

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

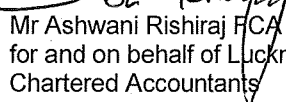
In performing an audit in accordance with UK-adopted international accounting standards and the Companies Act, we exercise professional judgement and maintain professional scepticism throughout the audit process.

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](http://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: 23<sup>rd</sup> 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

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

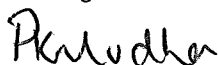
The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
31 March 2023

	Notes	2023 £	2022 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
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>
<b>CURRENT ASSETS</b>			
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>
<b>TOTAL ASSETS</b>		<u>47,604,602</u>	<u>45,578,832</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
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)
<b>TOTAL EQUITY</b>		<u>6,333,337</u>	<u>8,097,714</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
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>
<b>CURRENT LIABILITIES</b>			
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>
<b>TOTAL LIABILITIES</b>		<u>41,271,265</u>	<u>37,481,118</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<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 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
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>
<b>CURRENT ASSETS</b>			
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>
<b>TOTAL ASSETS</b>		<u>14,376,291</u>	<u>18,893,037</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
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
<b>TOTAL EQUITY</b>		<u>14,333,903</u>	<u>18,834,926</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	42,388	58,111
<b>TOTAL LIABILITIES</b>		<u>42,388</u>	<u>58,111</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<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 £
<b>Changes in equity</b>			
Issue of share capital	20,198,503	-	-
Total comprehensive income	-	(783,084)	-
<b>Balance at 31 March 2022</b>	<u>20,198,503</u>	<u>(783,084)</u>	<u>-</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(2,154,597)	390,220
<b>Balance at 31 March 2023</b>	<u>20,198,503</u>	<u>(2,937,681)</u>	<u>390,220</u>
	Merger reserve £	Capital contribution reserve £	Total equity £
<b>Changes in equity</b>			
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
<b>Balance at 31 March 2022</b>	<u>(11,467,705)</u>	<u>150,000</u>	<u>8,097,714</u>
<b>Changes in equity</b>			
Total comprehensive income	-	-	(1,764,377)
<b>Balance at 31 March 2023</b>	<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 £
<b>Changes in equity</b>					
Issue of share capital	20,198,503	-	-	-	20,198,503
Total comprehensive income	-	4,923	-	(1,518,500)	(1,513,577)
Capital contribution	-	-	150,000	-	150,000
<b>Balance at 31 March 2022</b>	<u>20,198,503</u>	<u>4,923</u>	<u>150,000</u>	<u>(1,518,500)</u>	<u>18,834,926</u>
<b>Changes in equity</b>					
Total comprehensive income	-	(36,023)	-	(4,465,000)	(4,501,023)
<b>Balance at 31 March 2023</b>	<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

	Notes	Year Ended 31.3.23 £	Period 26.10.21 to 31.3.22 £
<b>Cash flows from operating activities</b>			
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>
<b>Cash flows from investing activities</b>			
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>
<b>Cash flows from financing activities</b>			
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>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(447,537)</u>	<u>5,048,307</u>
<b>Cash and cash equivalents at beginning of year</b>	2	5,048,307	-
<b>Cash and cash equivalents at end of year</b>	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>
<b>Cash generated from operations</b>	<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>
<b>Contract liabilities</b>		
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	30,113	3,159
	<u>571,084</u>	<u>171,298</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></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).

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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 £
<b>COST OR VALUATION</b>				
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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
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 £
<b>COST OR VALUATION</b>				
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
<b>DEPRECIATION</b>				
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
<b>NET BOOK VALUE</b>				
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 £
<b>COST OR VALUATION</b>	
At 1 April 2022	18,680,002
Revaluations	(4,465,000)
At 31 March 2023	<u>14,215,002</u>
<b>NET BOOK VALUE</b>	
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

Class of shares:	%		
Ordinary	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		3,024,887	3,264,343
Loss for the year/period		(252,593)	(641,040)

**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:	%		
Ordinary shares	holding		
	100.00		
	100.00		
		31.3.23	2022
		£	£
Aggregate capital and reserves		493,456	1,729,280
Loss for the period/year		(1,553,751)	(237,660)

**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:	%		
Ordinary	holding		
	100.00		
		2023	2022
		£	£
Aggregate capital and reserves		141	48
Profit for the year/period		93	1

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

**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

Class of shares:	%		
Ordinary	holding	2023	2022
	100.00	£	£
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	2022
	£	£	£	£
Current:				
Trade debtors	4,038,489	3,805,031	2,054	-
Amounts owed by group undertakings	-	71,213	-	117,272
Other debtors	169,775	274,526	-	-
Prepayments and accrued income	513,921	597,094	5,883	7,000
	<u>4,722,185</u>	<u>4,747,864</u>	<u>7,937</u>	<u>124,272</u>

**17. CASH AND CASH EQUIVALENTS**

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cash in hand	5,136	5,833	-	-
Bank accounts	4,595,634	5,042,474	153,352	88,763
	<u>4,600,770</u>	<u>5,048,307</u>	<u>153,352</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:		Nominal value: £1	2023	2022
Number:	Class:		£	£
20,198,503	Ordinary		<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 £
<b>COST OR VALUATION</b>		
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>
<b>DEPRECIATION</b>		
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>
<b>NET BOOK VALUE</b>	<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	38,782	-
	<u>          </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  
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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>

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

The following transactions occurred with related parties during the period:

**Coventry City Council:**

	Group		Company	
	2023	2022	2023	2022
<b>Income</b>	£	£	£	£
Sales	877,519	1,611,107	151,002	59,343
<b>Expenditure</b>				
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
<b>Income</b>	£	£	£	£
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