

Audited Financial Statements
for the Year Ended 31 March 2023
for
Coventry and Warwickshire Reinvestment
Trust Ltd

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

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for the Year Ended 31 March 2023**

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**Coventry and Warwickshire Reinvestment
Trust Ltd**

**Company Information
for the Year Ended 31 March 2023**

DIRECTORS:

A Bhabra
S P Byrne
C Humphrey
J S W Farnell
S L Sulskis
L C Heeley
C K Balrey
T J Sawrey

SECRETARY:

S L Sulskis

REGISTERED OFFICE:

Enterprise Centre
Coventry University Technology Park
Puma Way
Coventry
West Midlands
CV1 2TX

REGISTERED NUMBER:

05188971 (England and Wales)

SENIOR STATUTORY AUDITOR:

C A Christou FCCA MAE

INDEPENDENT AUDITORS:

Leigh Christou Ltd
Chartered Certified Accountants and
Statutory Auditor
Leofric House
Binley Road
Coventry
CV3 1JN

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Balance Sheet
31 March 2023**

		31.3.23		31.3.22	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	4		10,200		-
Tangible assets	5		<u>11,120</u>		<u>13,527</u>
			21,320		13,527
CURRENT ASSETS					
Debtors	6	7,770,976		7,443,128	
Cash at bank and in hand		<u>2,340,989</u>		<u>3,085,245</u>	
		10,111,965		10,528,373	
CREDITORS					
Amounts falling due within one year	7	<u>2,567,025</u>		<u>1,785,277</u>	
NET CURRENT ASSETS			<u>7,544,940</u>		<u>8,743,096</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,566,260		8,756,623
CREDITORS					
Amounts falling due after more than one year	8		<u>6,167,710</u>		<u>6,555,285</u>
NET ASSETS			<u>1,398,550</u>		<u>2,201,338</u>
RESERVES					
Other reserves	12		1,105,489		2,035,166
Income and expenditure account	12		<u>293,061</u>		<u>166,172</u>
			<u>1,398,550</u>		<u>2,201,338</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 13 July 2023 and were signed on its behalf by:

S P Byrne - Director

S L Sulskis - Director

The notes form part of these financial statements

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

Coventry and Warwickshire Reinvestment Trust Ltd is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

Excluding the £441,283 grant from Restricted Funds, the company would have reported a deficit for the year. Despite this, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the current state of the balance sheet, future projections of profitability, cash flows and capital resources and the longer-term strategy of the business.

The directors note the increase in the Bank of England interest rate. Loans to customers are at a fixed interest rate, and some of the borrowing is at a variable interest rate. While CWRT's margins have been reduced by higher interest rates, and the future path of interest rates remains a material uncertainty, the directors have taken appropriate action to ensure the company is adequately resourced.

After making enquiries, the Directors believe the company has sufficient resources to continue its activities for the 12 months from the reporting date.

Significant judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the next financial year are as follows:

Loan bad and doubtful debt provision.

The calculation and measurement of expected credit losses requires significant judgement and represents a key source of estimation uncertainty. Details of the critical judgements and accounting estimates are set out below.

Deferred income.

Loan arrangement fees are recognised on an accrual basis over the term of the loan. Deferred income reflects management expectation of interest over the remaining term of outstanding loans, where material.

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents loan interest receivable and loan arrangement fees derived from capital advanced to new and existing business and social enterprises and individuals. Loan interest and arrangement fees are recognised on an accruals basis over the term of the loan.

Turnover relating to fund management services is recognised as contractual obligations are performed, in accordance with the agreed payment terms.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 25% on cost

Financial instruments

Where acting as fund manager, and where the risks and rewards of lending belong to an external party, the associated assets and liabilities are not included on the balance sheet of the fund manager.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

2. ACCOUNTING POLICIES - continued

Grants received

Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets.

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Capital loan funding grants

Capital grants received for onward lending are credited to the commercial funding reserve account or personal funding reserve account, where the value is maintained according to the specific rules of each grant scheme.

Personal loans funded by the Department of Work and Pensions (DWP), require capital to be continually held and used for new lending. Therefore, these are held as personal funding reserve. Any bad debt provision and write-off is offset against the funding reserves.

Similarly, bad debt provision and write-off is offset against commercial funding reserves. When the age or the rules of the fund permit, a transfer to the income and expenditure account reserve is made to reflect any changes in what remains restricted.

In broad terms, the amount remaining in the funding reserves accounts are equal to the grant funded element of the performing loan book, net of specific bad debt provisions, write offs and released reserves.

Loan bad and doubtful debt provision

Understanding the appetite for risk inherent in the market sector in which the Company operates, the directors have made a provision for bad and doubtful loan debts on the following basis:

Number of days value of loans in arrears	Commercial loans %	Personal loans %
1 - 10 days in arrears	0	20
11 - 30 days in arrears	10	20
31 - 60 days in arrears	25	40
61 - 90 days in arrears	50	60
91 - 120 days in arrears	75	80
121 plus days in arrears	100	100

The bad debt calculation is initially on a strict day basis. Management then review the level of bad and doubtful debt provision, updating the above basis to reflect other relevant factors such as communication with the customer, and any guarantees or security in place that would mitigate the expected credit losses.

Loan debts deemed irrecoverable are written off in full as soon as it becomes clear that repayment will not be received.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2022 - 9) .

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

4.	INTANGIBLE FIXED ASSETS		Computer software £
	COST		
	Additions		<u>10,200</u>
	At 31 March 2023		<u>10,200</u>
	NET BOOK VALUE		
	At 31 March 2023		<u>10,200</u>
5.	TANGIBLE FIXED ASSETS		Computer equipment £
	COST		
	At 1 April 2022		18,755
	Additions		2,381
	Disposals		<u>(1,535)</u>
	At 31 March 2023		<u>19,601</u>
	DEPRECIATION		
	At 1 April 2022		5,228
	Charge for year		4,788
	Eliminated on disposal		<u>(1,535)</u>
	At 31 March 2023		<u>8,481</u>
	NET BOOK VALUE		
	At 31 March 2023		<u>11,120</u>
	At 31 March 2022		<u>13,527</u>
6.	DEBTORS		
		31.3.23	31.3.22
		£	£
	Amounts falling due within one year:		
	Loans outstanding	2,181,605	1,939,244
	Other debtors	33,632	31,198
	Directors' current accounts	15,142	23,115
	Prepayments	<u>32,677</u>	<u>17,975</u>
		<u>2,263,056</u>	<u>2,011,532</u>
	Amounts falling due after more than one year:		
	Loans outstanding	<u>5,507,920</u>	<u>5,431,596</u>
	Aggregate amounts	<u>7,770,976</u>	<u>7,443,128</u>

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

6. DEBTORS - continued

Loans outstanding represent capital advanced to new and existing businesses, social enterprises and to individuals in order to fulfil the aims of the company. Loans are made within an agreed repayment schedule; they are however repayable on demand in certain circumstances. Accordingly, these have been disclosed within current debtors but if settled to terms, the repayment would be split as shown above.

These loans represent a mix of secured and unsecured lending at varying rates above the bank base rates fixed at the time the loans are advanced and are repayable in accordance with a payment schedule agreed at the commencement of the term. Generally, the loans are made over a 12 month to 60 month period.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans and overdrafts (see note 9)	21,270	-
Other loans (see note 9)	2,113,292	1,445,596
Trade creditors	21,162	20,129
Other creditors	12,680	20
Accrued expenses	398,621	319,532
	<u>2,567,025</u>	<u>1,785,277</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans (see note 9)	1,170,000	-
Other loans (see note 9)	4,997,710	6,555,285
	<u>6,167,710</u>	<u>6,555,285</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other loans more 5yrs non-inst	<u>2,770,000</u>	<u>2,010,000</u>

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Included within other creditors as detailed at note 8 and 9, is a loan of £38,400 (2022 - £64,000) from Warwickshire County Council which is to support the work of the company's small business lending scheme. The repayment of this loan is made in bi-annual instalments to the Council based upon the amount repaid by the relevant businesses to the CWRT.

Included within other loans as detailed at note 8 and 9, are loans of £770,000 (2022 - £610,000) from Coventry City Council, and £2,000,000 (2022 - £1,400,000) from Warwickshire County Council which are to support the work of the company's Duplex lending scheme to businesses in the Coventry and Warwickshire area. Interest is payable quarterly in arrears, with capital repayments commencing June 2029.

Included within other loans as detailed at note 8 and 9 are loans from local Councils, for the purposes of CWRT providing loans under the Coronavirus Business Interruption Loan Scheme (CBILS), and the follow up Recovery Loan Scheme (RLS). Interest is payable quarterly in arrears, with capital repayments made in bi-annual instalments following an agreed repayment schedule.

	2023	2022
	£	£
CBILS/RLS Lender		
Coventry City Council	2,778,794	3,104,071
Warwickshire County Council	3,972,426	2,376,390
Nuneaton & Bedworth Borough Council	179,891	223,210
Warwick District Council	179,891	223,210
	<u>7,111,002</u>	<u>5,926,881</u>

9. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year or on demand:		
Bank loans	21,270	-
Other loans	<u>2,113,292</u>	<u>1,445,596</u>
	<u>2,134,562</u>	<u>1,445,596</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	300,000	-
Other loans - 1-2 years	<u>1,311,448</u>	<u>1,607,502</u>
	<u>1,611,448</u>	<u>1,607,502</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	870,000	-
Other loans - 2-5 years	<u>916,262</u>	<u>2,937,783</u>
	<u>1,786,262</u>	<u>2,937,783</u>

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

9. LOANS - continued

	31.3.23	31.3.22
	£	£
Amounts falling due in more than five years: Repayable otherwise than by instalments Other loans more 5yrs non-inst	2,770,000	2,010,000

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:	31.3.23	31.3.22
	£	£
Within one year	8,534	17,424

11. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.23	31.3.22
	£	£
Bank loans	1,191,270	-
Other loans, within one year	2,087,692	1,445,596
Other loans, over one year	4,984,910	6,555,285
	8,263,872	8,000,881

Duplex loans:

Funds have been provided by Warwickshire County Council, and Coventry City Council.

These loans are secured by debentures dated 30 September 2019.

CBILS loans:

Funds have been provided by Warwickshire County Council, Coventry City Council, Nuneaton & Bedworth Borough Council, and Warwick District Council.

These loans are secured by debentures dated between 24 August 2020 and 25 February 2021.

Recovery Loan Scheme (RLS) loans:

Funds have been provided by Coventry City Council and Unity Trust Bank Plc.

The Coventry City Council loan is secured by debentures listed above (CBILS). The Unity Trust Bank Plc loan is secured by a debenture dated 31 December 2021.

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

12. RESERVES

Reserves consist of the following:

	Income and Expenditure Account £	Commercial Funding Reserve £	Duplex Grant Reserve £	Total £
At 1 April 2022	166,172	1,128,962	906,204	2,201,338
Grant funds paid out			(432,408)	(432,408)
Grant of restricted funds to CWRT		(441,283)		(441,283)
Surplus/deficit for year	126,889			126,889
Movement in provisions		(55,986)		(55,986)
	<u>293,061</u>	<u>631,693</u>	<u>473,796</u>	<u>1,389,550</u>

Commercial Funding Reserve and Duplex Grant Reserve relate to Restricted Funds. These funds relate to grant funding received, to be utilised in line with the funding restrictions in place.

Duplex Grant Reserve relates to grant funds held in partnership with Coventry City Council, Warwickshire County Council, and Coventry and Warwickshire Local Enterprise Partnership.

Reserve transfer relates to ERDF-CCC (European Regional Development Fund) being released in full, and WCC SBL 2015 partial transfer. Funds have been released to unrestricted funds, taken through the income statement.

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

C A Christou FCCA MAE (Senior Statutory Auditor)
for and on behalf of Leigh Christou Ltd

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2023 and 31 March 2022:

	31.3.23 £	31.3.22 £
S L Sulskis		
Balance outstanding at start of year	23,115	30,188
Amounts repaid	(7,973)	(7,073)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>15,142</u>	<u>23,115</u>

Interest is charged at an agreed rate over the 48 month duration of the agreement. The loan is repayable in full on the director ceasing to be employed by the company.

**Coventry and Warwickshire Reinvestment
Trust Ltd (Registered number: 05188971)**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

15. RELATED PARTY DISCLOSURES

ADECS Limited
Common directorship

The company received goods and services from ADECS Limited, a company in which Mr A Bhabra is a director. The total value of goods and services provided during the year amounted to £6,152 (2022 - £17,534). At the balance sheet date £0 (2022: £580) was owed to ADECS Limited.

Coventry & Warwickshire Chamber of Commerce
Common directorship

The company received goods and services from Coventry & Warwickshire Chamber of Commerce, a company in which Mr A Bhabra is a director. The total value of goods and services provided during the year amounted to £414 (2022 - £3,352). The value of revenue grant received during the year amounted to £35,761 (2022: £10,000), and contribution towards costs was £1,040 (2022 - £960). At the balance sheet date £0 (2022: £0) was owed to Coventry & Warwickshire Chamber of Commerce.

Coventry and Warwickshire Growth Hub Limited
Common directorship

The company received goods and services from Coventry and Warwickshire Growth Hub Limited, that has a subsidiary company Growth Hub Business Solutions Ltd, a company in which Mr C Humphrey and Mr J S W Farnell are directors. The total value of goods and services provided during the year amounted to £18,782 (2022 - £21,571). At the balance sheet date £0 (2022: £3,246) was owed to Coventry and Warwickshire Growth Hub Limited.

Burgis & Bullock
Common directorship

The company received goods and services from Burgis & Bullock, a firm in which Mr J S W Farnell is a partner. The total value of goods and services provided during the year amounted to £0 (2022 - £1,680). At the balance sheet date £0 (2022 - £0) was owed to Burgis & Bullock.

16. POST BALANCE SHEET EVENTS

At the year end, the company had committed to updating their Loan Management System (LMS), due to the previous LMS being withdrawn by its provider.

The data was transferred to the new LMS in June 2023, with staff using the new system moving forwards.

17. ULTIMATE CONTROLLING PARTY

Throughout the current and previous period the company was controlled by the directors.

18. SHARE CAPITAL

The company is limited by guarantee and has no share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.