



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Date	24 January 2023
Report title	Midland Metro Limited Accounts 2021/22
Accountable Chief Executive	Laura Shoaf, Chief Executive Email: Laura.Shoaf@wmca.org.uk Tel: (0121) 214 7200
Accountable Employee	Linda Horne, Executive Director of Finance and Business Hub Email: Linda.Horne@wmca.org.uk Tel: (0121) 214 7508
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 2022.
- (2) Note that the independent auditors issued an unqualified audit opinion for the year ended 31 March 2022.
- (3) Note that Midland Metro Limited's accounts were 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 retrospectively approve the annual accounts of Midland Metro Limited for the financial year ended 31 March 2022.
- 1.2 Members are asked to note that because the Committee's November 2022 meeting was cancelled, Midland Metro Limited were not able to seek the Committee's approval of the accounts prior to them being filed with Companies House in line with the statutory timetable.

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.
- 2.2 Passenger revenues began to recover during 2021/22 following the easing of Coronavirus restrictions although it was a challenging year for the company as a result of cracks that were identified on the trams. Services were consequently suspended for periods during the year. The next financial year will see the continuation of the wider network expansion plans.

3.0 Annual Accounts

- 3.1 MML Board has received regular financial monitoring updates throughout 2021/22. The final outturn position for 2021/22 was reported to MML Board on 29 November 2022.
- 3.2 The accounts for 2021/22 are attached as an appendix for noting. The audit process has been completed and the auditors have issued 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 2021/22 – Audit Findings

Key audit areas	Conclusion
Revenue recognition	No significant issues noted. It is considered that revenue is materially recognised appropriately and in line with the applicable accounting standards.
Management override of controls	No issues have been identified.
Going Concern	From our review we deem management's assessment of going concern to be consistent with the supporting documents and no

	disclosures are required within our audit report.
Transactions with Related Parties	From our review, the related party balances and transactions are not materially misstated within the financial statements.
Accrued and deferred income	From our review we deem management's assessment of going concern to be consistent with the supporting documents and no disclosures are required within our audit report.

3.3 Members are asked to note that the company's accounts for 2021/22 were filed with Companies House within the statutory timeframe.

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 2022.

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 2021/22

10.2 Audit Findings Report