

Coastline Services Limited
Directors' Report and Financial Statements
for the year ended 31 March 2023

Registered Number 05558027

Registered Office:

Coastline House

4 Barncoose Gateway Park

Pool, Redruth

Cornwall

TR15 3RQ

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Coastline Services Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2023.

Principal Activities

The principal activity of Coastline Services Limited ('CSL' or 'the Company'), is the provision of building maintenance and technical management services, primarily in respect of the management of affordable housing.

Corporate Plan: Mission, Values and Objectives

Coastline Services exists as an integral provider of maintenance related services to Coastline Housing.

Coastline's ambition is to end the housing crisis in Cornwall. Our work towards achieving this is set out in the Coastline Plan 2021-25 across the three strands of our mission statement:

- Great Homes
- Great Services
- Great People

Our work is also underpinned by what we call 'Great Foundations': the need to have strong governance, strong sustainable finances, and a strong set of shared values.

Our values are:

- Customer focused - put our customers first
- Trustworthy – be open, honest and accountable
- Learning – strive to be the best
- Caring – value each other

Results and Dividends

The results for the year are set out in the Statement of Comprehensive Income on page 6.

Directors

| The Board | Role | From | To |
|-------------|---|-----------------|-------------------|
| M Duddridge | Chair | 01 July 2021 | 17 May 2023 |
| S Harrison | Interim Chair | 18 May 2023 | |
| A Young | Chief Executive | 09 October 2014 | |
| K Kemp | Non-Executive | 21 July 2022 | |
| C Pears | Non-Executive | 21 July 2022 | |
| K Harris | Non-Executive | 21 July 2022 | |
| A Moore | Non-Executive | 21 July 2022 | |
| B Treleaven | Non-Executive | 21 July 2022 | |
| P Doddrell | Non-Executive | 21 July 2022 | |
| D Barlow | Non-Executive | 21 July 2022 | |
| C Weston | Director of Development & Commercial Services | 01 August 2016 | 28 September 2022 |

Directors' Report – cont'd

From the 21 July 2022 all non-executive directors of Coastline Housing Limited have been appointed to Coastline Services Limited Board reflecting the most recent governance action plan and in preparation for moving to a common Board. This change reflects the importance of the delivery of repairs and maintenance services within the Group

Company Secretary: R Wilde

Internal Controls

The Directors have a general responsibility for ensuring that there is a satisfactory system of internal control over the Company's transactions, the Company's assets and liabilities, and that such steps are taken as are reasonable to prevent and detect fraud and other irregularities.

Going concern

The Board, after reviewing the company's budgets for 2023/24 and the group's medium term financial position as detailed in the 30-year business plan, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Board therefore continue to adopt the going concern basis in preparing the annual financial statements.

Equal Opportunities

The Company is committed to an equal opportunities policy within which it actively encourages applications for employment from all groups in society. It is also committed to an equality and diversity agenda designed to ensure equal access to its services.

Health and Safety

The Company is committed to its health and safety and welfare obligations and complies with relevant health and safety legislation and the Group-wide policy. Our vision is to create and maintain an environment where care for our people, and those who work with us, is our top priority; where the belief that all accidents are preventable prevails

Employees

The Company relies greatly on the quality and commitment of its employees and good co-operation with CHL's employees in order to meet its corporate objectives. The Company ensures that sufficient staff with appropriate skills are employed and that effective employment policies are in place and good practice is followed.

The Board sees work based training and the effective development of talent as critical to its future development and as a result the Company has put in place a number of apprenticeships, covering areas such as plumbing, carpentry and masonry.

The Board express their appreciation for the resilience and commitment of all our employees throughout the year to enable us to maintain our emergency service and for all the hard work when recovering the backlog of works from 2020/21.

Disclosure of Information to Auditor

The Directors who held office at the date of approval of this Directors' report confirm that;

- so far as they are each aware there is no relevant audit information of which the Company's auditor is unaware; and

- each director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

A resolution to re-appoint Francis Clark as Auditors will be made at the Group's Annual General Meeting.

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

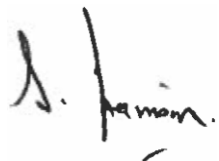
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial 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 of the company 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



S Harrison
Interim Chair – Coastline Services Ltd

31 August 2023

Coastline House
4 Barncoose Gateway Park
Pool, Redruth
Cornwall
TR15 3RQ

Independent Auditor's Report to the Members of Coastline Services Limited

Opinion

We have audited the financial statements of Coastline Services Limited (the 'company') for the year ended 31 March 2023, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes, 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

In auditing the financial statements, we have concluded that the Board of 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 original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board of directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of our 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Responsibilities of Board of directors

As explained more fully in the Director's report set out on page 1, the Board of 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 Board of 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 Board of 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 Board of 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. 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:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the company. We gained an understanding of the industry in which the company operates as part of this assessment to identify the key laws and regulations affecting the company.

As part of this, we made enquiries with the Board of directors and the audit risk and assurance committee, reviewed policies and procedures regarding both compliance and fraud detection/prevention, reviewed the annual compliance report and carried out a review of the Board, and audit, risk and assurance committee minutes. The key regulations we identified were tax legislation, health and safety regulations and breaches of The General Data Protection Regulation ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue operating and the risk of material misstatement to the accounts. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements including meeting loan covenants and regulatory performance targets. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements.

- Review of regulatory and legal correspondence and company compliance reports.
- Review of the company's GDPR register and enquiries of the company's compliance officer as to the occurrence and outcome of any reportable breaches.
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

We assessed the susceptibility of the financial statements to material misstatement through management override or fraud, including in relation to development income, and obtained an understanding of the controls in place to mitigate the risk of fraud. We also discussed with management whether there had been any instances of known or alleged fraud. Based upon our understanding we designed and conducted audit procedures including:

- Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the 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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, 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. 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.



Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
Lowin House
Tregolls Road
Truro
TR1 2NA
Date:..... 13/09/2023.....

Statement of Comprehensive Income for the year ended 31 March 2023

| | Note | 2023 £'000 | 2022 £'000 |
|---|------|---------------|---------------|
| Turnover | | 7,574 | 6,177 |
| Cost of sales | | (6,458) | (5,156) |
| Gross profit | | 1,116 | 1,021 |
| Administrative expenses | | (1,074) | (939) |
| Profit / (Loss) on ordinary activities before taxation | 2 | 42 | 82 |
| Tax on profit on ordinary activities | 5 | - | - |
| Profit / (Loss) for the year | | 42 | 82 |

All activities are continuing as at 31 March 2023.

Other Comprehensive Income for the year ended 31 March 2023

The Company has no recognised gains or losses other than the profit for the year.

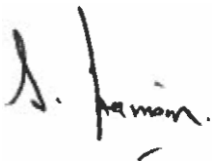
The notes on pages 11 to 22 form an integral part of the financial statements.

Statement of Financial Position as at 31 March 2023

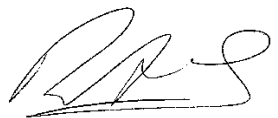
| | Note | 2023 | 2022 |
|---|------|-------------------|-------------------|
| | | £'000 | £'000 |
| Fixed assets | | | |
| Intangible assets | 6 | - | - |
| Tangible assets | 7 | 21 | 28 |
| Total fixed assets | | <u>21</u> | <u>28</u> |
| Current assets | | | |
| Stock | 8 | 162 | 174 |
| Debtors | 9 | 136 | 411 |
| Cash at bank and in hand | | 849 | 653 |
| Total current assets | | <u>1,147</u> | <u>1,238</u> |
| Creditors: amounts falling due within one year | 10 | <u>(476)</u> | <u>(574)</u> |
| Net current assets | | 671 | 664 |
| Provisions for tax liabilities | 13 | - | - |
| Net assets | | <u><u>692</u></u> | <u><u>692</u></u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 75 | 75 |
| Profit or loss account | | 617 | 617 |
| Equity shareholder's funds | | <u><u>692</u></u> | <u><u>692</u></u> |

Companies House Registration Number: 05558027

These financial statements were approved by the Board of Directors on 31 August 2023 and were signed on its behalf by:



S Harrison
Interim Chair



R Wilde
Company Secretary

Statement of Changes in Equity

| | Called up share capital | Profit or loss account | Total equity |
|---|--|---------------------------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Balance at 1 April 2021 | 75 | 617 | 692 |
| Profit for the year | - | 82 | 82 |
| Total comprehensive income for the year | 75 | 699 | 774 |
| Gift aid payment | - | (82) | (82) |
| Balance at 31 March 2022 | 75 | 617 | 692 |
| | | | |
| Balance at 1 April 2022 | 75 | 617 | 692 |
| Profit for the year | - | 42 | 42 |
| Total comprehensive income for the year | 75 | 659 | 734 |
| Gift aid payment | - | (42) | (42) |
| Balance at 31 March 2023 | 75 | 617 | 692 |

Coastline Services Limited

Notes to the Financial Statements

1 Accounting Policies

Coastline Services Limited (the “Company”) is a company limited by shares and incorporated and domiciled in England.

Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *the Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Coastline Housing Group includes the Company in its consolidated financial statements. The consolidated financial statements of Coastline Housing Group are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address given in note 14. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Transactions or balances with entities which form part of the Group.

As the consolidated financial statements of Coastline Housing Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

Measurement Convention

The financial statements are prepared on the historical cost basis.

Going Concern

The Board, after reviewing the company’s budgets for 2023/24 and the group’s medium term financial position as detailed in the 30-year business plan, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The Board therefore continue to adopt the going concern basis in preparing the annual financial statements.

Coastline Services Limited

Notes to the Financial Statements

1 Accounting Policies – cont'd

Gift aid payment presented within shareholders' funds

Gift Aid payment is only recognised as a liability at the year end to the extent that it has been paid prior to the year end, there is a deed of covenant prior to the year-end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date.

Classification of Financial Instruments Issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Coastline Services Limited

Notes to the Financial Statements

1 Accounting Policies – cont'd

Depreciation is charged to the profit or loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

| | |
|---------------------------|--------------------------------|
| Vehicles | 5 years; |
| Plant & Equipment | 4 years |
| Furniture & Fittings | 5 years |
| Office Equipment | 3 years |
| Grounds Plant & Equipment | 3 years; 2 years item specific |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Basic Financial Instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Stocks and Work in Progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Retirement Benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss account in the periods during which services are rendered by employees.

Coastline Services Limited

Notes to the Financial Statements

1 Accounting Policies – cont'd

The Company operates one defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit or loss account represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company participates in the Social Housing Pension Scheme operated by The Pensions Trust providing benefits based on final pensionable pay or, on career average salary, although it is closed to future accrual.

Participation in the scheme is through the parent company Coastline Housing Limited (CHL) and therefore the scheme is accounted for as a defined contribution scheme in this entity. The amount charged to the profit or loss account represents the contributions payable to the scheme in respect of the accounting period.

Provisions

A provision is recognised in the statement of financial position when the Company has a present, legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Turnover

Turnover represents the amounts (excluding Value Added Tax) of goods and services supplied to customers during the period.

Expenses

Cost of sales

Cost of sales include all direct labour, materials, sub-contractor and fleet costs that relate directly to the cost of completing repairs and maintenance work.

Coastline Services Limited

Notes to the Financial Statements

1 Accounting Policies – cont'd

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit or loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit or loss over the term of the lease as an integral part of the total lease expense.

Coastline Services Limited

Notes to the Financial Statements

2 Profit on Ordinary Activities before Taxation

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Profit on ordinary activities before taxation is stated after charging: | | |
| Depreciation of tangible fixed assets | 15 | 18 |
| Profit on disposal of tangible fixed assets | 15 | 5 |
| Operating lease rentals: | | |
| - plant, equipment and motor vehicles | 23 | 23 |
| - land and buildings | 36 | 37 |
| Auditor's remuneration: | | |
| - audit of these financial statements | 10 | 6 |
| - tax services | 3 | 3 |
| | <u>3</u> | <u>3</u> |

3 Staff Numbers and Costs

| | 2023 | 2022 |
|---|---------------|------------|
| | Number | Number |
| Average total full-time and part-time employees during the year | <u>119</u> | <u>107</u> |

The aggregate payroll costs of these persons were as follows:

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 2,926 | 2,590 |
| Employer's National Insurance contributions | 238 | 188 |
| Employer's pension costs | 114 | 95 |
| | <u>3,278</u> | <u>2,873</u> |

The full time equivalent number of staff who received emoluments above £50,000:

| | 2023 | 2022 |
|--------------------|---------------|----------|
| | Number | Number |
| £80,001 to £90,000 | <u>1</u> | <u>1</u> |

Coastline Services Limited

Notes to the Financial Statements

4 Directors' Remuneration

The directors of Coastline Services Limited are paid through the parent company, Coastline Housing Limited, and their remuneration is disclosed in the consolidated financial statements. The proportion of the total remuneration receivable for qualifying services to the Group are not separately identifiable and hence cannot be disclosed in regards to distinct services rendered to Coastline Services Limited.

The Company has applied the exemptions available in respect of the disclosure of Key Management Personnel compensation re Non-Executive Directors.

5 Tax on Profit on Ordinary Activities

Total tax expense recognised in the profit or loss account, other comprehensive income and equity

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| <i>Current tax:</i> | | |
| UK corporation tax on profits for the year at 19% (2022: 19%) | - | - |
| Adjustments in respect of previous periods | - | - |
| | <hr/> | <hr/> |
| | - | - |
| <i>Deferred tax:</i> | | |
| Origination and reversal of timing differences | - | - |
| Adjustments in prior periods | - | - |
| Effect of tax rate change on opening balance | - | - |
| | <hr/> | <hr/> |
| | - | - |
| | <hr/> | <hr/> |
| Tax on profit of ordinary activities | - | - |
| | <hr/> | <hr/> |

Factors affecting the tax charge for the current year:

The current tax credit of £nil (2022: nil) for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Current tax reconciliation | | |
| Profit/(Loss) on ordinary activities before gift aid and taxation | 42 | 82 |
| | <hr/> | <hr/> |
| Current tax at 19% (2022: 19%) | 8 | 16 |
| Effect of gift aid | (8) | (16) |
| Effect of tax charge in previous period | - | - |
| Effect of deferred tax in previous period | - | - |
| Effect of tax rate on opening deferred tax balance | - | - |
| | <hr/> | <hr/> |
| Total tax (credit) / charge (see above) | - | - |
| | <hr/> | <hr/> |

Coastline Services Limited

Notes to the Financial Statements

6 Intangible Fixed Assets

| | Computer Software | Total |
|-------------------------|------------------------------|--------------|
| | £'000 | £'000 |
| Cost | | |
| At 1 April 2022 | 50 | 50 |
| Additions | - | - |
| Disposals | - | - |
| At 31 March 2023 | 50 | 50 |
| Amortisation | | |
| At 1 April 2022 | 50 | 50 |
| Charge for year | - | - |
| Disposals | - | - |
| At 31 March 2023 | 50 | 50 |
| Net book value | | |
| At 1 April 2022 | - | - |
| At 31 March 2023 | - | - |

Coastline Services Limited

Notes to the Financial Statements

7 Tangible Fixed Assets

| | Motor Vehicles | Plant & Equipment | Furniture & Fittings | Total |
|-------------------------|-------------------|----------------------|-------------------------|------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| At 1 April 2022 | 296 | 155 | 5 | 456 |
| Additions | | 9 | | 9 |
| Disposals | (116) | (5) | | (121) |
| At 31 March 2023 | 180 | 159 | 5 | 344 |
| Depreciation | | | | |
| At 1 April 2022 | 291 | 132 | 5 | 428 |
| Charge for year | 3 | 13 | | 16 |
| Disposals | (116) | (5) | | (121) |
| At 31 March 2023 | 178 | 140 | 5 | 323 |
| Net book value | | | | |
| At 1 April 2022 | 5 | 23 | - | 28 |
| At 31 March 2023 | 2 | 19 | - | 21 |

8 Work in Progress and Stocks

| | 2023 £'000 | 2022 £'000 |
|------------------|---------------|---------------|
| Work in progress | 162 | 173 |
| | 162 | 173 |

Coastline Services Limited

Notes to the Financial Statements

9 Debtors

| | 2023 | 2022 |
|--------------------------------|--------------|-------|
| | £'000 | £'000 |
| Trade debtors | 73 | 40 |
| Amounts owed by Parent Company | 54 | 347 |
| Corporation tax debtor | - | - |
| Prepayments and accrued income | 9 | 24 |
| | 136 | 411 |

Trade debtors are stated after provisions for impairment of £nil (2022: £nil). Amounts owed by Group undertakings are trading balances repayable on demand and are non-interest bearing.

10 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|--------------|-------|
| | £'000 | £'000 |
| Trade creditors | 184 | 216 |
| Accruals and deferred income | 292 | 358 |
| Taxation and social security | - | - |
| | 476 | 574 |

11 Called Up Share Capital

| | 2023 | 2022 |
|--|---------------|--------|
| | £ | £ |
| Authorised | | |
| 75,000 Ordinary Shares of £1 each (2021: 75,000 Shares of £1 each) | 75,000 | 75,000 |
| Allotted, called up and fully paid | | |
| 75,000 Ordinary Shares of £1 each (2021: 75,000 Shares of £1 each) | 75,000 | 75,000 |

Coastline Services Limited

Notes to the Financial Statements

12 Operating Lease Commitments

At 31 March 2023 the minimum lease payments under non-cancellable operating lease rentals are as follows:

| | 2023 | | 2022 | |
|----------------------|-----------------------------|----------------|-----------------------------|----------------|
| | Land and buildings £'000 | Other £'000 | Land and buildings £'000 | Other £'000 |
| Within one year | - | - | - | - |
| In two to five years | 78 | 55 | 115 | 66 |
| | 78 | 55 | 115 | 66 |

Operating lease expenses recognised during the year were £58,666 (2022: £60,292).

13 Provision for Liabilities

Deferred tax

| | 2023 £'000 | 2022 £'000 |
|----------------------------------|---------------|---------------|
| At 1 April | - | - |
| (Released)/ Charge in the year | - | - |
| Change in underlying rate of tax | - | - |
| At 31 March | - | - |
| Comprising: | | |
| Accelerated capital allowances | - | - |
| | - | - |

A UK corporation tax rate of 19% (effective 1 April 2021) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future tax charge accordingly. Deferred tax has been calculated at 19% (2022: 19%).

Coastline Services Limited

Notes to the Financial Statements

14 Ultimate Parent Company of which the Company is a Member

The Company is a subsidiary undertaking of Coastline Housing Limited.

The largest Group in which the results of the Company are consolidated is that headed by Coastline Housing Limited, incorporated in England (Company Number 3284666). No other Group financial statements include the results of the Company. The consolidated financial statements of this Group are available to the public and may be obtained from Coastline Housing Limited, Coastline House, 4 Barncoose Gateway Park, Pool, Redruth, Cornwall TR15 3RQ.

15 Accounting Estimates and Judgements

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 7 for the carrying amount of the property plant and equipment and note 1 for the useful economic lives for each class of assets.

Impairment of debtors

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors and associated impairment provision.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.

16 Related Party Disclosure

As the company is a wholly owned subsidiary of Coastline Housing Limited, the Company has taken advantage of the exemption contained in FRS 102 Section 33 and has therefore not disclosed transactions or balances with other wholly owned subsidiaries which form part of the Group. There are no other related party transactions to report.

17 Post Balance Sheet Event

None