

## **SHAREHOLDER CABINET COMMITTEE**

20 July 2023

### **Advance Northumberland Ltd Draft Statement of Accounts 2022-23**

Report of Jan Willis, Executive Director of Transformation and Resources and S151 Officer

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#### **1. Purpose of the Report**

- 1.1. To report to the Committee the Advance Northumberland Ltd draft statement of group statutory accounts for 2022-23.

#### **2. Recommendations**

- 2.1. To note the draft statement of group statutory accounts for 2022-23.

#### **3. Link to the Corporate Plan**

- 3.1. This report is consistent with the priorities in the Corporate Plan 2023-26 “Achieving Value for Money”.

#### **4. Background**

- 4.1. Advance Northumberland Ltd is a wholly owned Council company. As such, the company accounts are consolidated in the Council’s group accounts.
- 4.2. The Advance Northumberland group of companies comprises the parent company, Advance Northumberland Ltd, and four subsidiary companies:
  - Advance Northumberland (Commercial) Ltd
  - Advance Northumberland (Developments) Ltd
  - Advance Northumberland (Financial) Ltd
  - Advance Northumberland (Housing) Ltd
- 4.3. The Group Statutory Accounts must be audited, approved and submitted to both Companies House and HMRC by the 31st of December 2023.
- 4.4. The draft accounts are still subject to taxation and audit and as such the values will change.

#### **5. Key Issues**

- 5.1. The table below shows a summary of the key Profit & Loss and Balance Sheet position for the group of companies. A more detailed breakdown by company and

extracts of the accounts for each of the companies are included in the confidential appendix to this report.

|                         | <b>2022-23</b> | <b>2021-22</b> | <b>Change</b> |
|-------------------------|----------------|----------------|---------------|
| Revenue                 | £45.9m         | £42.2m         | £3.7m         |
| Operating Profit/(Loss) | £11.2m         | £14.2m         | (£3.0m)       |
| Tangible Fixed Assets   | £301.5m        | £284.1m        | £17.4m        |
| Long Term Creditors     | £312.9m        | £304.4m        | £8.5m         |
| Shareholder Funds       | £29.9m         | £22.6m         | £7.3m         |

- 5.2. The retained profit of £7.3m is driven by a £9.0m gain on revaluation of investment properties. This positive revaluation is also reflected in the increase in tangible fixed assets.
- 5.3. The increase in Long-Term Creditors of £8.5m reflects additional deferred grants drawn down for regeneration projects in Developments.
- 5.4. The Directors' Report, the Strategic Report and the Statement of Directors' Responsibilities is currently being finalised and will then be submitted for audit.
- 5.5. Once the external audit work is complete, finalised Statutory Accounts will be presented to the Advance Northumberland Audit Committee and Board for approval and signature ahead of submission to Companies House and HMRC and will be reported to the Shareholder Committee at that point.

## IMPLICATIONS ARISING OUT OF THE REPORT

|                                    |       |
|------------------------------------|-------|
| <b>Policy</b>                      | None. |
| <b>Finance and value for money</b> |       |
| <b>Legal</b>                       |       |
| <b>Procurement</b>                 | None. |
| <b>Human Resources</b>             | None. |
| <b>Property</b>                    | None. |
| <b>Equalities</b>                  | None. |
| <b>Risk Assessment</b>             |       |
| <b>Crime &amp; Disorder</b>        | None. |
| <b>Customer Considerations</b>     | None. |
| <b>Carbon Reduction</b>            | None. |
| <b>Health &amp; Wellbeing</b>      |       |
| <b>Wards</b>                       | All.  |

### Background Papers:

### Report sign off:

|   | <b>Name</b>      |
|---|------------------|
| Monitoring Officer/Legal  | Stephen Gerrard  |
| Executive Director of Transformation and Resources & S151 Officer | Jan Willis       |
| Chief Executive   | Helen Paterson   |
| Portfolio Holder(s)   | Wojciech Ploszaj |

### Report Author:

Jan Willis, Executive Director of Transformation and Resources

(01670) 624783

jan.willis@northumberland.gov.uk

