



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Date	29 September 2021
Report title	Midland Metro Limited Accounts 2020/21
Accountable Chief Executive	Laura Shoaf, Interim Chief Executive Email: Laura.Shoaf@wmca.org.uk Tel: (0121) 214 7200
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Report has been considered by	N/A

Recommendation(s) for action or decision:

Audit, Risk & Assurance Committee is recommended to:

- (1) Approve the annual accounts for Midland Metro Limited for the year ended 31 March 2021.
- (2) Note that the independent auditors are intending to issue an unqualified audit opinion for the year ended 31 March 2021.
- (3) Note that Midland Metro Limited's accounts will be filed with Companies House within the statutory timetable.

1.0 Purpose

- 1.1 This report has been prepared to enable Audit, Risk & Assurance Committee to approve the annual accounts of Midland Metro Limited for the financial year ended 31 March 2021.

2.0 Background

- 2.1 West Midlands Combined Authority's wholly-owned subsidiary, Midland Metro Limited (MML) was established in 2017. The company was created to take over the day-to-day running of Midland Metro trams in the West Midlands region and is expected to generate profits in the longer term which will be channelled back into the network for the benefit of passengers and the local economy. Patronage falls during the coronavirus outbreak have significantly increased the risk to the availability of funding for future investment.

3.0 Annual Accounts

- 3.1 MML Board has received regular financial monitoring updates throughout 2020/21. The final outturn position for 2020/21 was reported to MML Board on 22 September 2021.
- 3.2 The accounts for 2020/21 are attached as an appendix for review and approval. The audit process has been completed and the auditors are intending to issue an unqualified audit opinion on the accounts. The audit findings in relation to significant audit risks are summarised in the table below:

Table 1: MML Accounts 2020/21 – Audit Findings

Key audit areas	Conclusion
Revenue recognition	No significant issues noted.
Management override of controls	No significant issues identified.
Grants income	No significant issues identified.
Going concern	No significant issues identified.

- 3.3 The accounts will be filed with Companies House following their approval.

4.0 Financial Implications

- 4.1 The financial implications are covered within the body of this report and the attached annual accounts reflect MML's results for the year ended 31 March 2021.

5.0 Legal Implications

- 5.1 Production of these accounts is a statutory requirement.

6.0 Equalities Implications

- 6.1 Alternative formats for these accounts are available upon request.

7.0 Inclusive Growth Implications

7.1 Not applicable.

8.0 Geographical Area of Report's Implications

8.1 Not applicable.

9.0 Other Implications

9.1 Not applicable.

10.0 Schedule of background papers

10.1 MML financial report 2020/21

10.2 Audit Findings Report