the Council, including improving services and reducing budget pressures. To invite SB1 Members. To include impact on jobs and skills (referred from SB3)	Cllrs Brown/ Hetherton Paul Ward
	Coventry Municipal Holdings Ltd – published accounts	Following their meeting on 20 th November, Scrucro requested a further item to consider the published accounts. Same report to Audit Committee	Andrew Walster
	Peer Review Progress Update	12-month progress review report	Cllr Duggins Michelle McGinty
10th April 2025 (moved from 9th April)	Health Inequalities and Marmot	To look at what the Council is doing to address health inequalities and to monitor progress. Raised at OCP progress item on 25 th September OCP Indicators for Male/Female Life expectancy	Allison Duggal Cllr Caan
	HDRC	An update and progress on the project	Sue Frossell Cllr Caan
	One Coventry Plan Performance Report (24/25 pt 2)		Valerie De Souza Cllr Duggins

SCRUCO Work Programme 2024-25

Date	Title	Detail	Cabinet Member/ Lead Officer
2024-25	Domestic Abuse	A regular update item on the progress of delivery on the Domestic Violence and Abuse Strategy	Jayne Ross Cllr AS Khan Cllr P Akhtar
	Adaption and Resilience Plan	To consider what the Council is doing to protect the city from the impact of climate change, including partners involved in the delivery and represented on the Climate Change Board	Cllr O'Boyle Colin Knight Rhian Palmer Bret Willers
	Cost of Living and Poverty	To update on support offered to low -income families as well as the OCP indicator of % of children living in relatively low-income families.	Cllr Duggins
	Planning Performance	Development Management function - overall performance against Government targets. Annual monitoring report (AMR).	Cllr N Akhtar, Rob Back
	Fly-tipping Overview	To review the impact of increased fines on reducing fly-tipping	Cllrs AS Khan/ Hetherton Martin McHugh Sarah Elliott Davina Blackburn
	Communications Strategy	To consider the refreshed Communications Strategy with the new Director in post	
	External Partnerships		Cllr G Duggins
	Offender Management	Following an item on Local Policing Update at their meeting 21 st February 24 the committee agreed to consider a further item on Offender Management	Cllr A Khan Davian Blackburn
2025-26	Transformation Programme update (November)	An update on progress following the item in November 2024	Cllr Brown M McGinty

Date	Title	Detail	Cabinet Member/ Lead Officer
	PSPO reviews – 2027-28	To be considered by scrutiny as part of the 3-year review	Davina Blackburn
	Strategic Energy Partnership Projects	Further progress reports following update in November 2024	Rhian Palmer Cllr O'Boyle
	Shareholder Reports	To receive reports for the Shareholders Panel – as requested at the last meeting, reports should include cashflow details for the businesses	A Walster Cllr Duggins
	Regulation 19 Local Plan – representations and findings	As agreed at their meeting on 18 th December the committee requested the representations and any findings on the consultation on the Regulation 19 Stage of the review of the Local Plan, to time with any Cabinet and Council report.	Cllr N Akhtar R Back
	Complaints Reports	when the Committee consider this issue, appropriate officers from service areas attend the meeting,	Adrian LeCras Mandeep Chouhan Cllr Brown

Work Programme Decision Flow Chart

