

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

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for the year ended 31 March 2024**

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COVENTRY MUNICIPAL HOLDINGS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2024

DIRECTORS:

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

SECRETARY:

Mr G S Sangha

REGISTERED OFFICE:

Council House
Earl Street
Coventry
West Midlands
CV1 5RR

REGISTERED NUMBER:

13705254 (England and Wales)

AUDITORS:

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

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

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

REVIEW OF BUSINESS

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

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

The entity accounts for Coventry Municipal Holdings Ltd have been prepared under UK-adopted International Financial Reporting Standards (IFRS). The results for the year ended 31st March 2024 show a loss after tax of (£34,294). At 31st March 2024, the company has total equity of £9,554,607 (2023: £14,333,903) and total cash and equivalent balances of £80,289 (2023: £153,352). The reduction in the equity is due to the movements in the fair value of investments in subsidiaries during the financial year, mainly due to the valuation for Tom White Waste and Coombe Abbey Park Limited.

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

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

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

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

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

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

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

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

The group financial statements have been prepared under UK-adopted International Financial Reporting Standards (IFRS). The group results for the year ended 31st March 2024 report a total comprehensive loss after tax of (£3,198,231). The group has total equity of £3,135,106 and total cash and equivalent balances of £4,125,524.

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of group strategy are subject to several risks.

The key business risks and uncertainties affecting the group are considered to relate to the competition from the hotels in the immediate locality of Coombe Abbey Hotel.

Financial Risk Management

The group is exposed to financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The company has a strong cash position to meet its current and future financial liabilities. The Board of Directors receive a monthly cashflow forecast to support the financial position of the company.

The hotel industry supply and demand cycle

The hotel industry operates in an inherently cyclical marketplace. A weakening of demand or an increase in market room supply may lead to downward pressure on room rates which in turn would lead to a negative effect on operating performance. The management team have a close eye on trends and expected changes in the room rate and occupancy across the sector and use this information to inform the pricing and forecasts for the hotel. The new sector specific Non-Executive Director (NED) role on the Board provides a further mitigation for this risk, through challenge and experience they can bring to support key business decisions.

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

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

Litigation

The group may be at risk from various parties with which it interacts, either through direct contractual arrangements, the provision of services or failure to comply with regulatory requirements such as health and safety regulations. The group has processes in place to manage the risks associated with its various contractual relationships and appropriate compliance programmes necessary to provide assurance in respect of regulatory obligations. The Coombe Abbey Park Limited business has actively managed this risk through the Head of Compliance, and through the SHEQ Compliance officer and Senior Management Team at Tom White Waste Limited, highlighting the importance the businesses places on health and safety and compliance.

SECTION 172(1) STATEMENT

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

All companies in the group consider the interests of their employees and the need to foster business relationships with suppliers, customers, and other key stakeholders. Tom White Waste Ltd rebranded the group previously and continues to build on this in the current year focusing on three strands, people first, protect our plant and profit for purpose. NOHM is has been developed to be a strong hospitality brand which focuses on more than just operating Coombe Abbey Hotel but other hospitality contracts and ventures which would sit under this entity. In the year under review the group serviced contracts for iXL and Stoneleigh Abbey.

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

FUTURE DEVELOPMENTS

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

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

ON BEHALF OF THE BOARD:

.....
Mr A J Walster - Director

Date:

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

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

PRINCIPAL ACTIVITY

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

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

The group includes the following companies:

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

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

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

DIVIDENDS

No dividends will be paid out for the year ended 31 March 2024.

RESEARCH AND DEVELOPMENT

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

EVENTS SINCE THE END OF THE YEAR

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

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

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

DIRECTORS

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

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

Other changes in directors holding office are as follows:

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

FINANCIAL INSTRUMENTS

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

Operations in TWW and CAPL group are financed by a mixture of retained profits, finance leases and long-term loans. Working capital requirements are funded principally out of retained profits, however CAPL has a line of credit of £1.5m that can be accessed at commercial rates. The Council provided CMH with a one-off working capital grant to support the operation of the company when it was incorporated.

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

Liquidity risk

A 13-week cashflow is shared with the Board of Directors for Tom White and CAPL to highlight the financial impact of the forecast operational performance and to inform any management action that maybe required. The group has a risk register in place to limit the adverse effect of the financial performance of the group by monitoring levels of debt and related finance costs.

Credit risk

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

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

POLITICAL DONATIONS AND EXPENDITURE

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

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

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION & ENERGY EFFICIENCY

The group is taking steps to reduce energy consumption, waste and increase recycling. The core values for Tom White Waste Limited support this with Protect Our Planet being at the heart of how the business operates. Tom White has handled 110,000 tonnes of material in 2023/24 diverting 75% from landfill in the UK (73% diversion prior FY).

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

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

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

GOING CONCERN

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

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

The companies each prepare a detailed budget for the next 12 months and in some cases a 3-year financial forecast, as part of their Business Plan. This key document is referred to throughout the year to consider if the companies are on track to meet their forecast performance. The Business Plan for the CMH group is approved by the Shareholder Committee each year ahead of the new financial year and then a financial performance report is presented following the year end to support the year end position and any variation from the Business Plan explained along with any proposed actions. This alongside the cashflow which is monitored on a daily or weekly basis is used to determine if there are sufficient funds available to demonstrate that the business is of going concern. The budget and business plans for the group for 2023/24 and 2024/25 were presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet).

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

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

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

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

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

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

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

ENGAGEMENT WITH EMPLOYEES

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

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

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

Disabled employees

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

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

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Mr A J Walster - Director

Date:

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

Opinion

We have audited the financial statements of Coventry Municipal Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

- Management override of control
- Revenue recognition

We design audit procedures by tailored and directed testing to aid and support the determined level of risk. In response to the assessed risk we plan audit tests and procedures that target specific areas where misstatement may occur. These procedures and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

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

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

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

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

Use of our report

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

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

Date:

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

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

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

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

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

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

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2024

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

.....
Mrs P Mudhar - Director

The notes form part of these financial statements

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

COMPANY STATEMENT OF FINANCIAL POSITION

31 March 2024

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

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

.....
Mrs P Mudhar - Director

The notes form part of these financial statements

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

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

The notes form part of these financial statements

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

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

The notes form part of these financial statements

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

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

The notes form part of these financial statements

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

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

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2024

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	<u>4,125,524</u>	<u>4,600,770</u>

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>

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

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

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

The principal accounting policies adopted are set out below.

Going concern

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

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

The companies each prepare a detailed budget for the next 12 months and in some cases a 3-year financial forecast, as part of their Business Plan. This key document is referred to throughout the year to consider if the companies are on track to meet their forecast performance. The Business Plan for the CMH group is approved by the Shareholder Committee each year ahead of the new financial year and then a financial performance report is presented following the year end to support the year end position and any variation from the Business Plan explained along with any proposed actions. This alongside the cashflow which is monitored on a daily or weekly basis is used to determine if there are sufficient funds available to demonstrate that the business is of going concern. The budget and business plans for the group for 2023/24 and 2024/25 was presented and approved by the Coventry Shareholder Committee (a subcommittee of the Coventry City Council's Cabinet).

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

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

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

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

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

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

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

Basis of consolidation

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

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

Subsidiaries

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

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

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

2. ACCOUNTING POLICIES - continued

Revenue recognition

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

Sale of goods

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

Rendering of services

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

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

Other operating income

Other operating income relates to joint ventures operations. Where the company has a long term interest and shares control under a contractual arrangement over an economic activity which uses the company's assets and resources but is not set up in a separate entity, the company recognises its assets, liabilities and expenses and a share of income earned from the jointly controlled operation.

Dividend and interest income

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

Cash and cash equivalents

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

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

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

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

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

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

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

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

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

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

Right-of-use assets

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

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

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

Impairment of tangible and intangible assets other than goodwill

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

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

2. **ACCOUNTING POLICIES - continued**

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

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

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

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

2. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets

Financial assets are subsequently classified into the following specified categories:

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

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

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

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

Equity investments

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

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

Financial liabilities

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

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

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

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

2. ACCOUNTING POLICIES - continued

Fair values

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

Effective interest method

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

Inventories

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

Taxation

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

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

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

Foreign currencies

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

Leases

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

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

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

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

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

2. ACCOUNTING POLICIES - continued

Employee benefit costs

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

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

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

Provisions

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

Government grants

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

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following judgements have been made in the process of applying the accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Accruals

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

Deferred Tax Asset

The group has tax losses available for offset against future trading profits of approximately £13.7m at 31st March 2024 (2023: £12m). A deferred tax asset in respect of these losses of £3.4m (2023: £2.7m) has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years.

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

4. REVENUE

Revenue from contracts with customers

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

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

Disaggregation of revenue

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

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

Timing of Revenue Recognition:

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

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

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

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

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

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

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

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

Contract balances

	2024	2023
	£	£
Receivables included in "Trade and other receivables"	<u>3,605,557</u>	<u>4,038,489</u>
Contract liabilities		
Current		
Deferred income	<u>885,019</u>	<u>950,134</u>

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

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

5. OTHER OPERATING INCOME

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

6. EMPLOYEES AND DIRECTORS

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

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

6. **EMPLOYEES AND DIRECTORS - continued**

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

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

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

Information regarding the highest paid director is as follows:

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

7. **EXCEPTIONAL ITEMS**

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

8. **NET FINANCE COSTS**

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

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

9. **LOSS BEFORE INCOME TAX**

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

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

10. **AUDITORS' REMUNERATION**

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

11. **INCOME TAX**

Analysis of tax (income)/expense

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

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

11. INCOME TAX - continued

Factors affecting the tax expense

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

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

12. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(34,294) (2023 - £(36,023)).

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

13. PROPERTY, PLANT AND EQUIPMENT

Group

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

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

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

13. PROPERTY, PLANT AND EQUIPMENT - continued

Group

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

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

Cost or valuation at 31 March 2024 is represented by:

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

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

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

14. INVESTMENTS

Company

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

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

14. INVESTMENTS - continued

Company

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

Subsidiaries

Tom White Waste Limited

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

Nature of business: Waste management and recycling

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

Coombe Abbey Park Limited

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

Nature of business: Hotels and hospitality services

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

Coventry Regeneration Limited

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

Nature of business: Property development

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

COVENTRY MUNICIPAL HOLDINGS LIMITED (REGISTERED NUMBER: 13705254)

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

14. INVESTMENTS - continued

Company

Coventry Technical Resources Limited

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

Nature of business: Resource solutions services

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

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:	holding		
Ordinary	100.00		
		2024	2023
		£	£
Aggregate capital and reserves		2	2
		<u> </u>	<u> </u>

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

15. INVENTORIES

	Group	
	2024	2023
	£	£
Finished goods and goods for resale	98,356	75,977
	<u> </u>	<u> </u>
	<u>98,356</u>	<u>75,977</u>

16. TRADE AND OTHER RECEIVABLES

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

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

17. CASH AND CASH EQUIVALENTS

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

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2024	2023
Number:	Class:	Nominal value:	£	£
20,198,503	Ordinary	£1	<u>20,198,503</u>	<u>20,198,503</u>

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

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

19. RESERVES

Group

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

Company

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

Capital Contribution

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

Merger Reserve

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

Fair Value Reserve

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

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

20. TRADE AND OTHER PAYABLES

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

21. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	2024 £	2023 £
Current:		
Bank loans	300,840	300,840
Other loans	592,010	592,010
Leases (see note 22)	1,577,881	1,256,847
	<u>2,470,731</u>	<u>2,149,697</u>
Non-current:		
Bank loans - 1-2 years	3,399,963	2,931,265
Other loans - 1-2 years	7,735,713	8,349,931
Leases (see note 22)	18,810,253	18,009,799
	<u>29,945,929</u>	<u>29,290,995</u>

Terms and debt repayment schedule

Group

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	300,840	300,840	902,520	2,196,603	3,700,803
Other loans	592,010	557,517	1,791,820	5,386,376	8,327,723
Leases	1,577,881	1,455,135	3,121,719	14,233,399	20,388,134
	<u>2,470,731</u>	<u>2,313,492</u>	<u>5,816,059</u>	<u>21,816,378</u>	<u>32,416,660</u>

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

21. FINANCIAL LIABILITIES - BORROWINGS - continued

Bank loans and overdrafts

The Bank loan is repaid in monthly instalments until March 2035 after which time the amount outstanding will be repayable in full. Interest on the loan is charged at 2.25% per annum above the Bank of England base rate. This bank loan relates to Tom White Waste Limited and has been settled as part of the balance sheet restructure in 2024/25.

Other Loans

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

Secured debts:

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

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

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

22. LEASING

**Group
Right-of-use assets**

Property, plant and equipment

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

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

22. LEASING - continued

Group

**Group
Other leases**

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

**Group
Lease liabilities**

Minimum lease payments fall due as follows:

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

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

22. LEASING - continued

Group

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

Leasehold Land and Buildings include a non-cancellable lease of the Coombe Abbey Hotel from Coventry City Council with a term of 125 years commencing November 2006. The lease payments are payable monthly in advance. The lease includes restrictions on the use of the asset.

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

In July 2022, the group entered into a ten-year lease agreement with a third party for open storage and ancillary site offices for annual minimum lease payments of £353,500. The lease liability is recognised in the financial statements at the present value of future minimum lease payments at 31 March 2024.

In February 2023, the group entered into a five-year sub-lease agreement with a third party to let part of the open storage site. The Group has classified the lease by reference to the right-of-use asset arising from the head lease and the sub-lease as lease income. During the term of the sub lease, the Group retains the lease liability and the right-of-use asset relating to the head lease in its statement of financial position, recognising depreciation charge for the right-of-use asset and interest on the lease liability and lease income from the sub lease. The leases include restrictions on the use of asset.

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

Plant and machinery and Motor Vehicles include non-cancellable leases with terms ranging usually between one to five years. In some cases, the Group has entered into lease agreements ending in more than five years.

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

In the financial year, the group entered into a short term lease agreement where the right-of-use asset and corresponding lease liabilities has not been recognised in the statement of financial position. At 31st March 2024, total undiscounted lease payments due under this agreement is £4,794 (2023: £8,334).

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

23. FINANCIAL INSTRUMENTS

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

Operations in Tom White Waste group (TWW) and Coombe Abbey Park group (CAPL) are financed by a mixture of retained profits, finance leases and term loans. Working capital requirements are funded principally out of retained profits, however CAPL has a line of credit of £1.5m that can be accessed at commercial rates. Coventry City Council provided Coventry Municipal Holdings Ltd with a one-off working capital grant to support the operation of the company during the period.

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

Credit risk

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

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

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

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

The following table shows a maturity analysis of the group's trade debtors at 31st March 2024.

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

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

Liquidity risk

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

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

Trade and other payables

The group monitors the level of expected cash inflows on trade and other receivables together with expected outflows on trade and other payables. At 31st March 2024, the expected inflows from trade debtors within 30 days was £2,722,310 and the expected outflows from trade creditors within 30 days was £1,655,807. The group holds cash reserves of £4,125,524 at the year end which is sufficient to enable the group to meet its expected cash outflows.

The following table shows a maturity analysis of the group's trade creditors at 31st March 2024.

	£ Total	£ 1-30 days	£ 31-60 days	£ 61-90 days	£ 90+ days
Trade creditors	3,748,046	1,655,807	875,060	233,571	983,608
	<u>3,748,046</u>	<u>1,655,807</u>	<u>875,060</u>	<u>233,571</u>	<u>983,608</u>

Exposure to liquidity risk

The following table shows the contractual maturities of cash outflows of financial liabilities at the reporting date. The amounts are net and do not include contractual interest payments and exclude the impact of netting agreements.

	Total £	Less than 1 year £	1-2 years £	2-5 years £	More than 5 years £
Lease liabilities	20,388,134	1,577,881	1,455,135	3,121,719	14,233,399
Secured bank loans	3,700,803	300,840	300,840	902,520	2,196,603
Other loans	8,327,723	592,010	557,517	1,791,820	5,386,376
	<u>32,416,660</u>	<u>2,470,731</u>	<u>2,313,492</u>	<u>5,816,059</u>	<u>21,816,378</u>

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

The group held cash and cash equivalents of £4,125,524 at 31st March 2024.

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

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

Market risk

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

Exposure to Interest rate risk

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

Other loans

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

Interest on Other Loans is charged at 4.5% per annum above the Bank of England base rate of interest. Other Loans represent amounts payable to Coventry City Council.

Bank loans

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

At 31 March 2024 the Bank of England base rate was 5.25% compared to 4.25% at the previous reporting date. During the current financial year, the Bank of England's base rate was reduced to 4.5%. This is closely monitored by management and directors to ensure the group continues to meet its financial obligations for the foreseeable future. The directors will consider the impact of proposed changes in interest rate at each board meeting to assess the impact this will have on the available cash reserves to meet debt servicing costs alongside the impact on the forecast profits and consider the options available to best manage this.

Sensitivity Analysis: Secured Bank Loans

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

	Profit or Loss £	Equity £
Bank of England base rate at 5.5%	(13,648)	(13,348)
Bank of England base rate at 7.0%	(62,284)	(62,284)

24. **DEFERRED TAX**

Group

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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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 increased to 25% with effect from 1 April 2023 per Finance Bill 2021. This increased tax rate was substantively enacted on 24 May 2021. As a result, deferred tax has been calculated at a rate of 25%.

The group has tax losses available for offset against future trading profits of approximately £13.7m at 31st March 2024. A deferred tax asset in respect of these losses of £3.4m has not been recognised as the expected utilisation of these trade losses and the recovery of the deferred tax asset is uncertain. The losses remain available for offset against future taxable profits and the directors will consider the recognition in future trading years

25. **PENSION COMMITMENTS**

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

The total expense recognised in the statement of profit or loss and other comprehensive income of £293,061 (2023: £259,064) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at 31st March 2024 contributions of £57,819 (2023: £45,205) due in respect of the reporting period had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

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

26. RELATED PARTY DISCLOSURES

Receivable from and payable to related parties

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

Coventry City Council:

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

Other entities with common control

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

Financial liabilities payable to related parties

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

Coventry City Council:

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

Right-of-use assets leased from related parties

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

Coventry City Council:

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

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

The following transactions occurred with related parties during the period:

Coventry City Council:

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

Other entities with common control

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

Remuneration of key management personnel

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

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

Terms and conditions

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

27. **EVENTS AFTER THE REPORTING PERIOD**

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

28. **ULTIMATE CONTROLLING PARTY**

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

Coventry City Council
Council House
Coventry
CV1 5RR