

**EAST CAMBS STREET SCENE ACCOUNTS 2021/22**

Committee: Operational Services Committee

Date: 14 November 2022

Author: ECSS Finance Manager

[X51]

1.0 **ISSUE**

1.1 To receive the East Cambs Street Scene accounts 2021/22.

2.0 **RECOMMENDATION**

2.1 Members are requested to note the East Cambs Street Scene accounts 2021/22 as set out in Appendix 1.

3.0 **BACKGROUND/OPTIONS**

3.1 East Cambs Street Scene (ECSS) auditors, Price Bailey, have issued an unqualified opinion on the statements, and confirmed that they give a true and fair view of the state of the ECSS's affairs as at 31 March 2022. They also confirm they have been prepared in accordance with the relevant laws and regulations.

3.2 The ECSS 2021/22 Accounts were approved by ECSS Board on 1 September 2022. These are now provided to the Operational Services Committee, as shareholder committee, as stated in the Shareholder Agreement.

4.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT/CARBON IMPACT ASSESSMENT**

4.1 There are no financial implication arising from this report.

4.2 EIA not required.

4.3 CIA not required.

5.0 **APPENDICIES**

5.1 Appendix 1- East Cambs Street Scene Accounts 2021/22.

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**Background Documents**

None

**Location**

**Contact Officer**

Nigel Ankers  
ECSS Finance Manager

**EAST CAMBS STREET SCENE LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

# EAST CAMBS STREET SCENE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P J Remington J Hill J E Brooks (resigned 30 April 2022) S M Bonnett (appointed 19 May 2022)
<b>Company secretary</b>	E L Grima
<b>Company number</b>	11150811
<b>Registered office</b>	The Grange Nutholt Lane Ely Cambridgeshire CB7 4EE
<b>Auditors</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ

# EAST CAMBS STREET SCENE LIMITED

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# **EAST CAMBS STREET SCENE LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their report and the audited financial statements of the company for the period ended 31 March 2022

### **Directors**

The directors who served during the period were:

P J Remington  
J Hill  
J E Brooks (Resigned 30 April 2022)

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 of the profit or loss 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;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **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 company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

The auditors, Price Bailey LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

# EAST CAMBS STREET SCENE LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 01/09/22 and signed on its behalf.



J Hill  
Director

# EAST CAMBS STREET SCENE LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAST CAMBS STREET SCENE LIMITED

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### Opinion

We have audited the financial statements of East Cambs Street Scene Limited (the 'Company') for the year ended 31 March 2022 which comprise The Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and 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 UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of the profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards;
- 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 company 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 director's 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

# EAST CAMBS STREET SCENE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF EAST CAMBS STREET SCENE LIMITED

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### **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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Directors were not entitled to take advantage of the small companies exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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 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 an Auditor's Report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **EAST CAMBS STREET SCENE LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF EAST CAMBS STREET SCENE LIMITED**

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We obtained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of non-compliance with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements.

This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included employment laws and health and safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings, correspondence with their regulators, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations for any instances of actual, suspected or alleged fraud or non-compliance.

To address the risk of management override of controls, we reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### **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.

Paul Cullen FCCA (Senior Statutory Auditor)  
for and on behalf of Price Bailey LLP  
Chartered Accountants & Statutory Auditors  
Tennyson House  
Cambridge Business Park  
Cambridge  
CB4 0WZ  
Date: .....

**EAST CAMBS STREET SCENE LIMITED**  
 REGISTERED NUMBER: 11150811

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 (restated) £
<b>CONTINUING OPERATIONS</b>			
Revenue from contracts		2,911,469	2,857,802
Revenue from recycling credits		766,706	591,018
Other income		142,337	128,141
		<u>3,820,512</u>	<u>3,576,961</u>
Cost of sales		(2,333,985)	(2,296,297)
<b>Gross profit</b>		<u>1,486,527</u>	<u>1,280,664</u>
Administrative expenses		(1,478,645)	(1,277,126)
Operating profit		7,882	3,538
Interest received		3	-
<b>Profit before taxation</b>		7,885	3,538
Tax on profit	5	220	874
<b>Profit/ (loss) and total comprehensive income for the period</b>		<u><u>8,105</u></u>	<u><u>4,412</u></u>

There were no recognised gains and losses from 2022 or 2021 other than those included in the Statement of Comprehensive Income.

The notes on pages 10 - 20 form part of these financial statements.

# EAST CAMBS STREET SCENE LIMITED

REGISTERED NUMBER: 11150811

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

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	Notes	2022	2021 £
<b>Non-current assets</b>			
Property, plant & equipment	6	30,826	28,026
<b>Current assets</b>			
Inventories	7	12,166	28,816
Trade and other receivables	8	178,859	154,530
Cash at bank and in hand	9	363,863	179,353
		<u>554,888</u>	<u>362,699</u>
<b>Current Liabilities</b>			
Trade and other payables	10	(568,675)	(381,791)
		<u>(13,787)</u>	<u>(19,092)</u>
<b>Net current assets</b>			
		<u>(13,787)</u>	<u>(19,092)</u>
<b>Net assets</b>			
		<u>17,039</u>	<u>8,934</u>
<b>Equity</b>			
Called up share capital	12	1	1
Retained earnings		17,038	8,933
		<u>17,039</u>	<u>8,934</u>

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

**J Hill**

Director

Date: .....

The notes on pages 10 – 20 form part of these financial statements.

## EAST CAMBS STREET SCENE LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

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	Share Capital £	Retained earnings £	Total equity £
<b>Balance as at 31 March 2020</b>	1	4,521	4,522
Profit for the period	-	4,412	4,412
<b>Total comprehensive income</b>	-	4,412	4,412
<b>Balance as at 31 March 2021</b>	1	8,933	8,934
<b>Comprehensive income</b>			
Profit for the period	-	8,105	8,105
<b>Total comprehensive income</b>	-	8,105	8,105
<b>Balance as at 31 March 2022</b>	1	17,038	17,039

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**EAST CAMBS STREET SCENE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		2022	2021
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Net cash inflow/(outflow) from operating activities	<b>15</b>	192,216	(25,847)
<b>Net cash inflow from operating activities</b>		192,216	(25,847)
<b>Cash flows from investing activities</b>			
Purchase of fixed assets	<b>6</b>	(7,709)	-
Interest received		3	-
		(7,706)	-
<b>Net increase (decrease) in cash and cash equivalents</b>		184,510	(25,847)
<b>Cash and cash equivalents at beginning of year</b>		179,353	205,200
<b>Cash and cash equivalents at end of year</b>	<b>9</b>	363,863	179,353

# **EAST CAMBS STREET SCENE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

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### **1. Accounting policies**

#### **1.1 Statutory information**

East Cambs Street Scene Limited is a private company limited by shares incorporated and domiciled in England and Wales, United Kingdom. The address of the registered office is The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE.

The Company is primarily involved in providing waste and street cleansing services to the residents of East Cambridgeshire.

The Financial Statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

#### **1.2 Going concern**

The Directors have prepared cash flow forecasts for a period of 12 months from the year end which demonstrate that the cash reserves of the company will be sufficient for it to be able to continue as a going concern.

The financial statements do not contain any adjustments that would be required if the Company were not able to continue as a going concern.

#### **1.3 Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

#### **1.4 Compliance with accounting standards**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting entities under IFRS.

The financial statements have been prepared under the historical cost convention.

# EAST CAMBS STREET SCENE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1. Accounting policies (continued)

#### 1.5 Revenue recognition

##### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised. It also gives consideration to significant payment terms, obligations for returns and/or refunds.

The Company carries out waste collection and street cleansing service for and on behalf of East Cambridgeshire District Council. The contract value is agreed on an annual basis for the performance during the following financial year.

Recycling Credits are received upon meeting relevant criteria set by Cambridgeshire County Council in terms of recycling.

##### Sale of goods

The Company's other revenue mainly comprises the sale of recycling bins. Revenue is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery and the time when the performance obligation of the Company has been satisfied.

#### 1.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant & Machinery	- 8 years
Fixtures & Fittings	- 8 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

#### 1.7 Trade and other receivables

Short term receivables are measured initially at transaction price, and are measured subsequently at amortised costs.

# **EAST CAMBS STREET SCENE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022**

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### **1. Accounting policies (continued)**

#### **1.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### **1.9 Operating profit**

Operating profit is stated before investment income and finance costs.

#### **1.10 Financial Instruments**

Financial assets and liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value
- Trade receivables are measured initially at transaction price, and are measured subsequently at amortised costs.

#### **1.11 Trade and other payables**

Short term payables are measured fair value, and subsequently at amortised cost. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **1.12 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### **1.13 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 tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position.

# EAST CAMBS STREET SCENE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 1. Accounting policies (continued)

#### 1.14 New IFRS standards and interpretations not yet adopted

##### **New Standards, Interpretations and Amendments that are not yet effective and have not been adopted early**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

The following new and revised Standards and Interpretations are relevant to the company but not yet effective for the year commencing 1 April 2021 and have not been applied in preparing these financial statements:

- IAS 1 Presentation of Financial Statements – classification of liabilities as current and non-current.
- IAS 1 Presentation of Financial Statements – disclosure of accounting policies
- IAS 8 Accounting Policies – definition of accounting estimates.

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

#### 1.15 Key sources of estimation uncertainty

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below.

##### **Useful lives of depreciable assets**

Estimates have been made in respect of useful economic lives of property, plant and equipment, which determine the amount of depreciation charged in profit or loss. Uncertainties in these estimates relate to the technological obsolescence that may change the utility of plant and machinery and could result in a material change to the amount of depreciation recognised. These estimates are reviewed annually at the reporting date based on the expected utility of the assets.

Further detail on useful life estimates is included in the accounting policy note 1.6.

### 2. Profit before tax is stated after charging

	2022 £	2021 £
Rent – licence fee	35,700	35,000
Depreciation	4,909	4,004
Auditors' remuneration	18,400	15,000
	<u>          </u>	<u>          </u>

## EAST CAMBS STREET SCENE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 3. Employees and directors

	2022 £	2021 £
Wages and Salaries	1,517,079	1,537,288
Social security	126,474	120,439
Other pension costs	33,686	34,739
	<u>1,677,239</u>	<u>1,692,466</u>

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

	2022	2021
Directors	3	3
Direct labour	56	60
Administration	6	6
	<u>65</u>	<u>69</u>

#### 4. Directors' remuneration

The Directors did not receive any remuneration from the Company as a result of their employment.

#### 5. Income tax

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profit for the period	(220)	(874)
	<u>(220)</u>	<u>(874)</u>

#### Factors affecting the tax expense

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

	2022 £	2021 £
Profit/ (loss) per accounts	<u>7,885</u>	<u>3,538</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	1,498	672
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	-	-
Group relief	(1,498)	(672)
Loss carry back	220	874
Tax expense	<u>(220)</u>	<u>(874)</u>

## EAST CAMBS STREET SCENE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 6. Property, plant and equipment

	Fixtures & Fittings	Plant & Machinery	Total
<b>Cost</b>			
As at 1 April 2021	-	34,165	34,165
Additions	4,456	3,253	7,709
Disposals	-	-	-
As at 31 March 2022	<u>4,456</u>	<u>37,418</u>	<u>41,874</u>
<b>Depreciation</b>			
As at 1 April 2021	-	(6,139)	(6,139)
Charge for the year	(304)	(4,605)	(4,909)
Disposals	-	-	-
As at 31 March 2022	<u>(304)</u>	<u>(10,744)</u>	<u>(11,048)</u>
<b>Net Book Value</b>			
As at 31 March 2022	<u>4,152</u>	<u>26,674</u>	<u>30,826</u>
As at 31 March 2021	=	<u>28,026</u>	<u>28,026</u>
<b>Cost</b>			
As at 1 April 2020	-	34,165	34,165
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2021	=	<u>34,165</u>	<u>34,165</u>
<b>Depreciation</b>			
As at 1 April 2020	-	(2,135)	(2,135)
Charge for the year	-	(4,004)	(4,004)
Disposals	-	-	-
As at 31 March 2021	=	<u>(6,139)</u>	<u>(6,139)</u>
<b>Net Book Value</b>			
As at 31 March 2021	=	<u>28,026</u>	<u>28,026</u>
As at 31 March 2020	=	<u>32,030</u>	<u>32,030</u>

#### 7. Inventories

	2022 £	2021 £
Finished goods	<u>12,166</u>	<u>28,816</u>

Inventories recognised as an expense and included in cost of sales totalled £114,452 (2021: £115,009).

## EAST CAMBS STREET SCENE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 8. Trade and other receivable

	2022 £	2021 £
Trade receivables	61,984	57,905
Prepayments and accrued income	116,875	96,625
	<u>178,859</u>	<u>154,530</u>

#### 9. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	363,863	179,353
	<u>363,863</u>	<u>179,353</u>

#### 10. Trade and other payable

	2022 £	2021 £
<b>Current</b>		
Trade payables	154,250	114,025
Other taxation and social security	98,539	105,609
Other payables	7,084	29,321
Accruals and deferred income	308,802	132,836
	<u>568,675</u>	<u>381,791</u>

#### 11. Financial Instruments

##### Financial assets and liabilities

The carrying value of the company's financial assets and liabilities as recognised at the year end of the years under review may also be categorised as follows:

As 31 March 2021	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total balance sheet heading £
Cash and cash equivalents	179,353	-	179,353
Trade receivables	57,905	-	57,905
Other receivables	96,625	-	96,625
Trade payables	-	(114,025)	(114,025)
Other payables - current	-	(162,157)	(162,157)
Total	<u>333,883</u>	<u>(276,182)</u>	<u>57,701</u>

## EAST CAMBS STREET SCENE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 11. Financial Instruments (continued)

As 31 March 2022	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total balance sheet heading £
Cash and cash equivalents	368,863	-	368,863
Trade receivables	61,983	-	61,983
Other receivables	116,875	-	116,875
Trade payables	-	(154,250)	(154,250)
Other payables - current	-	(315,886)	(315,886)
Total	<u>547,721</u>	<u>(470,136)</u>	<u>77,585</u>

#### Financial risk management objectives and policies

The company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the company's business whilst managing its risks. The company does not engage in speculative transactions or hedging transactions.

The company's principal financial instruments consist of cash and cash equivalents and loans. The main purpose of these financial instruments is to finance the company's operations. The company has other financial instruments such as trade receivables and trade payables that arise directly from its operations.

The directors have overall responsibility for the establishment and oversight of the company's risk management and they recognise that financial risk management is an area in which they may need to develop specific policies should the company become exposed to further financial risks as the business develops. The directors currently ensure that the company has sufficient cash and cash equivalents to ensure there is sufficient reserves to support the business operations. The exposure to other financial instruments are limited to those generated through the operations and borrowings.

The main risks arising from the company's financial instruments are credit risk, interest rate risk and liquidity risk. The Board have also considered currency and market risk but do not believe these to be significant. This note presents information about the company's exposure to each of the main risks. The Board reviews and agrees policies for managing each of these risks as and when they arise. Further quantitative disclosures are included throughout the financial information.

There have not been any material changes in respect of the exposure to financial risks during the periods presented.

#### Credit risk

The company's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables recognised at the year end of £542,721 (2021: 333,883). The risks associated with cash deposits are limited as the banks used are reputable. The principal credit risk therefore lies with trade receivables and in order to manage credit risk, limits are set for customers based upon a combination of payment history and third party credit references.

The company held cash and cash equivalents of £363,863 at 31 March 2022 (2021: £179,353). The cash and cash equivalents are held at NatWest Bank which is rated A- to A at leading credit rating agencies and so the company considers these to have a low credit risk.

## EAST CAMBS STREET SCENE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 11. Financial Instruments (continued)

##### Interest rate risk

Interest rate risk is the risk that the value of financial assets will fluctuate due to changes in market interest rates. The company's income and operating cash flows and the value of its financial assets are largely independent of changes in market interest rates. Low levels of surplus funds are invested in short term secured deposit accounts such that the company is not unduly exposed to market interest rate fluctuations.

##### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

	Less than one year	More than one year	Total
<b>2022</b>	£	£	£
Trade and other payables	568,675	-	568,675

	Less than one year	More than one year	Total
<b>2021</b>	£	£	£
Trade and other payables	381,791	-	381,791

##### Fair values

The carrying amounts of all financial assets and liabilities of the company as disclosed in the notes to the financial information are approximately their fair values.

##### Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital with an appropriate level of leverage for the size of the business so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the company may return capital to shareholders, issue new shares or sell assets to reduce debt.

## EAST CAMBS STREET SCENE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

#### 12. Share capital

	2022 £	2021 £
<b>Share classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1
	=	=

#### 13. Related Party Transactions

In line with paragraph 25 of IAS24, the company has taken advantage of the exemption from the requirement to disclose transactions with East Cambridgeshire District Council (ECDC) and connected companies due to the control exercised by ECDC by virtue of it being the only shareholder.

All of the income categorised under revenue from contracts derives from the contract the company has with ECDC.

#### 14. Details of Parent Undertaking

The Ultimate parent undertaking is East Cambridgeshire District Council, registered address The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE.

#### 15. Note to the cash flow statement

	2022 £	2021 £
Profit (loss) before tax	8,105	3,538
Depreciation	4,909	4,004
Interest received	(3)	-
	<u>13,011</u>	<u>7,542</u>
Decrease/(Increase) in inventories	16,649	(930)
Decrease/(Increase) in trade and other receivables	(24,329)	(13,799)
(Decrease)/Increase in trade and other payables	186,885	(18,660)
<b>Net cash outflow from operating activities</b>	<u><u>192,216</u></u>	<u><u>(25,847)</u></u>

#### 16. Reserves

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share capital                      The share capital comprises the issued ordinary shares of the company at par.

Retained earnings                Retained earnings comprise the company's cumulative accounting profits and losses since inception.

## **EAST CAMBS STREET SCENE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **17. Events after the reporting period**

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

#### **18. Contingent Liability**

A company vehicle was involved in an RTA during 2020/21. The company has not been subject to a third party claim to date and expects in the event of any liability to be covered fully by its insurance policy.

#### **19. Prior period restatement**

In the prior period revenue of £172,753 relating to recycling credits was netted against recycling expenses. The comparative figures for recycling credits revenue and cost of sales have been restated, but this had no effect on the retained earnings brought forward.