



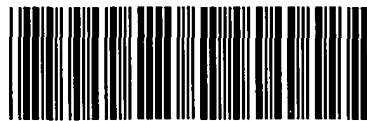
# Ubico Limited

## ANNUAL REPORT and ACCOUNTS

For the year ended

31 March 2024

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# Ubico Limited

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# Ubico Limited

Contents of the Financial Statements  
For the year ended 31 March 2024

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## Directors

Beth Boughton	Managing Director
Chris Urwin	Finance Director – resigned 15 <sup>th</sup> October 2024
Robert Heath	Operations Director
William McCarthy	Chairman
Paul Jones	Non-executive Director – resigned 8 <sup>th</sup> March 2024
Paul Blacker	Non-executive Director
Katherine Lyons	Non-executive Director
Patrick Ricketts	Non-executive Director
David Oakhill	Non-executive Director – resigned 17 <sup>th</sup> September 2024
Keith Gerrard	Non-executive Director
Claire Hughes	Non-executive Director – appointed 8 <sup>th</sup> March 2024
Nigel Brinn	Non-executive Director – appointed 25 <sup>th</sup> September 2024

## Executive Management Team

Beth Boughton	Managing Director
Chris Urwin	Finance Director – resigned 15 <sup>th</sup> October 2024
Robert Heath	Operations Director

## Legal Advisors and Solicitors

One-Legal (a legal service shared between Cheltenham Borough Council, Gloucester City Council, Stroud District Council and Tewkesbury Borough Council).

One Legal  
C/O Tewkesbury Borough Council  
Council Offices  
Gloucester Road  
Tewkesbury, Gloucestershire  
GL20 5TT

## Financial and Human Resources Advisors

Publica (Group) Support Limited (a company wholly owned by Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, West Oxfordshire District Council).

## Registered Office

Central Depot  
Swindon Road  
Cheltenham  
GL51 9JZ  
Company no. 07824292

## Independent Auditor

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
6<sup>th</sup> Floor  
3 Callaghan Square  
Cardiff  
CF10 5BT

## Bankers

Lloyds Bank PLC  
130 High Street  
Cheltenham  
GL50 1EW

# Ubico Limited

## STRATEGIC REPORT

For the year ended 31 March 2024

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### Principal Activities

The principal activities of the company during the year were the delivery of a range of integrated environmental services to Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Stroud District Council, Tewkesbury Borough Council and West Oxfordshire District Council. The company also provided grounds maintenance services to academies in the Gloucestershire area and numerous other public and private sector customers (e.g. Parish Councils).

Our portfolio of services includes household and commercial refuse and recycling collections, street cleaning, grounds maintenance, horticulture, recycling centre management, fleet management and maintenance, building cleaning, pest control and winter maintenance.

Work with our partners was fundamentally unchanged year on year.

As a company wholly owned by local authorities, the company operates for their benefit with services delivered to those authorities at cost. The average number of full-time equivalent staff employed by the company during the year was 903. Support services were provided by other local authority partnerships involving shareholding councils.

### Our Mission

To keep spaces and places clean and green for every resident, visitor, town, village, and community.

### Our Vision

To be recognised by our customers and employees as a quality provider of sustainable services for our local communities, delivering best value and reliability through:

- *Leveraging synergies and economies of scale.*
- *Harnessing opportunities to deliver value back to our partners.*
- *Using technology to drive operational efficiency.*
- *Understanding our communities' needs.*
- *Inspiring our workforce to be committed to providing value for money and carbon neutral services.*

The strategy for delivering the five-year vision is built around four pillars, People, Operational Excellence, Climate and Business Development, and the year 2023/24 represented the third year of the five-year vision.

# Ubico Limited

## STRATEGIC REPORT

For the year ended 31 March 2024

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### 2023/24 A Year in Review

The company's operational partnerships with the shareholding councils continued to perform well overall. The company achieved the following business plan aims:

#### People:

*The right talent in the right roles with the right skills.*

- Continued to further develop leadership training.
- Commenced a review of our terms and conditions, with further work to be undertaken in 2024/25, assessing how these compare to the market, to ensure that our offering remains attractive both for our existing employees and for potential ones.
- Designed a suitable new appraisal process for the company, which will be further implemented in 2024/25.
- Continued to drive the development of our apprentice program.
- Commenced a program of annual employee engagement.

#### Operational Excellence:

*Deliver quality, add value, high standards of financial control and governance and raise awareness and recognition.*

- Continued to drive our digital transformation with our connected workforce programme.
- Further enhanced communication plans.
- Developed a longer term strategic financial planning model which will be implemented with partners through 2024/25.
- Introduced the Get Out and Look (GOAL) campaign to raise safety awareness and reduce accidents.

#### Climate:

*Minimise our environmental impact and support our shareholders to meet their carbon neutral targets.*

- Continued to undertake carbon reduction initiatives across the business.
- Worked with our partners to evaluate options for fleet replacements and the journey to net zero.

#### Business Development:

*Build capability to deliver value to our partnerships.*

- Completed foundational work to explore opportunities to further leverage partnership working across boundaries to drive value.
- Growing services with Forest of Dean from August 2024.

Turnover in 2023/24 was £54.1m, up from £49.9m in 2022/23. Total comprehensive income for the year is £0.0m. This is primarily resulting from movements in the actuarial valuation of the pension fund (under FRS 102).

# Ubico Limited

## STRATEGIC REPORT

For the year ended 31 March 2024

The directors of the company are of the opinion that the company maintains a healthy future and remains a 'going concern'.

### Key performance indicators

The directors have monitored the progress of the overall company vision and strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators.

#### Financial key performance indicators:

	2024	2023
Year on year turnover growth	8.5%	32.7%
Proportion of turnover generated by activity for partners	99.6%	99.5%

#### Other key performance indicators:

	2024	2023
Collections made (million) *	30.0	-
Collection accuracy *	99.93%	-

*\*No prior comparison due to change in calculation methodology from number of receptacles to number of properties*

### Principal Risks and Uncertainties

Risk management is one of the key principles of effective corporate governance and is also a key contributor to a sound internal control environment.

The company continues to seek and adopt recognised best practice in the identification, evaluation and cost-effective control of risks and opportunities to ensure that these are managed at acceptable levels.

The company continued to focus on the ongoing risks associated with health and safety and the compliance of our vehicles and depots to ensure that the company continued to meet regulatory standards.

Inflationary challenges, whilst now abating, were prevalent during the year and we worked with the partners support to manage and mitigate the impact of price increases across the business.

The recruitment and retention of operational staff in an increasingly competitive labour market continues to be closely monitored.

To mitigate all these risks, a range of measures have been assessed and are being delivered to improve the company's systems, processes and governance. The company continually reviews its terms and conditions and approach to recruitment to remain attractive.

# Ubico Limited

## STRATEGIC REPORT

For the year ended 31 March 2024

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The company has appropriate insurance cover for assets and business operations, including directors' and officers' indemnity.

### Section 172 Statement

The Directors have a duty to promote the success of the company under Section 172(1) of the Companies Act 2006, as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members, and in doing so have regard (amongst other matters) to

- the likely consequences of any decision in the long term.
- the interests of the company's employees.
- the need to foster the company's business relationships with suppliers, customers, and others.
- the impact of the company's operations on the community and the environment.
- the desirability of the company maintaining a reputation for high standards of business.
- and the need to act fairly between members of the company.

The company delivers on these requirements by incorporating environmental awareness in our corporate values and goals:

- Our Mission is to keep spaces and places clean and green for every resident, visitor, town, village, and community.
- Our Vision is to be recognised by our customers and employees as a quality provider of sustainable services for our local communities, delivering best value and reliability.
- One of our Values is to Care for our Environment.

### Looking Forward to 2024/25

#### *2024/25 business plan objectives*

The company has a business plan which is reviewed and approved by the board of directors and shareholders on an annual basis. Objectives are realised through a targeted and prioritised annual action plan.

The company's 2024/25 business plan continues to build our four strategic pillars, with key activity identified for the year as follows:

People: *The right talent in the right roles with the right skills.*

We will:

- Develop an in-house HR function.
- Continue to develop our employee engagement and communication programme.
- Continue the roll-out of a new appraisal process for the company.

# Ubico Limited

## STRATEGIC REPORT

For the year ended 31 March 2024

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- Conclude a review of our terms and conditions.
- Explore opportunities for new partnerships with external organisations to broaden our recruitment routes for new employees.
- Maintain a strong focus on our market presence and enhancing our reputation to support attraction and retention of staff.

*Operational Excellence: Deliver quality, add value, high standards of financial control and governance and raise awareness and recognition.*

We will:

- Continue the successful programme of digital transformation.
- Continue preparing for, and then delivering, the waste, recycling and street cleaning services for Forest of Dean.
- Enhance the Fleet management systems.
- Further broaden our in-house training offering.
- Roll out strategic financial plans with all partners.

*Climate: Minimise our environmental impact and support our shareholders to meet their carbon neutral targets.*

We will:

- Continue to develop our work to understand our environmental impacts across the business and design a programme of activity which aims to reduce the main impact areas, including behaviour change programmes to reduce our energy consumption in buildings.
- Continue to work closely with our significant suppliers to report emissions data and reduce impacts.
- Ensure that climate implications are built into our project initiation processes so that climate impact is considered early.

*Business Development: Build capability to deliver value to our partnerships.*

We will:

- Continue to explore opportunities to further leverage partnership working across boundaries to drive value.
- Consider any approaches relating to growth which could create value for the partnership.

### **Strategic Report Approval**

This report was approved by the board and presented for signing on its behalf on 6<sup>th</sup> November 2024.

*Beth Boughton*

Beth Boughton  
Managing Director



# Ubico Limited

## DIRECTORS' REPORT

For the year ended 31 March 2024

The directors submit their report and financial statements of Ubico Limited (the company) for the period 1 April 2023 to 31 March 2024.

### Results and Dividends

The profit for the year after taxation amounted to £364k (2023 £978k loss).

The profit reflects the final salary pension non-cash adjustment.

No dividend has been paid or declared.

### Directors

The directors who served during the year were:

Beth Boughton	Managing Director
Christopher Urwin	Finance Director – resigned 15 <sup>th</sup> October 2024
Robert Heath	Operations Director
William McCarthy	Chairman
Paul Jones	Non-executive Director – resigned 8 <sup>th</sup> March 2024
Paul Blacker	Non-executive Director
Katherine Lyons	Non-executive Director
Patrick Ricketts	Non-executive Director
David Oakhill	Non-executive Director – resigned 17 <sup>th</sup> September 2024
Keith Gerrard	Non-executive Director
Claire Hughes	Non-executive Director – appointed 8 <sup>th</sup> March 2024

### Directors Indemnity Insurance

The company maintains directors and officers' indemnity insurance on behalf of its directors, this is a qualifying third-party indemnity insurance. This policy was in place for the year and continues to be so.

### Directors Responsibilities Statements

The directors are responsible for preparing Strategic report, the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the maintenance and integrity of the corporate and financial information included on the company's website.

# Ubico Limited

## DIRECTORS' REPORT

For the year ended 31 March 2024

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

### **Future developments**

The company has firm commitment from our shareholding local authorities including plans to extend service provided to existing shareholders, providing further opportunity for the partnership to grow and develop. As a result, the directors maintain a high level of confidence for the future of the company.

### **Financial Instruments**

#### *Liquidity Risk*

A majority of our turnover is generated from services delivered to our shareholders. We operate with a cash surplus but have access to facilities provided by partners should there be any event that would put a strain on our cashflow.

#### *Credit Risk*

As a company wholly owned by local authorities, the company operates in nature as a not-for-profit enterprise. We access funding directly from our local authority owners and manage supply chain credit risk.

#### *Interest Rate Risk*

The company has no direct exposure to interest rate risk currently.

#### *Currency*

The company has no direct exposure to fluctuation in the value of the pound. We monitor the impact of the valuation of the pound on imported goods and services essential to operations and take appropriate mitigations wherever available.

# Ubico Limited

## DIRECTORS' REPORT

For the year ended 31 March 2024

### Streamlined energy and carbon reporting

Ubico recognises our obligation to manage the environmental impact of our business operations and comply with all relevant environmental legislation, including the Streamlined Energy and Carbon Reporting (SECR) scheme. SECR was implemented in April 2019 and requires qualifying businesses to comply for financial years starting on or after 1 April 2019. This marks Ubico's third year of SECR reporting, corresponding to the financial year ending March 2024. The previous SECR report was submitted last year, covering the financial year ending March 2023.

The Greenhouse Gas (GHG) emissions associated with our core business operations have been measured and verified in accordance with SECR category guidance; Scope 1 (direct resource use), Scope 2 (bought resources for use in our direct operations) and specific Scope 3 emissions (indirect emissions due to business activities). We have also identified appropriate intensity ratios to normalise and monitor our carbon emissions and energy efficiency measures which support our drive to minimise costs and improve productivity whilst reducing carbon emissions in line with the UK's target to bring all GHG emissions to net zero by 2050.

### Our Carbon Impact

Element	Detail	Units	Current Reporting Year 2024	Proportion %	Previous Year - Amended 2023	Proportion %
Energy consumption used to calculate emissions	Electricity	kWh	822,362	3.0	641,972	2.1
	Gas	kWh	971,612	3.5	557,481	1.8
	Propane	kWh	231,884	0.8	185,176	0.6
	LPG	kWh			6,505	0.0
	Transport Fuel	kWh	25,373,579	92.6	29,403,879	95.5
<b>Total energy consumption</b>	<b>Total</b>	<b>kWh</b>	<b>27,399,436</b>	<b>100.0</b>	<b>30,795,013</b>	<b>100.0</b>
Emissions from combustion of gas (Scope 1)	Gas	teCO <sub>2e</sub>	178	3.1	102	1.4
Emissions from combustion of propane (Scope 1)	Propane	teCO <sub>2e</sub>	50	0.9	40	0.6
Emissions from combustion of LPG (Scope 1)	LPG	teCO <sub>2e</sub>			1	0.0
Emissions from combustion of fuel for company owned fleet (Scope 1)	Transport Fuel	teCO <sub>2e</sub>	5,404	93.1	6,808	96.2
Emissions from purchased electricity (Scope 2 - location based)	Grid Electricity	teCO <sub>2e</sub>	170	2.9	124	1.8
<b>Total gross carbon emissions</b>	<b>Total Mandatory</b>	<b>teCO<sub>2e</sub></b>	<b>5,801</b>	<b>100.0</b>	<b>7,075</b>	<b>100.0</b>
Intensity ratio	Mandatory against Revenue	teCO <sub>2e</sub> / £100,000	10.7	0.0	14.7	
Emissions from grid electricity transmission and distribution losses (Scope 3 - location based)	Electricity	teCO <sub>2e</sub>	15	30.5	11	
Emissions from grey fleet business travel (Scope 3)	Transport Fuel	teCO <sub>2e</sub>	28	57.9		
Emissions from water supply and treatment (Scope 3)	Water	teCO <sub>2e</sub>	6	11.6		
<b>Total gross Scope 3 emissions</b>	<b>Total Optional</b>	<b>teCO<sub>2e</sub></b>	<b>48</b>	<b>100.0</b>	<b>11</b>	
<b>Total annual net emissions (Scope 1,2 and 3)</b>	<b>Total Optional</b>	<b>teCO<sub>2e</sub></b>	<b>5,850</b>		<b>7,087</b>	
Additional Intensity Ratios	Mandatory against FTE	teCO <sub>2e</sub> / FTE	6.4		8.0	

The table above illustrates that our combined business operations during the 2023/24 SECR period generated Gross GHG emissions totalling 5,801 tonnes of carbon dioxide equivalents (teCO<sub>2e</sub>). A significant c.93% of these emissions stem from our company-owned transport fleet, while c.7% is attributed to propane, electricity, and gas consumption. As in previous years, this distribution underscores the need for our future carbon reduction strategy to prioritise our transport fleet.

Last year, we expanded our reporting scope beyond mandatory requirements by including emissions associated with electricity transmission & distribution to our sites. This year, we've taken it a step further by gathering and reporting data on our grey fleet, water supply, and treatment. Our Net annual emissions have been calculated by adding these figures to our gross emissions and in future years we will look to subtract any carbon offsetting or renewable energy generation that we can procure as part of our wider sustainability goals. Under this optional methodology our gross annual emissions are 5,850 teCO<sub>2e</sub>.

# Ubico Limited

## DIRECTORS' REPORT

For the year ended 31 March 2024

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Compared to the previous period, we've made significant progress in reducing emissions from our company vehicles, resulting in a 18% reduction in our mandatory reportable emissions year on year.

### Emission Intensity Ratios

Current government environmental reporting guidance recommends the development of at least 2 Key Performance Indicators (KPIs) associated with key environmental impacts. We have identified 2 intensity ratios that divide our carbon emissions by an appropriate normalisation factor to enable performance tracking over time and comparison against organisations operating in equivalent sectors. We hope to use the employee-based indices to promote employee engagement with our company mission to minimise our impact on the environment.

- Carbon emissions per £100k Turnover: 10.7 teCO<sub>2e</sub> / £100k
- Carbon emissions per Full Time Employee: 6.4 teCO<sub>2e</sub>/FTE

The carbon emission intensity ratios have decreased compared to last year. This decline is due to an overall reduction in emissions reported under mandatory guidelines, at the same time as when turnover and the total number of full-time employees have increased.

### Calculation Methodology

Our carbon emissions for this reporting year have been calculated in accordance with 2023 GHG Emissions Factors provided by the UK Government and the WRI GHG Reporting Protocol methodology. The amendments made for the previous reporting year have been calculated following 2022 GHG Emissions Factors provided by the UK Government and the WRI GHG Reporting Protocol methodology.

### Baseline Calculation Methodology

Our current SECR reporting year took place during a time when we have been returning to normalcy following the COVID-19 pandemic. Hence, it will not be a suitable year to assign as a baseline year against which future energy-saving measures are evaluated. We will therefore continue to monitor the baseline in future years and will develop a suitable baseline calculation methodology to account for business-as-usual levels of productivity.

### Energy Saving Measures

We are continuing the positive steps made to reduce our impact on climate change by reducing the carbon emissions for our operations through the investment in technology to improve eco performance and increasing the number of vehicles in our fleet that are electric.

The use of hydrotreated vegetable oil (HVO) now constitutes 12% of our total transport fuel consumption. This fuel significantly lowers emissions (99% based on carbon factors) in comparison to conventional diesel fuel and is saving 698 teCO<sub>2e</sub> per annum.

We continue to embed vehicle telematics to improve the levels of eco-driving, we are also working towards reducing the mileage of our fleet through reducing rounds required and optimising collections which will reduce the number of heavy vehicles required for operations.

We have begun discussions conversations with energy consultants to develop a road map to achieve net zero GHG emissions ahead of the government's 2050 legally binding deadline for achieving net zero. The output of planned further workshops in this area will include development of a road map to achieving net zero emissions for our organisation through identification and evaluation of options to achieve carbon reduction pathways across all core

# Ubico Limited

## DIRECTORS' REPORT

For the year ended 31 March 2024

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areas of our business activities.

### **Financial risk management objectives and policies**

The company continues to seek and adopt recognised best practice in the identification, evaluation and cost-effective control of risks and opportunities to ensure these are managed at acceptable levels.

Risk management within the company is about managing our threats and opportunities and striving to create an environment of 'no surprises'. By managing our threats effectively, we will be in a stronger position to deliver our business objectives. By managing our opportunities, we will be in a better position to demonstrate improved services and value for money.

### **Our Strategic Risk Management Objectives:**

- Maintain a strategic approach to risk management to make better informed decisions.
- Board and Senior Management set a 'tone from the top' on the level of risk we are prepared to accept - our 'risk appetite'.
- Use risk management to enable consistent appraisal of options and improved flexibility/agility in delivering change.
- Develop leadership capacity and skills to ensure understanding of the risks facing the company and how we manage them.
- Integrate risk management into how we run the company business/services.
- Develop a culture of well-measured risk taking throughout the company, including strategic, programme, partnership, project and operational.

### **Engagement with employees**

The company has a policy of engaging with employee representatives as appropriate. There are also structured communications channels to ensure employees are aware of current events and issues.

### **Equality, diversity, and inclusion**

The company and its board are committed to encouraging equality, diversity and inclusion among our workforce, and eliminating unlawful discrimination by demonstrating its day-to-day behaviours and interactions with colleagues, stakeholders, suppliers and customers.

The aim is for our workforce to be truly representative of all sections of society and our customers, and for each employee to feel respected and able to give their best.

### **Disabled employees**

The Company seeks to ensure that every employee, is treated equally and fairly. The Company's policies and procedures fully support our disabled colleagues. The Company takes active measures to do so via a robust, equality diversity and inclusion policy & reasonable adjustment processes to ensure colleagues are fully supported.

### **Post balance sheet events**

There have been no significant events impacting the company since year end.

# Ubico Limited

## DIRECTORS' REPORT

For the year ended 31 March 2024

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### **Disclosure of information to auditor**

In so far as each of the directors is aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board and presented for signing on its behalf on 6<sup>th</sup> November 2024.

*Beth Boughton*

Beth Boughton  
Managing Director

# Ubico Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UBICO LIMITED

For the year ended 31 March 2024

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### Opinion

We have audited the financial statements of Ubico Limited (the 'company') for the year ended 31 March 2024, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cashflows 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 'Auditor's 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the current economic uncertainty, including inflationary and interest rate pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

# Ubico Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UBICO LIMITED For the year ended 31 March 2024

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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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

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 strategic report or the directors' report.

### **Matters on which we are required to report by exception.**

We have nothing to report in respect of the following matters in relation to which 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



# Ubico Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UBICO LIMITED For the year ended 31 March 2024

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, 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 is 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.

### **Auditor's 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Companies Act 2006 as those most likely to have a material effect if non-compliance were to occur;
- We obtained an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- Audit procedures performed by the engagement team included:
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
  - identifying and testing related party transactions,

# Ubico Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UBICO LIMITED For the year ended 31 March 2024

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- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
  - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
  - appropriate training, knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory requirements specific to the Company.
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;

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 an auditor's report 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.

*Dylan Rees*

Dylan Rees BSc ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cardiff

Date: 6/11/2024

# Ubico Limited

## STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2024

	<i>Note</i>	<b>2024</b> £'000	2023 £'000
Turnover	4	54,094	49,837
Cost of Sales		(49,484)	(46,073)
<b>Gross Profit</b>		<b>4,610</b>	3,764
Administrative expenses		(3,883)	(3,564)
Defined benefit pension service costs		(525)	(982)
<b>Operating Profit /(Loss)</b>		<b>202</b>	(782)
Interest receivable and similar income	6	1,589	881
Interest payable and similar charges	6	(1,427)	(1,077)
<b>Profit / (Loss) before tax</b>		<b>364</b>	(978)
Tax on profit /(loss)	8	-	-
<b>Profit / (Loss) for the financial year</b>		<b>364</b>	(978)
<b>Other comprehensive income / (loss) for the year</b>			
Actuarial gain / losses on the defined benefit pension scheme	20	2,978	9,896
Pension surplus not recognised	20	(3,342)	(8,918)
<b>Total comprehensive income / (loss) for the financial year</b>		<b>-</b>	-

There were no recognised gains and losses for 2024 or 2023 other than those included in the Statement of Comprehensive Income.

The profit reflects non-cash adjustments in respect of the defined benefit pension scheme.

The notes on pages 22 to 37 form part of these financial statements.

# Ubico Limited

## STATEMENT OF FINANCIAL POSITION As at 31 March 2024

	<i>Note</i>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
<b>FIXED ASSETS</b>			
Tangible assets	9	13,439	13,583
<b>CURRENT ASSETS</b>			
Inventories	10	220	257
Debtors	11	2,370	4,380
Cash at bank and in hand	12	3,165	1,960
		<b>5,755</b>	<b>6,597</b>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	13	<b>(9,350)</b>	<b>(10,092)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(3,595)</b>	<b>(3,495)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>9,844</b>	<b>10,088</b>
Creditors: Amounts falling due after one year	14	<b>(9,745)</b>	<b>(9,989)</b>
Net pension asset / (liability)	20	-	-
<b>NET ASSETS</b>		<b>99</b>	<b>99</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	-	-
Profit & loss account	19	-	-
Other reserve	19	99	99
		<b>99</b>	<b>99</b>

These financial statements were approved and authorised for issue by the board of directors for signing on its behalf on 6<sup>th</sup> November 2024 and signed on their behalf by:

*Beth Boughton*  
**Beth Boughton**

Managing Director

The notes on pages 22 to 37 form part of these financial statements.  
Company Registration No. 07824292

# Ubico Limited

## STATEMENT OF CHANGES IN EQUITY For the year ended 31 March 2024

	Called-up Share Capital £'000	Profit & Loss Account £'000	Other Reserve £'000	TOTAL £'000
<b>At 1 April 2022</b>	-	-	99	99
Loss for the year	-	(978)	-	(978)
Actuarial gain / losses on the defined benefit pension scheme	-	9,896	-	9,896
Pension surplus not recognised	-	(8,918)	-	(8,918)
<b>Total comprehensive income for the year</b>	-	-	-	-
<b>At 31 March 2023</b>	-	-	99	99
Profit for the year	-	364	-	364
Actuarial gain / losses on the defined benefit pension scheme	-	2,978	-	2,978
Pension surplus not recognised	-	(3,342)	-	(3,342)
<b>Total comprehensive income for the year</b>	-	-	-	-
<b>At 31 March 2024</b>	-	-	99	99

# Ubico Limited

## STATEMENT OF CASH FLOWS For the year ended 31 March 2024

	2024 £'000	2023 £'000
<b>Cash flows from Operating Activities</b>		
Profit /(loss) for the financial year	364	(978)
Adjustments for:		
Depreciation of tangible assets	3,974	3,801
Interest paid	1,427	1,077
Interest received	(1,589)	(881)
Decrease / (increase) in debtors	2,010	(3,504)
(Decrease) / increase in creditors	(846)	2,840
Decrease / (increase) in inventories	37	(85)
Difference between pension charge and cash contributions	89	982
<b>Cash flow from Operations</b>	<b>5,466</b>	<b>3,252</b>
Tax paid	-	-
<b>Net cash flow from Operating Activities</b>	<b>5,466</b>	<b>3,252</b>
<b>Cash flows from Investing Activities</b>		
Fixed Asset Additions	(3,830)	(5,671)
Interest received	114	18
Capital receipts from partner	-	-
Capital payments to partner	-	-
<b>Net cash flow from Investing Activities</b>	<b>(3,716)</b>	<b>(5,653)</b>
<b>Cash flows from Financing Activities</b>		
(Repayment) increase of finance lease obligations	(140)	1,872
Interest paid	(405)	(218)
<b>Net cash flow from Financing Activities</b>	<b>(545)</b>	<b>1,654</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,205</b>	<b>(747)</b>
Cash and Cash Equivalents at 1 April	1,960	2,707
<b>Cash and Cash Equivalents at 31 March</b>	<b>3,165</b>	<b>1,960</b>

The notes on pages 22 to 37 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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### 1. GENERAL INFORMATION

The company is registered under the Companies Act 2006 and was incorporated on 26 October 2011. The accounting period covers the financial year to 31 March 2024.

The company is a private company limited by share capital and is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the registered office is given in the officers and professional advisers section of these financial statements.

The functional currency of Ubico Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Monetary amounts contained in these financial statements are rounded up to the nearest thousand £ unless stated otherwise.

### 2. ACCOUNTING POLICIES

#### **Basis of Accounting**

These financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### **Going Concern**

The financial statements have been prepared on a 'going concern' basis, notwithstanding net current liabilities of £3,595,000 (2023: £3,495,000) and net assets of £99,000.

The directors believe this to be appropriate as they have no reason to believe that continued support will not be made available by the company's shareholders if necessary.

The directors have a reasonable expectation that the company has adequate resources and the backing of its partners to continue in operational existence for the foreseeable future. The company will continue to work closely with our partners, and as such, they continue to adopt the going concern basis in preparing the annual financial statements.

### **Turnover**

Turnover comprises service income receivable in the year from the partner shareholders, income from non-shareholding council business, external bodies and other ad-hoc income streams included at the invoiced value (excluding VAT) of goods and services supplied in the year.

Turnover is recognised as contract activity progresses, and as the right to consideration is earned. The fair value of the income receivable reflects the amount expected to be recovered from clients and is based on time spent, skills and expertise provided, and expenses incurred.

### **Interest payable**

Interest is payable on the finance leases for vehicles, plant and equipment utilised by the company which are owned by partner shareholders.

The interest payable is charged to profit or loss on ordinary activities in the year.

### **Tangible fixed assets**

Fixed assets under the cost model are 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.

Assets with a cost of less than £10,000 are treated as de-minimus and may not be capitalised, except where the sum of a group of similar assets together have a significant value.

### **Depreciation**

Depreciation is charged so as to allocate the cost of fixed assets (less their residual value) over the estimated useful life of the asset. The majority of assets are depreciated over the following lives, using the straight-line method as follows:

Vehicles and plant	14% straight line (7 years)
Equipment	10% straight line (10 years)

For assets in existence at 1 April 2013, when Ubico was formed, asset valuations and useful lives were estimated by the Ubico Fleet Services Manager at the point of transfer. Assets acquired after 1 April 2013 have been capitalised at their purchase price.

For any purchases of 'used' assets, the useful life of the asset will be determined at the point of acquisition.

### **Inventory**

Inventory is valued at the lower of cost and net realisable value, being estimated selling price less cost to complete and sell. Cost is based on the cost of purchase on a first in first out basis. At each reporting date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in profit or loss.



### **Leasing**

Assets held under finance leases (those where substantially all the risks and rewards of ownership of the asset have passed to the company) are capitalised in the Statement of Financial Position and depreciated over their useful lives. The corresponding lease obligation is treated in the Statement of Financial Position as a liability. The interest element of the lease obligations is charged to profit or loss on ordinary activities over the period of the lease.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

### **Taxation**

Ubico is wholly owned by local authority partner councils. As a result, any surplus generated in-year is returned to the partner councils at the end of the year. Surplus is subject to taxation.

Current and deferred tax is recognised in the Statement of Comprehensive Income.

The charge for taxation is based on the profit for the period and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on 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 and is accounted for using the Statement of Financial Position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

As a company owned by local authority partners and operating a model where surpluses are returned to the partners, it is not seen as probable that taxable profits will be available against which deferred tax assets would be recognised in the foreseeable future.

### **Value Added Tax**

The company charges value added tax (VAT) on all of its income and is able to recover all of the VAT it incurs on expenditure. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

### **Pensions**

The company operates a contributory pension scheme, of the defined benefit type, for employees. The scheme is administered by Gloucestershire County Council and is independent of the company finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuary in order that the benefits accruing in respect of current and future service can be met.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date.

Pension scheme assets are measured at fair value in accordance with the FRS 102 fair value hierarchy. Liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised as a finance expense.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, together with the return on plan assets (excluding amounts in net interest), are charged or credited to other comprehensive income or expenditure.

The scheme's surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the Statement of Financial Position.

The company also offers a stakeholder pension administered by Royal London. Employee contributions are matched by employer's contributions.

### **Cash and cash equivalents**

Cash comprises cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **Creditors**

Short term creditors are measured at the transaction price. 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.

### **Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these have been made include:

#### **Depreciation**

The company exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

#### **Basis of preparation of the financial statements**

As per the accounting policy within note 2 above management is of the opinion that the preparation of the financial statements on a going concern basis is reasonable.

#### **Valuation of pension schemes**

The company participates in a defined benefit Local Government Pension Scheme ('LGPS'), administered by Gloucestershire County Council. The accounting cost of these benefits and the present value of the pension liability involve judgements about uncertain events including such factors as the life expectancy of the members, salary progression or current employees, price inflation and the discount rate used to calculate the present value of the future pension payments. The assumptions reflect historical experience and judgement regarding future expectations and external actuary specialists are also used to assist.

#### **Assets acquired by member councils and used by the company**

Historic arrangements are in place, under which the company uses assets acquired by the member councils. These arrangements have been accounted for as finance leases on the basis that the total lease payments during the term of the agreement are equal to the value of the associated assets. The associated credit balance has been recognised as a finance lease liability despite the fact that formal lease agreements are not in place as management considers that the substance of the agreements are leases. Management is of the opinion that this accounting treatment is appropriate based on the substance of the agreements.

**4. ANALYSIS OF TURNOVER**

	2024	2023
	£'000	£'000
Turnover by activity:		
Service level agreements	52,751	48,475
Other partner income	1,133	1,122
Other Income	210	240
	<u>54,094</u>	<u>49,837</u>

All turnover is generated in the United Kingdom.

**5. OPERATING PROFIT / (LOSS)**

Operating profit / (loss) is stated after charging the following:

	2024	2023
	£'000	£'000
Depreciation of tangible assets	3,974	3,801

The fees payable to the company's auditor and its associates for the audit of the company's annual financial statements.

	2024	2023
	£'000	£'000
External audit costs		
Statutory audit	45	48

**6. INTEREST RECEIVABLE AND PAYABLE**

	2024	2023
	£'000	£'000
<b>Interest payable</b>		
Finance lease interest payable	405	218
Defined benefit interest cost	1,022	859
	<u>1,427</u>	<u>1,077</u>

	2024	2023
	£'000	£'000
<b>Interest receivable</b>		
Other interest receivable	114	18
Defined benefit interest income	1,475	863
	<u>1,589</u>	<u>881</u>

## 7. EMPLOYEES and DIRECTORS REMUNERATION

Staff costs, including directors' remuneration, during the year were as follows:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Wages and salaries	<b>25,535</b>	23,146
Employer's NI contributions	<b>2,381</b>	2,177
Employer's superannuation payments	<b>1,500</b>	1,005
	<b><u>29,416</u></b>	<u>26,328</u>

Employees are entitled to participate in a retirement benefit scheme. The company participates in two schemes:

- The Local Government Pension Scheme ('LGPS'), a defined benefit scheme. This is a closed scheme for new employees unless the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply.
- A stakeholder pension administered by Royal London. Employee contributions are matched by employer's contributions to a maximum of 4%.

The average monthly number of employees, including the directors, during the period was as follows:

	<b>2024</b>	2023
	<b>Number</b>	Number
Administrative staff	<b>56</b>	46
Operational staff	<b>847</b>	834
	<b><u>903</u></b>	<u>880</u>

Remuneration in respect of directors (excluding non-executives) was as follows:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Emoluments	<b>310</b>	294
Employer's superannuation payments	<b>31</b>	7
	<b><u>341</u></b>	<u>301</u>

The amounts above include remuneration in respect of the highest paid director as follows:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Emoluments	<b>124</b>	116
Employer's superannuation payments	<b>23</b>	-
	<b><u>147</u></b>	<u>116</u>

During the year, retirement benefits were accruing to 2 (2023: 2) directors in respect of defined contribution pension schemes.

The total compensation paid to non-executive directors during the period was £30,060 (2023: £22,000).

## 8. TAXATION

### Tax on profit on ordinary activities

#### a) Analysis of charge in period

	2024 £'000	2023 £'000
<b>Current tax:</b>		
UK Corporation tax on profits of period	-	-
Corporation tax adjustment re: tax liability	-	-
	<hr/>	<hr/>
	-	-
<b>Deferred tax:</b>		
Total deferred tax	-	-

#### Analysis of Charge in Period

	2024 £'000	2023 £'000
Reconciliation of tax charged in the period		
Profit / (Loss) for the period	364	(978)
Tax on profit at standard UK tax rate of 25.00% (2023: 19.00%)	91	(186)
Effects of:		
Expenses not deductible	(91)	187
Amounts not recognised	-	(1)
Tax charge for the period	-	-

#### b) Factors that may affect future tax charges

The standard rate of corporation tax in the UK at the balance sheet date is 25%. The corporation tax rate for the Company for the full period was 25% (2023: 19%).

**9. TANGIBLE FIXED ASSETS – VEHICLES, PLANT AND EQUIPMENT**

	2024 £'000	2023 £'000
<b>Gross cost or valuation</b>		
Opening balance - 1 April	32,390	26,720
Additions	3,830	5,670
Disposal	-	-
Closing balance - 31 March	<u>36,220</u>	<u>32,390</u>
<b>Accumulated depreciation</b>		
Opening balance - 1 April	(18,807)	(15,006)
Depreciation charge for the year	(3,974)	(3,801)
Closing balance - 31 March	<u>(22,781)</u>	<u>(18,807)</u>
<b>Net book value of assets</b>		
Opening balance - 1 April	13,583	11,714
Closing balance - 31 March	13,439	13,583

Ubico Limited has no land, property, or investment property assets.

**10. INVENTORIES**

Ubico Limited holds a small number of consumable stocks and stores. These can be broken down as follows:

	2024 £'000	2023 £'000
Consumables - fuel stores	103	173
Other stocks and stores	117	84
	<u>220</u>	<u>257</u>

**11. DEBTORS**

	2024 £'000	2023 £'000
Cheltenham Borough Council	245	600
Cotswold District Council	243	895
Forest of Dean District Council	128	112
Gloucester City Council	390	1,209
Gloucestershire County Council	349	134
Stroud District Council	257	595
Tewkesbury Borough Council	163	198
West Oxfordshire District Council	405	472
Amount due from shareholders	<u>2,180</u>	<u>4,215</u>
Other trade debtors	190	165
Taxation and social security	-	-
	<u>2,370</u>	<u>4,380</u>



## 12. CASH and CASH EQUIVALENTS

	2024	2023
	£'000	£'000
Cash and cash equivalents	3,165	1,960
	<u>3,165</u>	<u>1,960</u>

## 13. CREDITORS - due within one year

	2024	2023
	£'000	£'000
Cheltenham Borough Council	440	332
Cotswold District Council	656	674
Forest of Dean District Council	307	270
Gloucester City Council	1,341	1,431
Gloucestershire County Council	61	46
Stroud District Council	1,030	1,097
Tewkesbury Borough Council	2	15
West Oxfordshire District Council	147	979
Amount owed to shareholders	<u>3,984</u>	<u>4,844</u>
Other trade creditors	254	6
Amounts due under finance leases	3,692	3,588
Taxation and social security	74	470
Other creditors	1,346	1,184
	<u>9,350</u>	<u>10,092</u>

## 14. CREDITORS - due in greater than one year

	2024	2023
	£'000	£'000
Amounts due under finance lease obligations	9,745	9,989
	<u>9,745</u>	<u>9,989</u>

## 15. OBLIGATIONS UNDER FINANCE LEASES

The total obligations under finance leases shown below include interest payable under the agreements in place. The timing of those obligations is as follows:

	2024	2023
	£'000	£'000
Amounts payable		
Within one year	3,692	3,588
Within two to five years	8,687	8,756
After five years	1,058	1,233
	<u>13,437</u>	<u>13,577</u>

## **16. RELATED PARTY TRANSACTIONS**

### **Services provided by Ubico Limited:**

Ubico Limited (the company), is a not-for-profit company limited by shares, that provides environmental services across Gloucestershire and Oxfordshire. Of its clients, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Stroud District Council, Tewkesbury Borough Council and West Oxfordshire District Council are all shareholders in the company.

During the period the company supplied services to the Councils totalling £53.9m (2023: £49.6m).

Balances outstanding with shareholders are shown in either the debtors or creditors notes in the financial statements.

### **Services provided to Ubico Limited:**

Publica (Group) Support Limited provides Finance, IT, Payroll, Health & Safety and Human Resources services to Ubico Limited. Publica is a Teckal company owned by Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council.

'One Legal' provides Legal Services to Ubico Limited. 'One Legal' is a collaboration involving Cheltenham Borough Council, Gloucester City Council, Stroud District Council and Tewkesbury Borough Council.

ARA provide Internal Audit Services to Ubico Limited. ARA, is a collaboration involving Gloucester City Council, Gloucestershire County Council and Stroud District Council.

These services are all provided under Service Level Agreements.

The company purchased goods and services of £7.1m exclusive of VAT (2023: £6.5m) from the Councils during the period.

Balances outstanding with shareholders are shown in either current debtors or creditors.

### **Key management personnel compensation:**

The compensation paid to key management personnel is disclosed in Note 7 of the financial statements.

## 17. FINANCIAL INSTRUMENTS

	2024 £'000	2023 £'000
Financial assets measured at amortised cost	5,535	6,340
Financial liabilities measured at amortised cost	(19,021)	(19,611)

Financial assets measured at amortised cost comprise cash and cash equivalents amounts due from shareholders and other trade debtors.

Financial liabilities measured at amortised cost comprise finance lease obligations, trade creditors, other creditors and amounts owed to shareholders.

## 18. SHARE CAPITAL

	2024 £	2023 £
Authorised share capital, issued and fully paid -		
Ordinary shares of £1	8	8

The company is a local authority company limited by shares, with each council having equal voting rights. It is governed by its memorandum and articles of association. The shareholders are listed in the company's Register of Members. The liability, as set out in the memorandum of association, is limited to £1 per member of the company.

## 19. RESERVES

### Profit and loss account

This reserve includes all current and prior period retained profits and losses, including all current and prior period actuarial gains and losses and other comprehensive income items relation to the defined benefit pension scheme.

### Other reserve

This reserve includes all current and prior period movements relating to capital contributions from partners upon joining.

## 20. PENSIONS

As part of the terms and conditions of employment, employees of Ubico Limited are entitled to participate in a retirement benefit scheme. The company participates in two schemes:

- the Local Government Pension Scheme ('LGPS'), administered by Gloucestershire County Council. This is a funded scheme, meaning that both employer and employees pay contributions into the fund, calculated at a level that is estimated to balance the pensions' liabilities with investment assets. This is a closed scheme for new employees unless the Transfer of Undertakings (Protection of Employment) Regulations 2006 apply.

- a stakeholder pension administered by Royal London. Employee contributions are matched by employer's contributions to a maximum of 4%.

### Local Government Pension Scheme

The following figures for the defined benefit Local Government Pension Scheme have been prepared by the actuary as 31 March 2024 in compliance with the provisions of FRS 102 and based on the most recent March 2022 funding valuation date.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below

	Males	Females
Current Pensioners	20.2 years	23.3 years
Future Pensioners*	20.6 years	25.7 years

\*Figures assume members aged 45 as at the last formal valuation date.

### Reconciliation of present value of plan liabilities

	2024 £'000	2023 £'000
Opening position 1 April	(21,459)	(31,490)
Current service costs	(525)	(1,000)
Defined benefit interest cost	(1,022)	(859)
Plan participant contributions	(148)	(145)
Benefits paid	568	459
Remeasurements	956	11,576
<b>Closing position 31 March</b>	<b>(21,630)</b>	<b>(21,459)</b>

### Reconciliation of fair value of plan assets

	2024 £'000	2023 £'000
Opening position 1 April	31,035	32,148
Interest on plan assets	1,475	863
Plan participant contributions	148	145
Employer contributions	436	18
Benefits paid	(568)	(459)
Remeasurements	2,022	(1,680)
<b>Closing position 31 March</b>	<b>34,548</b>	<b>31,035</b>

<b>Net re-measurements of plan assets</b>	<b>2,978</b>	<b>9,896</b>
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**Composition of plan assets**

Period Ended	31 Mar 2024	31 Mar 2023
Equities	64%	64%
Bonds	22%	22%
Property	13%	12%
Cash	1%	2%

	2024	2023
	£'000	£'000
Fair value of plan assets	34,548	31,035
Present value of plan liabilities	(21,630)	(21,459)
Pension surplus not recognised	<u>(12,918)</u>	<u>(9,576)</u>

The employer's share of the Gloucestershire County Council Fund plan assets as at 31 March 2024 is £34,548,000 (31 March 2023: £31,035,000) as provided by the Administering Authority.

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2024	2023
	£'000	£'000
Current service cost	(525)	(1,000)
Net interest (expense) / income	<u>453</u>	<u>4</u>
	(72)	(996)
Re-measurement of net defined benefit liability	<u>2,978</u>	<u>9,896</u>
	<u>2,906</u>	<u>8,900</u>

**Assumptions**

The major assumptions used by the Actuary in assessing scheme liabilities were as follows:

Period Ended	31 Mar 2024	31 Mar 2023
	% p.a.	% p.a.
Pension Increase/Revaluation Rate (CPI)	2.75%	2.95%
Salary Increase Rate	3.25%	3.45%
Discount Rate	4.85%	4.75%

## 21. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases at 31 March 2024 was as follows:

	2024 £'000	2023 £'000
Amounts payable:		
Within one year	831	257
Within two to five years	1,553	535
After five years	-	-
	2,384	792

## 22. CONTROLLING PARTIES

The company is wholly owned by the eight Member Councils, Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, Gloucester City Council, Gloucestershire County Council, Stroud District Council, Tewkesbury Borough Council and West Oxfordshire District Council.

## 23. ANALYSIS OF CHANGES IN NET DEBT

	1 <sup>st</sup> April 2023 £'000	Cash flows £'000	Other movements £'000	31 <sup>st</sup> March 2024 £'000
Cash and cash equivalents	1,960	1,205	-	3,165
Finance leases	(13,577)	545	(405)	(13,437)