

CYC SHAREHOLDER SCRUTINY COMMITTEE

City of York Trading Ltd Business Update

Content

Karen Bull, Operations Director and Interim Managing Director intends to present to the committee a business update for City of York Trading Ltd, including accounts for 2018/19, and performance information for 2019/20 to date.

Business Reporting Cycle

The City of York Trading Ltd business cycle has the following key elements:-

1. Annual Budget – approved by the City of York Trading Ltd Board of Directors on 27th March 2019 and submitted to the Shareholder. This contains commercially sensitive information and is not for general circulation
2. Three Year Business Plan – approved by the City of York Trading Ltd Board of Directors on 29th November 2019 and submitted to the Shareholders for approval. This contains commercially sensitive information and is not for general circulation
3. Annual external accounts audit – signed audited accounts for 2018/19 approved by City of York Trading Ltd Board of Directors on 14th June 2019.

It is anticipated that in future the Annual Budget will be presented to the CYC shareholder committee each March and the Business Plan Update will be presented each October.

Business Plan – Executive Summary

City of York Trading Ltd (trading principally as WorkwithYork and WorkwithSchools) was formed in 2011 with the intention of supplying temporary staff to CYC, to schools (in and around the York area) and to other outside organisations.

Through City of York Trading Ltd, the reductions in cost to CYC and the return of the profit achieved are designed to assist CYC's financial position. If CYC had to source staff in the open market, the cost would be substantially higher than current rates paid to the Company.

CYC receive an annual dividend payment based on the annual profits of City of York Trading Ltd and this will increase as the Company is able to build on its success to date and to grow further.

Key Company Matters 2019/20:-

- There have been several recent changes to the Board of Directors which now comprises Karen Bull (appointed Operations Director 2017 and Interim Managing Director April 2019) with Non-Executive Directors Cllr Ian Cuthbertson (appointed February 2019 – dispensation received from CYC to allow this role alongside position as Executive Member for Children, Young People and Education), Cllr Kallum Taylor (appointed May 2019) and John Dobson (appointed September 2019).
- The Board conducted interviews for another Non-Executive Director during October and November 2019 and the Shareholder is asked to approve the appointment of the successful candidate who has extensive senior leadership experience in Sales and Marketing. This candidate's CV is provided to the Shareholder but contains sensitive information and is not for general circulation.
- The Company's Management Accountant prepares financial reports on a monthly basis, and Board Meetings are held monthly to coincide with this.
- Overall, the performance of the Company financially year-to-date has been strong, with both revenue and net profit ahead of budget. The performance review information provided to the Shareholder within the 2019/22 business plan and presentation contains commercially sensitive information and is not for general circulation.

- Key Performance Indicators are monitored on weekly and monthly basis.
- Marketing activities continue, including utilisation of the Company's websites and social media channels.
- In addition to the CYC and Schools business, the Company has expanded into commercial recruitment and this is planned to increase further. More details are contained in the 2019/22 business plan submitted to the Shareholder, however both it and the presentation contain commercially sensitive information and are not for general circulation.

Shareholder Approvals

Shareholder approval is being sought for the following:-

- Approval of Business Plan 2019-22
- Appointment of Non-Executive Director

Appendices (all commercially confidential)

1. Business Plan 2019–22 (including annual budget summary 2019/20 and performance information for 2019/20 to date)
2. Presentation - Financial Performance & Business Plan Update
3. CV of proposed Non-Executive Director
4. City of York Trading Ltd Financial Statements year ending 31st March 2019