

REGISTERED NUMBER: 13705254 (England and Wales)

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



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

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COVENTRY MUNICIPAL HOLDINGS LIMITED

COMPANY INFORMATION

for the period 26 October 2021 to 31 March 2022

DIRECTORS:

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 period 26 October 2021 to 31 March 2022

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

REVIEW OF BUSINESS

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

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

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

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

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

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

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

SECTION 172(1) STATEMENT

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

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

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

ON BEHALF OF THE BOARD:

Mr A J Walster - Director

Date:

21st Mar 23'

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

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

INCORPORATION

The group was incorporated on 26 October 2021.

PRINCIPAL ACTIVITY

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

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

The group includes the following companies:

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

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

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

DIVIDENDS

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

RESEARCH AND DEVELOPMENT

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

EVENTS SINCE THE END OF THE PERIOD

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

DIRECTORS

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

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

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

FINANCIAL INSTRUMENTS

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

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

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

LIQUIDITY RISK

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

CREDIT RISK

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

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION & ENERGY EFFICIENCY

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

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

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

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

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

GOING CONCERN

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

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

ENGAGEMENT WITH EMPLOYEES

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

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

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

Disabled employees

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

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

.....
Mr A J Walster - Director

Date:

21st Mar 2022

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

Opinion

We have audited the financial statements of Coventry Municipal Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Use of our report

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

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

Date: 21st March 2023.....

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

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

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2022

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

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

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2022

.....
Mrs P Mudhar - Director

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2022

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

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

.....
Mrs P Mudhar - Director

The notes form part of these financial statements

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

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

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

	Called up share capital £	Retained earnings £	Capital contribution reserve £	Fair value reserve £	Total equity £
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>

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

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	735,043
Interest paid		(33,978)
Lease interest paid		(302,021)
Tax paid		(20,034)
Net cash from operating activities		<u>379,010</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(576,766)
Sale of tangible fixed assets		18,041
Business combination		4,531,241
Net cash from investing activities		<u>3,972,516</u>
Cash flows from financing activities		
New loans in year		2,124,345
Loan repayments in year		(1,011,160)
Other Creditors		(82,606)
Bank loan repayments		(60,014)
Payment of lease liabilities		(423,784)
Capital contribution		150,000
Net cash from financing activities		<u>696,781</u>
Increase in cash and cash equivalents		<u>5,048,307</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<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 period 26 October 2021 to 31 March 2022

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

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

2. CASH AND CASH EQUIVALENTS

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

Period ended 31 March 2022

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

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

1. **STATUTORY INFORMATION**

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

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

2. **ACCOUNTING POLICIES**

Basis of preparation.

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

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

Basis of consolidation

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

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

Subsidiaries

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

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

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

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

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

Accruals

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

Deferred Tax Asset

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

Revenue recognition

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

Sale of goods

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

Rendering of services

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

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

Dividend and interest income

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

Cash and cash equivalents

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

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

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

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

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

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

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

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

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

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

Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

2. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets

Financial assets are subsequently classified into the following specified categories:

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

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

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

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

Equity investments

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

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

Financial liabilities

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

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

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

Fair values

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

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

2. ACCOUNTING POLICIES - continued

Effective interest method

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

Inventories

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

Taxation

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

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

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

Foreign currencies

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

Leases

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

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

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

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

Employee benefit costs

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

The cost of any unused holiday entitlement is recognised in the financial period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrable committed to terminate the employment of an employee or to provide termination benefits.

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

2. ACCOUNTING POLICIES - continued

Provisions

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

Government grants

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

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

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

3. REVENUE

Revenue from contracts with customers

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

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

Disaggregation of revenue

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

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

Timing of Revenue Recognition:

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

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

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

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

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

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

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

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

Contract balances

Receivables included in "Trade and other receivables"	£ 3,805,031
---	----------------

Contract liabilities

Current	
Deferred income	628,155

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

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

4. OTHER OPERATING INCOME

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

5. EMPLOYEES AND DIRECTORS

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

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

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

Directors' remuneration	£ 168,139
Directors' pension contributions to money purchase schemes	3,159
	<u>171,298</u>

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

6. NET FINANCE COSTS

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

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

7. LOSS BEFORE INCOME TAX

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

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

8. AUDITORS' REMUNERATION

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

9. INCOME TAX

Analysis of tax expense

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

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

9. INCOME TAX - continued

Factors affecting the tax expense

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

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

10. PROFIT OF PARENT COMPANY

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

11. PROPERTY, PLANT AND EQUIPMENT

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

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

11. PROPERTY, PLANT AND EQUIPMENT - continued

Group

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

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

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

12. INVESTMENTS

Company

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

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

12. INVESTMENTS - continued

Company

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

Subsidiaries

Tom White Waste Limited

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

Nature of business: Waste management and recycling

	%	
Class of shares:	holding	
Ordinary	100.00	
		2022
		£
Aggregate capital and reserves		3,264,343
Loss for the period		<u>(641,040)</u>

Coombe Abbey Park Limited

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

Nature of business: Hotels and hospitality services

	%	
Class of shares:	holding	
Ordinary shares	100.00	
Deferred shares	100.00	
		2022
		£
Aggregate capital and reserves		1,729,280
Loss for the period		<u>(237,660)</u>

Coventry Regeneration Limited

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

Nature of business: Property development

	%	
Class of shares:	holding	
Ordinary	100.00	
		2022
		£
Aggregate capital and reserves		48
Profit for the period		<u>1</u>

Coventry Technical Resources Limited

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

Nature of business: Resource solutions services

	%	
Class of shares:	holding	
Ordinary	100.00	
		2022
		£
Aggregate capital and reserves		2,763,070
Loss for the period		<u>(2,103)</u>

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

12. INVESTMENTS - continued

Company

No Ordinary Hotels Limited

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

Nature of business: Hotels and similar accommodation

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

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

13. INVENTORIES

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

14. TRADE AND OTHER RECEIVABLES

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

15. CASH AND CASH EQUIVALENTS

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

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

16. CALLED UP SHARE CAPITAL

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

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

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

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

17. RESERVES

Group

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

Company

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

Capital Contribution

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

Merger Reserve

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

Fair Value Reserve

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

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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Business Combination

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

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

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

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

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

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

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

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

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

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

18. TRADE AND OTHER PAYABLES

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

19. FINANCIAL LIABILITIES - BORROWINGS

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

Terms and debt repayment schedule

Group

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

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

19. FINANCIAL LIABILITIES - BORROWINGS - continued

Other Loans

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

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

Bank Loans

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

The bank loans and overdraft are secured by the following:

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

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

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

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

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

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

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

20. LEASING

Group

Right-of-use assets

Property, plant and equipment

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

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

20. LEASING - continued

Group
Lease liabilities

Minimum lease payments fall due as follows:

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

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

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

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

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

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

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

21. FINANCIAL INSTRUMENTS

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

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

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

CREDIT RISK

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

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

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

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

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

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

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

LIQUIDITY RISK

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

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

Trade and other payables

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

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

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

Exposure to liquidity risk

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

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

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

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

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

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

MARKET RISK

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

Exposure to Interest rate risk

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

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

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

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

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

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

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

22. **DEFERRED TAX**

Group

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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23. PENSION COMMITMENTS

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

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

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

24. RELATED PARTY DISCLOSURES

Receivable from and payable to related parties

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

Coventry City Council:

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

Other entities with common control

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

Loans payable to related parties

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

Coventry City Council:

	Group £	Company £
Current liabilities:		
Other loans (see note 19)	479,171	
Lease liabilities (see note 19)	55,677	
Non-current liabilities:		
Other loans (see note 19)	7,819,941	
Lease liabilities (see note 19)	13,279,309	

Right-of-use assets leased from related parties

The following right-of-use assets at the reporting date are relation to lease arrangements with related parties:

Coventry City Council:

	Group £	Company £
Non-current assets		
Leasehold land and property (see note 20)	13,906,645	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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Transactions with related parties

The following transactions occurred with related parties during the period:

Coventry City Council:

	Group £	Company £
Income		
Sales	1,611,107	59,343
Expenditure		
Salary costs recharged	14,416	14,416
Management fees payable	9,773	9,773
Lease liability interest (see note 6)	288,299	
Interest payable to group undertakings (see note 6)	170,576	
Depreciation - right-of-use assets (see note 20)	67,482	
Purchases	318,132	

Other entities with common control

	Group £	Company £
Income		
Sales		68,406
Expenditure		
Salary costs recharged		37,307

Remuneration of key management personnel

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

	Group £	Company £
Aggregate compensation - short term employee benefits	168,139	63,772

Capital contribution

On 5th November 2021, Coventry Municipal Holdings Ltd received a capital contribution of £150,000 from Coventry City Council. The purpose of the capital contribution is to fund working capital requirements of Coventry Municipal Holdings Ltd. The capital contribution is recognised the capital contribution reserve within equity as shown in note 17.

Terms and conditions

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

25. **EVENTS AFTER THE REPORTING PERIOD**

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

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

26. ULTIMATE CONTROLLING PARTY

The ultimate parent company and ultimate controlling party is Coventry City Council. The consolidated financial statements of the Coventry City Council are available from the registered office address as follows:

Coventry City Council
Council House
Coventry
CV1 5RR