

# Audit and Governance Committee 28<sup>th</sup> July 2025

## 2024/25 Draft Financial Statements Wholly Owned Companies

### Publishing deadlines

#### The Accounts and Audit (Amendment) Regulations 2024

- The Accounts and Audit (Amendment) Regulations 2024 statutory audit deadlines for 2024/25 state the publication date for draft accounts 30<sup>th</sup> June 2025 for all local authority bodies.
- As part of the Cheshire East Council Group, the Wholly Owned Companies (WOC's) are required to comply with this same deadline but are only required to publish Draft Summary Financial Statements on their respective websites.
- The WOC's are required to publish their audited Financial Statements at Companies House on or before 31st December (for Accounting periods ending 31 March).

### Important Dates

|  |   |
|--|---|
| <b>July 31<sup>st</sup> (TBC)</b>            | Summary Financial Statements on company websites                              |
| <b>July 29<sup>th</sup></b>                  | Committee receive report on draft Financial Statements – WOC's                |
| <b>July - Aug</b>                            | Grant Thornton on site for main audit (July)                                  |
| <b>October</b>                               | WOC Boards receive audit findings and Audited FS for Approval.                |
| <b>Date TBC</b>                              | Committee receive Audit Findings and Audited Financial Statements for noting. |
| <b>On or before December 31<sup>st</sup></b> | Audited Financial Statements deadline to be published at Companies House.     |

### Approving the Accounts

- The CEC Group Accounts require the approval of the Audit & Governance Committee.
- The wholly owned companies as entities within the CEC Group also have single entity accounts that require approval by the Company Board. Recommendations will be made at the October 2025 Board cycle.
- The Group of Companies accounts are audited by Grant Thornton UK LLP.

## **Wholly Owned Company – Single Entity Financial Statements**

### **Strategic Report**

- Overview of financial performance.
- Includes achievements, risks and lots of facts and figures.

### **Management Accounts headlines**

- The WOC out-turn performance is split between Core Services provided to CEC and Commercial activities.
- Core Services provided to CEC should operate on a net cost basis i.e. if the company is requested by the Council to provide additional services – then the company is paid by the Council for the additional services.
- Commercial Activities are subject to Corporation Tax and out-turn profits are retained 100% by the Company.
- WOC Reserves decreased by £1.116m (2023/24 £0.173m), leaving retained reserves at £0.848m. Interim Dividends were paid by the companies to CEC in 24/25 to the value of £1.5m.
- Wholly Owned Companies Net Core Contract Spending was £43.611m (2023/24 £45.051m)

### **Members of the Committee should consider:**

- Relevance of the information provided
- Transparency of the accounts
- Engage with the Finance Team on any queries up to the Committee Date

### **The Finance Team will:**

- Work with Grant Thornton and Ernst Young to complete the audit.
- Finalise the accounts based on feedback

## Wholly Owned Company – Out-turn Performance 2024/25

| <b>Out-turn</b>   | <b>Ansa<br/>£'000</b> | <b>Orbitas<br/>£'000</b> |
|---|-----------------------|--------------------------|
| Core Management Fee 2024/25                             | 42,579                | 1,926                    |
| Additional Management Fee claimed in year*              | (323)                 | 253                      |
| <b>Revised Management Fee 2024/25</b>                   | <b>42,256</b>         | <b>2,179</b>             |
| <b>Core Contract Out-turn 2024/25</b>                   | <b>41,562</b>         | <b>2,049</b>             |
| <b>Overspend/Underspend at Out-turn</b>                 | <b>(694)</b>          | <b>(130)</b>             |
| <b>Rebate to CEC /( Additional Cost to CEC)</b>         | <b>694</b>            | <b>130</b>               |
| Core Out-turn - post rebate/Charge to CEC -(over)/under | 0                     | 0                        |
| <b>Commercial Out-turn after Tax</b>                    | <b>259</b>            | <b>75</b>                |
| <b>Net Profit retained by Company</b>                   | <b>259</b>            | <b>75</b>                |

\*Additional Management Fee claims, reflected in CEC in year reporting are in respect of:

- ANSA – Improved Inflation on waste contracts and recycling income improvement
- Orbitas – Pay inflation plus Handyperson additional demand from Adult Social Care

| <b>Movement in reserves (£m)</b> | <b>Ansa<br/>£'000</b> | <b>Orbitas<br/>£'000</b> | <b>Total<br/>£'000</b> |
|----------------------------------|-----------------------|--------------------------|------------------------|
| <b>Opening Balance</b>           | <b>1,491</b>          | <b>523</b>               | <b>2,014</b>           |
| Dividend                         | (1,110)               | (390)                    | (1,500)                |
| In Year Profit                   | 259                   | 75                       | 334                    |
| <b>Change</b>                    | <b>(851)</b>          | <b>(315)</b>             | <b>(1,166)</b>         |
| <b>Closing Balance</b>           | <b>640</b>            | <b>208</b>               | <b>848</b>             |

## Ansa Environmental Services Limited - Out-turn

### Performance 2024/25

| Statement of Consolidated Income         | 2024/25      | 2023/24      |
|--|--------------|--------------|
|  | £'m          | £'m          |
| Turnover                                 | 54.725       | 50.456       |
| Cost of Sales                            | (46.072)     | (43.617)     |
| <b>Gross Profit or (Loss)</b>            | <b>8.653</b> | <b>6.839</b> |
| Administration Costs                     | (8.209)      | (6.572)      |
| Other Operating Income/Expenditure (net) | (0.002)      | 0.002        |
| <b>Net Operating Profit / (Loss)</b>     | <b>0.443</b> | <b>0.269</b> |
| Interest Receivable / Payable (net)      | (0.090)      | (0.179)      |
| Corporation Tax                          | (0.094)      | 0.017        |
| <b>Net Profit</b>                        | <b>0.259</b> | <b>0.107</b> |

| Statement of Financial Position | 2024/25      | 2023/24      |
|---------------------------------|--------------|--------------|
|                                 | £'m          | £'m          |
| Long Term Assets                | 3.965        | 4.532        |
| Current Assets                  | 9.583        | 9.896        |
| Current Liabilities             | (9.735)      | (9.205)      |
| Long Term Liabilities           | (3.173)      | (3.732)      |
| <b>Net Assets</b>               | <b>0.640</b> | <b>1.491</b> |
| Shareholdings                   | -            | -            |
| Retained Reserves               | 0.640        | 1.491        |
| <b>Equity</b>                   | <b>0.640</b> | <b>1.491</b> |

## Orbitas Bereavement Services Limited - Out-turn

### Performance 2024/25

| Statement of Consolidated Income         | 2024/25<br>£'m | 2023/24<br>£'m |
|--|----------------|----------------|
| Turnover                                 | 2.162          | 2.543          |
| Cost of Sales                            | (1.518)        | (1.588)        |
| <b>Gross Profit or (Loss)</b>            | <b>0.644</b>   | <b>0.955</b>   |
| Administration Costs                     | (0.555)        | (0.867)        |
| Other Operating Income/Expenditure (net) | (0.002)        | -              |
| <b>Net Operating Profit / (Loss)</b>     | <b>0.088</b>   | <b>0.088</b>   |
| Interest Receivable / Payable (net)      | 0.011          | -              |
| Corporation Tax                          | (0.024)        | 0.022          |
| <b>Net Profit</b>                        | <b>0.075</b>   | <b>0.066</b>   |

| Statement of Financial Position | 2024/25<br>£'m | 2023/24<br>£'m |
|---------------------------------|----------------|----------------|
| Long Term Assets                | 0.004          | 0.008          |
| Current Assets                  | 0.469          | 1.122          |
| Current Liabilities             | (0.265)        | (0.604)        |
| Long Term Liabilities           | -              | -              |
| <b>Net Assets</b>               | <b>0.208</b>   | <b>0.525</b>   |
| Shareholdings                   | -              | -              |
| Retained Reserves               | 0.208          | 0.525          |
| <b>Equity</b>                   | <b>0.208</b>   | <b>0.525</b>   |