

**Birmingham Organising Committee for the  
2022 Commonwealth Games Ltd  
Consolidated Report and Financial Statements  
For the 18-month period ended 30 September 2022**

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**Birmingham Organising Committee for the**

**2022 Commonwealth Games Ltd**

**Consolidated Report and Financial Statements**

**For the 18-month period ended 30 September 2022**

**Presented to Parliament by Command of His Majesty**

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Birmingham Organising Committee for the 2022 Commonwealth Games Ltd – Consolidated Report and Financial Statements

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## Officers and Professional Advisors

Chair:	John Crabtree OBE
Chief Executive Officer:	Ian Reid
Other Directors as at 30 September 2022:	Ama Agbeze MBE Derrick Anderson CBE Simon Ball Hiren Dhimar Lyndsey Jackson Dame Louise Martin DBE Ian Metcalfe Dame Julie Moore DBE Sandra Osborne-Burgess SCM KC Eleanor Simmonds OBE Professor Geoff Thompson MBE Nicholas Timothy CBE Councillor Ian Ward
Company Secretary:	Caroline McGrory
Auditor:	National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
Bankers:	National Westminster Bank Government Banking Service Branch London Corporate Service Centre 2 <sup>nd</sup> Floor 280 Bishopsgate London EC2M 4RB
Registered Office:	One Brindley Place Brindley Place Birmingham B1 2JB
Registered Number:	11120160

## Key Highlights

The Birmingham 2022 Commonwealth Games, which was successfully delivered on time and within the agreed budget, made history in the following ways:

Topic	Achievement
<b>Women's Sport</b>	Birmingham 2022 was the first major multi-sport event in history with more medal events for women than men.
<b>New Sport</b>	Women's cricket made its Games debut and the T20 format of cricket was included in the sports programme for the first time. The 173,000 tickets sold for the Women's T20 tournament was the highest ever for a women's cricket tournament.
<b>Sustainability</b>	Birmingham 2022 was the first Commonwealth Games to aim to leave a carbon neutral legacy.
<b>Sports Programme</b>	With 19 sports and eight Para sports, Birmingham 2022 had the biggest sports programme in Commonwealth Games history. The addition of wheelchair basketball 3x3 also meant that the programme included more Para sports than ever before.
<b>Pride House</b>	Birmingham 2022 was the first Commonwealth Games to have a Pride House presence in the Athletes' Villages.
<b>Social Values</b>	Birmingham 2022 was the first Commonwealth Games to feature an embedded social values programme.
<b>Volunteers</b>	For the first time ever, the Commonwealth Games featured an integrated volunteer programme with event volunteers and city volunteers all part of the 'Commonwealth Collective'.
<b>Festival Sites</b>	More than 750,000 people visited the nine free sites. The first ever relaxed Festival Site was also included in the programme, providing activities specifically for the neurodiverse.
<b>Birmingham 2022 Festival</b>	The six-month celebration of creativity that Birmingham 2022 delivered attracted an audience of over 2.4 million making it the largest cultural programme ever to have accompanied an edition of the Games.

# WITH THANKS TO THE BIRMINGHAM 2022 SPONSORS...

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More information on the Games sponsors can be found here: <https://www.birmingham2022.com/about-us/partnerships>.

## **Chair and Chief Executive's Foreword**



## Chair and Chief Executive's Foreword

We are delighted to be able to present the Consolidated Report and Financial Statements for the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd ("the Company"). This covers the period from 31 March 2021 to 30 September 2022.

This Consolidated Report and Financial Statements, which have been prepared in a form directed by the Secretary of State for the Department of Digital, Culture, Media, and Sport ("DCMS"), also includes information pertaining to the Company's subsidiary - Festival 2022 Limited.

This report covers an eighteen-month period which included the final planning and readiness phases, as well as the successful delivery of the Birmingham 2022 Commonwealth Games.

### **Our Mission**

When we embarked on organising the 22<sup>nd</sup> edition of the Commonwealth Games, the Games Partners agreed and then published a mission. The pillars of this mission have been our guiding principles throughout the planning, preparation and delivery of the Birmingham 2022 Commonwealth Games.

We wanted the Games to:

- Bring people together;
- Improve health and wellbeing;
- Help the region to grow and succeed;
- Be a catalyst for change; and
- Put Birmingham and the region on the global stage.

It is therefore appropriate, now that we are in the post-Games period, to reflect on that mission and outline the ways in which we believe it has been delivered.

### **Bringing People Together – the Games will embrace and champion the youth, diversity, humanity and pride of the region and Commonwealth**

This strand of our mission took on even greater significance following the start of the global pandemic as our focus shifted to bringing people back together following an extremely challenging period during which the world's best athletes had to compete in empty stadiums at major sports events.

Not only did athletes and spectators come together once more, with teams representing every single one of the 72 nations and territories that could compete at the Games performing in front of more than one million spectators across our 15 competition venues, but we also brought together a team of our own, directly recruiting 1,500 staff and 14,000 volunteers to help deliver the Games.

The non-sporting elements of Birmingham 2022 have also been successful in bringing people together and have provided us with the perfect opportunity to embrace and champion youth and diversity.

The Birmingham 2022 Festival, which received generous support from the National Lottery Heritage Fund, Arts Council England, Spirit of 2012, Birmingham City Council and national trusts and foundations, and the spectacular Opening and Closing Ceremonies, were all used as platforms to showcase the talented local artists and performers of all ages.

These performers included groups like Critical Mass, a project which brought together more than 200 young dancers who performed in Wondrous Stories, the spectacular opening event of the Birmingham 2022 Festival in March, which attracted a live audience of more than 20,000 people, as well as performing at the Ceremonies.

## **Chair and Chief Executive's Foreword (*continued*)**

The Community Fund set up and financed by Birmingham City Council has also successfully brought together thousands of the city's residents with the Creative City Grants alone funding more than 100 projects.

### **Bringing People Together – the Games will embrace and champion the youth, diversity, humanity and pride of the region and Commonwealth (*continued*)**

During the Games we delivered nine free festival sites in Birmingham, bringing people together to celebrate and soak up the atmosphere in the host city, with an estimated 1.7 million visits in total. The two city centre sites in Victoria Square and Smithfield welcomed huge crowds every day and at the neighbourhood sites, thousands of local people gathered together to watch the sporting action on screens, to take part in activities, and to support the 1,500 local artists that performed.

Ten other towns and cities in the West Midlands and beyond hosted festival sites too, further extending the reach of the Games.

The Queen's Baton Relay (the QBR) brought people together in every single nation and territory that was included on its journey, with thousands of people lining the streets in the home nation in particular, to witness the baton being carried by more than 2,000 Batonbearers of all ages.

The Birmingham 2022 team worked creatively to deliver the QBR in such challenging circumstances, when despite the global pandemic, the baton covered nearly 90,000 miles in a 294-day period, travelling through Europe, Africa, Asia, Oceania, South America, the Caribbean and North America.

### **Improve health and wellbeing – inspire, engage and connect communities and athletes to realise their full potential and live happier, healthier lives**

Following the easing of COVID-19 restrictions last year, it was possible for us to better connect with communities across the region and one of the ways in which we did this was the delivery of community roadshows which were held in key areas throughout the West Midlands.

These roadshows, with sports activations at their heart, continued into 2022, reaching more than 180,000 people in total and specific events were also organised to support and encourage the participation of women and girls in sport.

With exactly one year to go until the Games, a special sporting celebration was held in Birmingham city centre. With the support of the national governing bodies, and many athletes and Para athletes hoping to compete at the Games, thousands of people, including families with young children, attended the event in Centenary Square, taking part in sporting activities designed to introduce them to the sports and Para sports that were part of the Birmingham 2022 programme.

Physical activity was brought into the heart of schools across the region with Perry the Bull, the official mascot for the Games, taking part in activities and assemblies in more than 200 primary schools in the West Midlands, introducing the pupils to the Games and encouraging them to get active.

These assemblies were just one part of Bring the Power, the youth programme for the Games, which was officially launched in February 2022 with a pledge to engage and inspire one million young people. The team responsible for delivering this important programme worked with a network of youth engagement organisations to provide a range of workshops and projects.

As part of the physical activity and wellbeing strand of the Birmingham 2022 legacy, we worked in partnership with Sport England. Several of their programmes helped to deliver this part of our mission.

The 21 National Governing Bodies of sport participating in the Games have also seen a £6.5 million investment from Sport England, through a fund to tackle inequalities, increase digital skills, and engage new

## **Chair and Chief Executive's Foreword (*continued*)**

and diverse audiences. This has guided 800 high-potential young athletes through the Team England Futures programme, supported by Commonwealth Games England, Sport England and SportsAid.

### **Improve health and wellbeing – inspire, engage and connect communities and athletes to realise their full potential and live happier, healthier lives (continued)**

Match funding of £8.5 million was also made available through Sport England's Places and Spaces fund and this has helped to improve community sport and physical activity facilities, building a long-term, community-focused legacy.

Four Commonwealth Active Communities (CACs) are being delivered across the West Midlands focused on working with those people who need the most support to get more physically active. Funded through more than £3 million from Sport England, these CACs will work with local communities based in Coventry, Solihull, Birmingham and the Black Country.

During the Games an interactive walking trail was launched in Birmingham city centre, encouraging residents and visitors to explore the host city, searching for 17 Perry statues and eight digital installations which also featured the mascot. The trail proved to be hugely popular, with people of all ages taking part.

The work on this part of the mission will of course continue as part of the legacy of the Games and we hope that the ongoing redistribution of the 16,000 items of Birmingham 2022 sporting equipment will inspire and motivate the school pupils and club members that use them to achieve all of their sporting ambitions.

### **Help the region to grow and succeed – Drive sustainable growth and aspiration, creating opportunities through trade, investment, jobs and skills**

With cities across the globe looking at ways to recover following the COVID-19 pandemic, it was clear that the Birmingham 2022 Commonwealth Games provided the host city and region with a valuable opportunity to bounce back.

In July 2021, the Birmingham 2022 Business and Tourism Programme (BATP) was launched with the aim of leveraging the national and international profile that the Games was creating and generating millions of pounds of investment into the West Midlands. The programme has already helped to secure 23 investment decisions, attracted meetings and conferences to be hosted in the region and funded training for staff in the tourism sector.

The Birmingham 2022 procurement programme has also helped the region to grow by making sure that a significant proportion of our business was awarded to suppliers with a West Midlands base. Current figures show that we are on track to deliver our ambition of two thirds of supplier spend (post Games this figure was 73%) being awarded to businesses with a local presence.

Our community engagement team also organised presentations and events for digitally disengaged groups, sharing information on employment and volunteer opportunities and supporting residents through the application process.

The Jobs and Skills Academy, led by the West Midlands Combined Authority, helped more than 7,500 residents receive training so that they could apply for Birmingham 2022 jobs, exceeding the target of 6,000 that was originally set.

Birmingham 2022 host broadcaster, Sunset + Vine, as part of their social value commitment, partnered with universities and colleges across the region to deliver their host broadcast training initiative, a scheme focused on the recruitment of 150 trainees from Birmingham and the surrounding area.

There are many other examples of how being the first edition of the Commonwealth Games to introduce a Social Values Charter has benefited both businesses and Birmingham.

## **Chair and Chief Executive's Foreword (continued)**

### **Help the region to grow and succeed – Drive sustainable growth and aspiration, creating opportunities through trade, investment, jobs and skills (continued)**

As previously reported, we are proud of the work of the apprentices that were part of the Birmingham 2022 team and their development journey, which culminated in Games time roles on the biggest multi-sport event to be staged in the UK for a decade, has been phenomenal.

Our 'Game Changers', young people who joined the team to take on exciting roles within the sports department, have followed a similar journey and we are delighted that many have now gone on to secure full time, permanent roles working for the national governing bodies of sports that were part of the Birmingham 2022 programme. This includes team members joining Badminton England, UK Athletics, British Swimming and England Table Tennis immediately after the Games.

In addition to the paid workforce, we recruited 14,000 volunteers who have rightly received considerable praise for their hard work and dedication, as without them events like Birmingham 2022 simply could not happen. Overall, more than 40,000 new jobs, skills and volunteering opportunities have been created by the Games.

The legacy initiative, Gen 22, has also been providing free-to-access opportunities for 1,000 youngsters from the West Midlands aged between 16 and 24, helping to boost long-term employment prospects through social action and we are excited to see the outcomes of this project.

### **Be a catalyst for change – Transform and strengthen local communities, working together to deliver new and improved homes, facilities and transport links**

Whilst our main focus was on organising and delivering the event, other Games Partners including Birmingham City Council, the West Midlands Combined Authority (including Transport for West Midlands) and Sandwell Council were fully focused on ensuring that the venues and infrastructure required for the Games were delivered on time and to the highest possible standard.

Despite the huge challenge to preparations that COVID-19 presented, and the truncated timeline for delivering a Games that was only awarded to Birmingham in December 2017, the transformation in local infrastructure that has been achieved is remarkable.

First-class facilities were provided for the Games, including the redeveloped Alexander Stadium, which proved to be the perfect venue for our Ceremonies and track and field events and the brand-new Sandwell Aquatics Centre, the venue for the swimming, Para swimming and diving programme.

Both of these venues will become crucial community assets and we are looking forward to seeing them open their doors to residents in the near future.

Cannock Chase Forest also benefited from funding and with partners, including Forestry England, working together to create a new mountain bike trail, the majority of which was used for the men's and women's races on August 3. In addition, a pedal and play area was created and this will provide young people with a chance to develop their cycling skills before tackling the trails at this wonderful facility.

Birmingham 2022 training venues received funding for improvements ahead of the Games too, for example a new international standard hockey pitch was installed at Wyndley Leisure Centre and there was the redevelopment of the facilities at Moseley Cricket Club.

Community facilities in Birmingham are also set to be transformed with the Holford Drive Community Sports Hub benefitting from a £500,000 funding boost thanks to Sport England and Birmingham City Council.

## **Chair and Chief Executive's Foreword (continued)**

### **Be a catalyst for change – Transform and strengthen local communities, working together to deliver new and improved homes, facilities and transport links (continued)**

Transport infrastructure in the city underwent a transformation ahead of the Games with schemes like the introduction of the Sprint routes accelerated and the redevelopment of Perry Barr station and other public transport infrastructure was brought forward. The highways in Perry Barr were also significantly improved before Birmingham 2022 began. These changes, which were introduced and overseen by Transport for West Midlands and Birmingham City Council, will benefit residents for years to come.

Hundreds of homes that are part of the Perry Barr Residential Scheme have continued to be constructed and although, because of the pandemic, they were not used during Birmingham 2022, they form an important part of the legacy for an area of the host city that was synonymous with the Games.

The region is being transformed in other ways too. With the help of Severn Trent, 2022 acres of forest will be planted to help achieve a carbon-neutral legacy for the Games, plus 72 tiny, tennis-court sized forests have already been planted to transform urban areas throughout the West Midlands.

Not only has the region physically changed, the perceptions of Birmingham and the West Midlands have changed too, with millions tuning into broadcasts live from Birmingham's beautiful civic squares and impressive green spaces, challenging the long-held misconceptions of the host city.

### **Putting Birmingham and the region on the global stage – deliver an unforgettable, global Games in partnership, on time and on budget to showcase the best of Birmingham, the West Midlands and the Commonwealth**

The Birmingham 2022 Commonwealth Games was the biggest event ever to be staged in the West Midlands, and for two weeks the host city and surrounding area was thrust into the spotlight. This provided a wonderful opportunity to show just what the region and its people are capable of, and we believe that opportunity was taken.

Our portfolio of venues had an interesting mix of established arenas, beautiful parks, road routes and temporary facilities and they provided the perfect stage for some of the world's best sports stars to compete, with Games records falling daily and four new world records set.

More than one million spectators, more than half of whom travelled from outside the region, were there in person to witness the sporting showcase but millions across the globe watched and followed the action. We could not have asked for a better domestic broadcast rights holder than the BBC whose coverage of the Games was exemplary, and unsurprisingly attracting viewers in their millions.

BBC Sport's coverage was streamed a record-breaking 57.1 million times, more than six times the number of streams seen for previous editions of the Commonwealth Games. 28.6 million people watched the Games on BBC TV and the BBC Sport website had 14.3 million visits, with highlights viewed online 10.7 million times.

The Opening Ceremony, which featured talented artists and performers that call the West Midlands home, was broadcast live to 134 countries and with rights holding broadcasters from every continent, images of sport, venues, festival sites and city locations continued to reach every corner of the globe throughout the 12 days of the Games. International broadcasters, photographers, written press and non-rights holders flocked to Birmingham with 1,300 accreditations approved and approximately 40% of those from outside the UK. During the first week of August, the Birmingham 2022 social media accounts were the world's most popular sports social channels. Globally there were more than 3.8 million social posts about the Games, generating more than 56 million engagements. The Games time website also had more than 9.5 million users taking part in more than 29 million sessions with the penultimate day of the Games attracting the most page views.

## **Chair and Chief Executive's Foreword (continued)**

### **Putting Birmingham and the region on the global stage – deliver an unforgettable, global Games in partnership, on time and on budget to showcase the best of Birmingham, the West Midlands and the Commonwealth (continued)**

With the Queen's Baton Relay and the Business and Tourism Programme leading the way in raising international awareness ahead of the Games, the Birmingham 2022 Festival, including PoliNations, which transformed Birmingham's Victoria Square into a spectacular garden in September 2022 provided a fitting finale to the celebrations.

No doubt the Games and all its related projects will have inspired people nationally and internationally to visit Birmingham in the future and, as was clear throughout the summer, they can be assured of a very warm welcome from the people of this city and region.

### **Games Partnership and Legacy**

The Birmingham 2022 Commonwealth Games was organised by a team of Games Partners who worked tirelessly together, with each playing a crucial role in ensuring that a successful event was ultimately delivered.

As well as the Organising Committee, this partnership included the main funding partners, the Department of Digital, Culture, Media and Sport and Birmingham City Council, plus Commonwealth Games England as the host Commonwealth Games Association for Birmingham 2022. These delivery partners were of course all guided on the Games journey by the Commonwealth Games Federation.

The West Midlands Combined Authority, who through Transport for West Midlands, oversaw the delivery of the transport plan for the Games also played a key role, as did all of the host local authorities in the West Midlands and beyond, helping us to deliver the Games in 15 different competition venues.

The Birmingham 2022 Commonwealth Games could not have taken place without the support of West Midlands Police who, along with forces from across the country, whose staff joined their WMP colleagues through the mutual aid scheme, ensured that we delivered a safe and secure Games.

The delivery of a successful Games was also dependent on the hard work of our incredible volunteers, the resilient and talented Birmingham 2022 workforce, our suppliers and of course the teams.

Thanks are also due to the companies and organisations that sponsored the Birmingham 2022 Commonwealth Games, in particular our 'official partners': Longines, the University of Birmingham, E.ON Chase, Severn Trent and Dettol. Your support and dedication to this event was very much appreciated. All of our partners, supporters and providers are highlighted on page 3.

The mission has been completed and together we have staged an event that the host city, region and nation can be proud of and one which will live long in the memory of everyone involved or in attendance.

Our belief that we have completed our mission is reinforced by post-Games survey findings, with 84% of spectators rating their enjoyment of the Games as nine out of ten or ten out of ten and with 71% of people nationally, and 81% in the West Midlands, stating that they believed that the Games was organised and managed well.

We are also pleased to report that we delivered on our mission and vision well within the allocated budget. Having achieved this success, we are delighted to have received confirmation from the Government that the total Games budget surplus of c.£90 million (of which the Organising Committee had a significant contribution to) will be retained within the West Midlands.

## Chair and Chief Executive's Foreword (continued)

### Games Partnership and Legacy (continued)

Not only is this very welcome news to all those who have worked so hard to deliver the Games, but this surplus will be able to support the Games Partners' ongoing legacy activities that were outlined in the plan published just before the Games. This means that Birmingham 2022 will continue to have a positive impact across the host city, host region and beyond.

### Festival 2022 Limited ("UNBOXED")

Established in May 2020, the Company is a 100% subsidiary of the Birmingham Organising Committee for the 2022 Commonwealth Games Limited ("the Organising Committee") and benefits from a shared management team working across both the Commonwealth Games ("the Games") and the Festival. Festival 2022 Limited was incorporated to curate and manage the delivery of the "Unboxed: Creativity in the UK" a programme of commissions designed to showcase the creativity of the Science, Technology and the Arts sectors in the UK.

UNBOXED deliberately set out to take commissioned projects to locations beyond the metropolises, with events presented in places throughout the UK that are often underserved by high quality cultural activity. The response from the public has been highly positive with sell-out events and five-star reviews.

Another feature has been to harness science, technology and engineering to present new work that is often distinct from cultural activity such as theatre and opera, and which is designed to test new ideas and innovative processes.

In addition to commissioning the creative programme, the Company established the governance structures, policies and procedures required of a new special purpose vehicle. As a subsidiary, it has benefited from a shared operating environment with the Organising Committee. At the end of September 2022, 84 employees had been recruited to work at the Company.

The Executive Management Team (EMT), under the strategic direction of the Board, have had strong internal processes in place to identify and navigate, the decision-making frameworks to fully evaluate the ongoing delivery of the Festival. This includes detailed consideration for risk management and ongoing assurance to support accelerated multi-partner delivery.

Working collaboratively with our many partners, we believe that the team has delivered a rich and unique programme, which has engaged and entertained millions of people across the UK and beyond, with clear evidence of impact and future legacy.



John Crabtree OBE  
Chair on behalf of Board  
09 December 2022



Ian Reid  
Chief Executive Officer  
09 December 2022

# **Group Strategic Report**



## Group Strategic Report

The Directors are pleased to present their Group strategic report for the 18-month period ended 30 September 2022.

### Principal Activities

The Group comprises Birmingham Organising Committee for the 2022 Commonwealth Games Limited (the “Company”) and its sole subsidiary, Festival 2022 Limited (“Festival 2022”).

Due to the differing natures of the entities, it is appropriate to report separately on the Birmingham Organising Committee for the 2022 Commonwealth Games Limited (“the Company”) and the subsidiary Festival 2022 Limited in the Strategic Report. The Group Report and Accounts includes statutory required information only and the Festival 2022 Limited Report and Financial Statements includes more detailed information on the individual entity’s governance and activities. The consolidated financial information presented in this report is in respect of these two entities. The primary activities of the two companies were as follows:

#### ***Birmingham 2022 Commonwealth Games***

The Company was responsible for the planning and delivery of the Birmingham 2022 Commonwealth Games in the West Midlands. The funding for the Games was primarily provided by Birmingham City Council (“BCC”) and the Department for Digital, Culture, Media and Sport (“DCMS”) with the costs to these funders offset by commercial income from ticket sales, sponsorship rights sales, broadcast rights sales and merchandising sales. The Company worked closely with CGF Partnerships Limited (“CGFP”), the organisation responsible for securing broadcast, sponsorship and merchandising revenues. The Commonwealth Games programme included a six-month cultural festival (the “Birmingham 2022 Festival”) organised by the Company for which separate funding was raised from a variety of sources including Arts Council England, BCC and the National Lottery Heritage Fund. The activities of the Company were overseen by the Board of Directors and relevant information regarding governance and performance is included within this document.

#### ***UNBOXED: Creativity in the UK***

Festival 2022 Limited was incorporated to curate and manage the delivery of the “Unboxed: Creativity in the UK” a programme of commissions designed to showcase the creativity of the Science, Technology and the Arts sectors in the UK. The Board of Festival 2022 operates independently of the Company Board and reports directly to DCMS on its performance. For that reason, only high level statutorily required information relating to Festival 2022 is provided in this consolidated report with detailed Festival 2022 governance and performance information contained within its standalone Report and Accounts for the 18-month period ending 30 September 2022.

### Games Partners and Cross Partner Governance

The delivery of the Games required the Company to continue to work effectively with several partners.

Although the Company’s Funding Partners were primarily DCMS and BCC (“Funding Partners”). It is recognised that other local bodies provided funding to BCC as part of the wider funding plan. The Company put in place the necessary reporting and governance structures to ensure that the Funding Partners were regularly informed of its performance against its budget and finance targets.

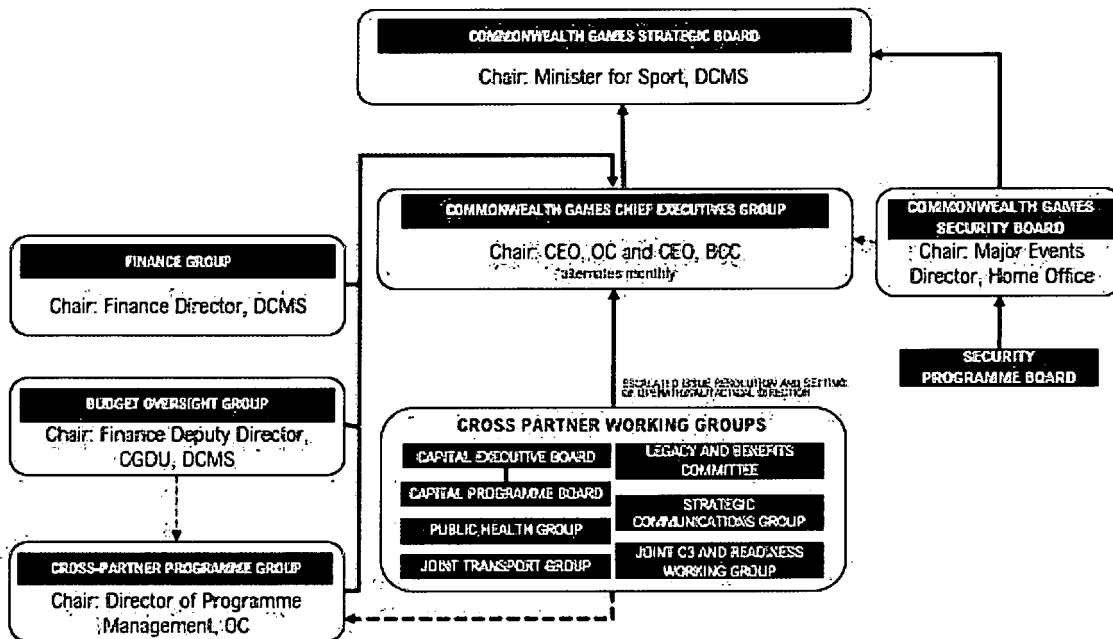
A wider group of Games Partners was responsible for delivery of elements of infrastructure and other projects and its involvement is reflected in the relevant governance structures of the Games. Organisations represented alongside the Company in those governance structures are BCC, DCMS, the West Midlands Combined Authority (“WMCA”), Transport for West Midlands (“TFWM”), West Midlands Police, Commonwealth Games Federation (“CGF”) and Commonwealth Games England (“CGE”). Projects delivered by other Games Partners are outside of the scope of the Company and not included in this set of financial statements which include only the specific activities undertaken by the Company.

## Group Strategic Report (*continued*)

### Games Partners and Cross Partner Governance (*continued*)

There were a number of cross partner governance groups to ensure a strategic and integrated delivery of the Games. In addition, through the Games Time period, an operational governance regime was implemented to support immediate command, coordination and communication across the partner landscape. Since the Games this has reverted to a structure similar to that from Pre-Games with a corporate governance focus.

The governance groups are shown below:



### Strategy and Objectives

Alongside our Games Partners, the Company committed to delivering the Games on time and within budget and was fully focused on organising an event that brought people together, improved health and wellbeing, acted as a catalyst for change, helped the region to grow and firmly put the city and the region on the map.

Birmingham 2022 was delivered in a sustainable way, challenging the previous delivery model for major sports events. It had a clear focus on inclusivity, both on and off the field of play, it set new standards in accessibility, and it created a platform to showcase the sporting talent of the Commonwealth, the cultural flair of the region and the passion and diversity of the people of Birmingham.

The Games had long been considered an important catalyst for transforming the host city, both through physical changes, such as new and improved leisure facilities, transport, and housing, as well as by inspiring a new boldness and pride. However, it took on a fresh role as a crucial part of the post COVID-19 regional recovery plan, reigniting the local economy and bringing new opportunities for local businesses and local communities.

Birmingham 2022 has been at the heart of a year of celebration across the UK and with sport and culture used to unite the city, country, and the Commonwealth.

## Group Strategic Report (continued)

### Business Review

The following information provides a review of some of the key areas of activity from 1 April 2021 until 30 September 2022 as Birmingham 2022 continued preparations for and then delivered the 22<sup>nd</sup> edition of the Commonwealth Games.

	Spring 2021	Summer 2021	Autumn 2021	Winter 2021/22	Spring 2022	Summer 2022	Autumn 2022
<b>VENUES</b>	Finalising	Finalising	Finalising	Completion/ Handover	Overlay	The Games	
<b>SPORTS PROGRAMME</b>	Preparation	Preparation	Preparation	Match schedules	Match schedules	The Games	
<b>VOLUNTEERING</b>	Applications	Applications	Interviews	Interviews	Selection/ Training	Training/ Delivery	
<b>TICKETING</b>	Planning	West Midlands Ballot	National Ballot	General Sale	General Sale (100 Days to Go)	Resale and live sales	
<b>TRANSPORT</b>	Planning	Planning	Planning	Get Set launch/ Engage	Engage	Deliver	
<b>QBR</b>	Planning	Planning	Launch	International	International	Domestic	
<b>GAMES OPERATIONS</b>	Planning	Planning	Planning	Planning	Test Events	Delivery	
<b>ATHLETE EXPERIENCE</b>	Planning	Planning	Planning	Virtual Chef de Mission	CGA visit	Arrival and Games	
<b>CEREMONIES</b>		Announce creative team	Planning	Volunteer request/auditions	Rehearse	Rehearse/Per form	
<b>READINESS AND DELIVERY</b>				Preparation	Exercises	Delivery	
<b>ENGAGEMENT</b>	Planning	Engage	Engage	Engage Youth Programme	Engage Youth Programme	Engage Youth Programme	Youth Programme
<b>FESTIVAL</b>	Planning	Planning	Planning	Finalising	Launch	Delivery	Delivery/ Finale

### Venues

The fifteenth and final venue for Birmingham 2022 was announced in the autumn of 2021 when it was confirmed that the marathon and wheelchair marathon would start at Smithfield and finish in Victoria Square, in the heart of Birmingham City Centre. This announcement included the unveiling of all road routes for the Games and highlighted that these events could be watched for free by residents and visitors to the region.

Major milestones for the Alexander Stadium redevelopment and the construction of the Sandwell Aquatics Centre continued to be reached and publicised during this reporting period, with the official completion of the latter celebrated as part of the 100 days to go celebrations on 19 April 2022.

Test events were also staged at these two venues in May 2022. This included hosting the Birmingham Diamond League at the Alexander Stadium and a two day 'Prep the Pool' event at the Sandwell Aquatics Centre with a junior swimming competition and diving training taking place. The events helped to test key areas such as transport, security and flows around the stadium and provided staff and volunteers with an opportunity to familiarise themselves with the venues and how they would operate during the Games.

Meticulous preparations for all of the venues took place in the final months before the Games. Venues were officially handed over by owners, operators and local authorities to the Birmingham 2022 team, with overlay, Games look, and equipment subsequently added to each site. Interactive spectator areas were installed at many of the sites, allowing spectators to participate in and learn about the sports they had come to watch.

## Group Strategic Report (*continued*)

### Business Review (*continued*)

#### Venues (*continued*)

**Outcome:** A varied portfolio of 15 competition venues, including new facilities, established and temporary venues, and parks were selected and prepared for the Games. Each one was presented and operated to a high standard and overall 19 different sports and two Ceremonies were successfully staged. Thousands of people also lined the routes for the road events across the region.

#### Sports Programme

The full event schedule was published in June 2021 and this detailed the daily and session schedules. This supported the start of the first ticket ballot. The schedule outlined which events would be part of each of the 286 sessions of sport.

Throughout the promotion of the sports programme, which included regular announcements on the qualifiers and schedules for many of the individual sports, the unique aspects of the Birmingham 2022 programme continued to be referenced.

Opportunities were taken to highlight the new sports that had been added for this edition of the Games, that Birmingham 2022 was the first major multi-sport event to include more medal events for women than men, and that the integrated programme included eight Para sports, making it the biggest Para sport programme in the history of the Commonwealth Games.

Detailed work continued to take place to prepare for the Games, with the sports team working closely with the relevant international federations and national governing bodies, arranging technical officials and progressing the procurement of the equipment required for each sport.

The training venues were also confirmed, announced and prepared during this reporting period, with improvements at venues such as Wyndley Leisure Centre (hockey and triathlon) and Moseley Cricket Club (women's cricket T20) highlighted in particular, because of the significant investment these venues received ahead of the Games.

**Outcome:** An exciting sports programme of 19 sports and eight Para Sports, where the spectators witnessed four World Records and 97 Commonwealth Games records, was delivered by the team.

#### Volunteering

The search for the 14,000 members of the Commonwealth Collective, the volunteers that were needed to help deliver the Games, formally began in June 2021 and the campaign was a huge success, with more than 40,000 people applying to become a volunteer.

Towards the end of 2021, the Volunteer Selection Centre was officially opened at the Library of Birmingham and more than 20,000 people were interviewed.

Once the volunteers were selected and had accepted their roles, an official orientation and welcome event was held, and this was then followed by the delivery of an extensive volunteer training plan. This included role and venue specific training which provided support and information to volunteers ahead of their first shifts. The Games provided approximately 250,000 hours of training in total.

In addition to the main volunteering programme, 500 14 to 17 year olds were recruited as part of the young volunteering programme and were allocated roles on the Games, providing them with a golden opportunity to discover what it's like to part of a major sporting event.

## Group Strategic Report (*continued*)

### Volunteering (*continued*)

**Outcome:** 14,000 volunteers were recruited and trained to help at the Games. Known as the Commonwealth Collective, they helped the paid workforce and contractors to ensure that the Games ran smoothly.

### Ticketing Programme

Following months of preparation, the ticketing programme was publicly launched with the West Midlands ticket ballot opening in July 2021. The media launch, which took place in a Birmingham park, at a renovated basketball court, attracted extensive coverage and the successful, co-ordinated marketing campaign, which included working closely with all partners and stakeholders, helped ensure that targets were exceeded with requests for around 800,000 tickets received.

The national ticket ballot followed, and this was given a high-profile launch at the beginning of September, including a city centre gymnastics display from Team England's Max Whitlock, attracting regional, national and international coverage. Other phases of the ticketing programme were fully supported with integrated campaigns, including the start of general sale and the launch of the resale site.

Ultimately more than 1.5 million tickets were sold for Birmingham 2022, including more than 200,000 at Games time, making it the best attended edition of the Commonwealth Games ever to be held in the UK.

A post Games survey revealed that 90% of the 23,000 survey respondents agreed that tickets were value for money and 84% of spectators rated their enjoyment as nine or ten out of ten. The Games also achieved a +82 plus net promoter score.

**Outcome:** With more than 1.5 million tickets sold, including 700,000 to people with a West Midlands postcode, Birmingham 2022 exceeded the ticket sales target set during the early planning stages. This included 173,000 tickets sold for the women's cricket T20, a record for a women's only tournament.

### Transport

Throughout the period ahead of the Games, the Organising Committee's transport team continued to work closely with Transport for West Midlands to implement the Games Transport Plan, ensuring that appropriate arrangements were in place for all client groups.

The 'Get Set' campaign was also launched by the Games Partners in January 2022 and for the next eight months it included regular updates for local residents and businesses. This took the form of information being sent direct to those who would be most impacted, drop-in sessions, business briefings and marketing and communications activity, to continually remind people about the potential impact of the road events in particular.

In preparation for the Games, research was carried out to find out as much possible in advance about spectators' plans for the Games, so that support and services could be planned accordingly. Surveys were shared and direct emails were sent to spectators to provide useful information to help them plan their visit to the Games.

Information was also shared via social media and through a dedicated section on the website, providing details about transport (including reminders that public transport in the West Midlands region was included with tickets), accommodation, as well as detailed information about support in place to ensure that the Games was as accessible as possible.

## Group Strategic Report (*continued*)

### Business Review (*continued*)

#### Transport (*continued*)

In the final weeks before Birmingham 2022 began, additional work was required to plan for the rail strikes due to take place during the Games and to provide support to spectators, to ensure as many as possible could still attend the events for which they'd purchased tickets.

**Outcome:** More than two million people passed through New Street Station during the Games period and 2,938 spectator shuttle buses helped 650,000 spectators to travel and from venues. There were also 28,000 bike rides on the West Midlands Cycle Hire scheme during the Games – an increase of 131%

#### Queen's Baton Relay

Following months of preparation, complicated by the need to navigate the global pandemic and the different restrictions in place across the Commonwealth, and following the official unveiling of the innovative Baton design in September 2021, the Queen's Baton Relay (QBR) was launched at Buckingham Palace on 7 October 2021.

The special ceremony, which incorporated performances from West Midlands artists and was attended by Hometown Heroes and young flagbearers from Birmingham schools, saw Queen Elizabeth II enclosing a special message inside the Baton. This was then passed to several athletes who were the first Batonbearers and who represented nations from across the UK.

The following day the Baton embarked on its 140,000km journey across the Commonwealth, with each nation and territory greeting its arrival with joy and celebration.

The Baton arrived back in the UK in June and the QBR was incorporated into the Platinum Jubilee celebrations across the home nations' capital. Following a tour of the home nations, the Baton spent 25 days travelling the length and breadth of England.

The final leg of the Queen's Baton Relay was completed at the Alexander Stadium as part of the Opening Ceremony, where the Baton was passed to Commonwealth Games medallists representing causes that are close to their hearts. The Baton was then passed to the Prince of Wales, now King Charles III, who read the Queen's special message for everyone gathered in the stadium and those watching from across the Commonwealth.

Her Majesty the Queen was the patron of the Commonwealth Games and a staunch supporter of this event. We feel such sadness about her recent passing and we are proud to have delivered this edition of the Games during the final weeks of her reign.

**Outcome:** Despite the global pandemic, over a period of 294 days, the Baton covered nearly 90,000 miles and visited all 72 nations and territories taking part in the Games.

## **Group Strategic Report (*continued*)**

### **Business Review (*continued*)**

#### **Opening and Closing Ceremonies**

After announcing in August 2021 that the creative team for the Opening Ceremony would be led by Steven Knight and Iqbal Khan, detailed preparations for a spectacular and fitting opening to the Birmingham 2022 Commonwealth Games continued.

Following successful budget management, as part of the 'good to great' project, additional funds were allocated to the Ceremonies, to ensure that the high-quality productions were delivered, to match the prestigious nature of the Games. An uplift to sports presentation and city dressing, the latter in conjunction with Birmingham City Council, was also agreed and delivered through the 'good to great' activity.

In January 2022, a search for 2,000 Ceremonies volunteers plus local choirs to form one mass choir was announced. Following, auditions, casting and volunteer selection, rehearsals began at the site in Longbridge which had been procured and prepared for this purpose.

Ongoing preparations for the ceremonies included the production of thousands of props and costumes which all helped to make the event held on 28 July 2022 in the Alexander Stadium such a success.

The Company also completed extensive preparations for the Closing Ceremony, which included negotiations with artists and their representatives, to ensure that the ceremony was an appropriate showcase for the talented musical acts that have emerged from the West Midlands.

**Outcome:** Birmingham 2022 included spectacular Opening and Closing Ceremonies that provided the perfect platform to showcase diverse local artists and performers to the world – the Opening Ceremony alone was broadcast live to 134 countries.

#### **Athlete Experience**

Following the decision announced in 2020, that athletes and team officials would stay in accommodation in campus villages across the region, considerable work was done to plan accordingly. Working in partnership with suppliers, extensive work was carried out to ensure that each of the locations was suitable and ready to host the 72 nations and territories.

Throughout the planning, accommodation was one of the key topics discussed with Commonwealth Games Associations (CGAs) on the regular virtual meetings introduced by the CGA relations team. Following the virtual Chef de Mission Seminar in January 2022, a couple of months later, once COVID 19 restrictions allowed, Birmingham 2022 arranged for representatives from many of the CGAs to visit the host city.

This provided the delegates from each of the teams in attendance with an opportunity to view the athletes' villages for themselves, as well as touring many of the venues and hearing about the detailed arrangements from relevant functional areas such as sport, security, transport and medical.

The official medals for the Games were also created ready for the athletes' arrival and these were unveiled at the beginning of May 2022. This followed a design competition involving students from Birmingham's School of Jewellery, with three young designers ultimately selected to design the medal, ribbon and the box.

With a tactile design, which represented the athlete journey, and the first ever adjustable ribbon, so the medal would sit comfortably on athletes of any height, inclusivity was a key consideration for the designers.

## Group Strategic Report (*continued*)

### Business Review (*continued*)

#### Athlete Experience (*continued*)

Young people were also involved in providing a warm welcome for all of the athletes as they arrived in the region, as students from Birmingham Ormiston Academy performed in the welcome ceremonies which took place at the athletes' villages. The students also created all of the props for the ceremonies and used these in the performances. Extensive rehearsals took place throughout the summer with the performances taking place in the final few days before the Opening Ceremony.

**Outcome:** 89% of the athletes that responded to the CGF's post-Games survey said that they were satisfied with the overall Games experience. This satisfaction level rose to 98% when athletes were asked about competition venues (regarding elements like atmosphere, sports presentation, and spectators). Medals were won by athletes from 43 different nations and territories. This included a first ever medal for Niue.

#### Games Operations

During this reporting period, final planning, testing and delivery of all Games services took place.

The Games Services function worked closely with other operational areas such as venues and sport to ensure a cohesive and integrated plan for the Birmingham 2022 Commonwealth Games in meeting the needs of key client groups including athletes, media, Games Family, Spectators, Sponsors and Workforce.

This included putting in place the accreditation system which was used to accredit more than 60,000 individuals involved in the Games. Catering, cleaning and waste management plans were implemented for all venues and villages and the city integration team worked closely with all of the local authorities involved in helping to deliver the Games, with regular meetings and training, to ensure that every organisation was completely clear about their Games time responsibilities.

The merchandising plan continued to be implemented during this reporting period, with the first Birmingham 2022 store opening in Birmingham city centre in November 2021. Closer to the Games a mega store was officially opened in Centenary Square and merchandise outlets were available in all venues and in other locations, including the athletes' villages.

The crucial partnership work with West Midlands Police continued throughout the reporting period. Security planning also included working closely with neighbouring forces, British Transport Police, fire and ambulance services, as well as military personnel and private security.

As planned, the military personnel also supported the security operation in official venues, using a partnership led approach, similar to that seen at other major events. Military personnel also carried out specialist functions before and during the Games.

The extensive plan for what was the biggest security operation the West Midlands has ever seen, was expertly delivered at Games time, ensuring that the Birmingham 2022 Commonwealth Games was a successful, safe and secure event.

**Outcome:** 33,000 contractors worked on the Games and the overlay team installed more than 50,000 temporary spectator seats, seven kilometres of partition wall, 40,000 square metres of trackway and 54 kilometres of crowd control barrier.



## Group Strategic Report (*continued*)

### Engagement

During the summer of 2021, the community engagement programme stepped up a gear and included as part of this programme was the 'one year to go' celebration that was staged in Birmingham's Centenary Square on the 28 July 2021. This event was also used to promote the sports programme and the West Midlands ticket ballot, with the team and suppliers working with national governing bodies of some of the Birmingham 2022 sports and Para sports to offer free, fun activities to the thousands of people who attended.

Throughout the summer of 2021 and in the months building up to the Games, the community engagement team staged roadshows across the region, delivering sports activations as a way of introducing the Games and engaging with local people. The team also attended and organised other events, meetings and forums, focusing their attention on the communities close to Birmingham 2022 venues, to ensure that they were aware of the opportunities the Games was providing, as well as the potential impact that the event may have during the summer of 2022.

The start of 2022 saw the official launch of 'Bring the Power', the youth engagement programme that has created pathways for children and young people to get closer to and to connect with the Games. The programme has included events, educational resources, engagement projects and interactive workshops designed to develop pupils' knowledge and skills through fun physical and creative activity.

Working with the British Council and other partners, the Commonwealth Connections project, which is part of the youth programme, has also linked schools across the West Midlands with schools across the Commonwealth.

**Outcome:** 125 community roadshow events were delivered in the region, engaging with more than 180,000 people. 34 community hubs and 18 community engagement forums were also organised. 563 schools across England participated in the 'Bring the Power' School Festival, engaging over 171,000 students.

### Birmingham 2022 Festival

The Birmingham 2022 Festival, the six-month celebration of creativity which accompanied the Games, was launched in February 2022 and began in spectacular style in March 2022, with free live performances of Wondrous Stories, a spectacular open air show, in Centenary Square. Birmingham 2022 Festival events, included live performances, photo exhibitions, new artwork installations, an album and more than 100 'Creative City' projects.

Birmingham 2022 has also provided support to large community festivals (those with more than 10,000 attendees annually) and events before, during and after the Games. This has extended the work that Birmingham 2022 and its partners have done to reach, connect, inform and inspire diverse communities across the region.

The Birmingham 2022 Festival continued post-Games with one of the final events, PoliNations, involving the installation of a garden with five towering trees in Birmingham's Victoria Square. This event helped to continue attracting thousands of visitors to the host city, weeks after the final whistle had been blown on the sporting action.

Full details about the two City Centre festival and seven Neighbourhood Festival Sites were announced in June 2022 and these sites were successfully operated through the Games period. These sites proved to be extremely popular, with residents and visitors alike enjoying 356 hours of celebration.

**Outcome:** Birmingham 2022 Festival attracted an audience of more than 2.4 million and an audience of more than 750,000 visited the nine free Festival Sites during the Commonwealth Games.

## **Group Strategic Report (*continued*)**

### **Business Review (*continued*)**

#### **Readiness and delivery**

Much of the above review outlines the public facing elements of the Games however all of this activity was supported by a considerable amount of work which took place behind the scenes by many other functional areas and partners.

Birmingham 2022 workforce continued to be recruited to ensure the final head count total was reached and a campaign was introduced to help suppliers operating in key areas such as security, cleaning and catering to reach their recruitment targets too.

The period at the start of 2022 also saw a renewed focus on procurement and the ongoing work with businesses in the West Midlands region. In conjunction with key stakeholders such as the local chambers of commerce, four meet the supplier events were held. These events gave the 400 local businesses that attended a better understanding of the process and allowed some of the larger, existing suppliers a chance to provide details of sub-contractor opportunities.

Closer to the Games, further business engagements events took place and both physical and digital assets were created for local business, so that they could demonstrate their support for Birmingham 2022.

Sponsors were sought, secured and supported, with six partners, eight supporters and 39 providers were brought on board in total and the entire company and all venues were provided with technology solutions which allowed them to deliver.

An extensive readiness programme was put in place with detailed exercises helping all Games Partners to prepare for the Games and ensuring co-ordination across the partnership. Detailed procedures and processes were put in place and operations centres were also set up ready for the Games, to ensure that everything ran smoothly, and that support was immediately available if required.

## Group Strategic Report (*continued*)

### Business Review (*continued*)

#### July/ August 2022 – The delivery for the Birmingham 2022 Commonwealth Games

Topic	Achievement
<b>Tickets and venues</b>	15 competition venues packed with spectators, who created a great atmosphere - with over 1.5 million tickets sold, Birmingham 2022 was the most attended edition of the Commonwealth Games ever to take place in the United Kingdom.
<b>Non-ticketed events</b>	Thousands of people lined the routes for the road events in Birmingham, Warwick, Wolverhampton and the Black Country and for the Triathlon and Para Triathlon in Sutton Park and the mountain bike events in Cannock Chase Forest.
<b>Spectators</b>	Spectator satisfaction with 90% of the 23,000 survey respondents agreeing that tickets were value for money and with 84% of spectators rating their enjoyment as 9 or 10 out of 10. The Games also achieved a +82 plus net promoter score.
<b>Nation and Territories success</b>	An event where 877 medals made in Birmingham's Jewellery Quarter were awarded to athletes from 43 different nations and territories. This included a first ever medal for Niue.
<b>Sports Programme</b>	An exciting sports programme of 19 sports and eight Para Sports where the spectators witnessed 4 World Records and 97 Commonwealth Games records.
<b>Showcasing the city</b>	A Games that the host city, region and nation could be proud of, with 93% of spectators who responded to the survey stating that the Games showcased Birmingham positively and with Team England securing a record number of medals (176 in total).
<b>Jobs, skills and volunteering</b>	40,000 jobs, skills and volunteering opportunities. The 14,000 volunteers, known as the Commonwealth Collective, helped the paid workforce and contractors to ensure that the Games ran smoothly.
<b>Ceremonies</b>	Spectacular Opening and Closing Ceremonies that provided the perfect platform to showcase diverse local artists and performers to the world – the Opening Ceremony alone was broadcast live to 134 countries.
<b>Broadcast coverage</b>	An event that was broadcast across the globe, with BBC Sport's coverage of the Birmingham 2022 Commonwealth Games alone streamed a record-breaking 57.1 million times during the 11 days of sport.
<b>Engagement and awareness</b>	An event that inspired 3.8 million social posts, generating more than 56 million engagements around the world.

## **Group Strategic Report (*continued*)**

### **Business Review (*continued*)**

#### **Post Games Focus**

In July 2022 the Games Partners published the second iteration of the legacy plan and later that month nine trustees were appointed to the board for the United by 2022 Legacy Charity.

Work on this crucial area has been ongoing for several years and various announcements about the Birmingham 2022 legacy were made both before and after the Games.

Following the successful delivery of the Games, as well as Birmingham 2022 supporting a smooth and extensive transfer of knowledge for the organisers of the 23<sup>rd</sup> edition of the Commonwealth Games in the Australian state of Victoria, work on legacy is continuing at pace.

#### **Value for Money**

Value for Money has been at the heart of what the Company does and all spend is challenged appropriately and in line with Managing Public Money. Birmingham 2022 ensured that it considered Value for Money in all of its procurement and in closing out its contracts.

#### **Festival 2022 Business Review**

During this period, UNBOXED: Creativity in the UK was launched to the national and international press on the 21 October 2021. In March the following year 'About Us', the first of ten commissions, was launched in Paisley, Scotland. In the months that followed, the remaining Commissions went live with the last one launching on the 26 September 2022. During this period the team at UNBOXED also:

- Negotiated and signed ten full Commissioning Agreements;
- Continued to recruit across the partnership and delivery teams;
- Agreed locations for all live activity across England, Northern Ireland, Scotland and Wales;
- Designed and launched a new website alongside a digital engagement plan;
- Created a communications, marketing, and digital strategy;
- Designed, alongside the ten Commissions, a comprehensive community and schools' engagement programme that toured the UK;
- Created evaluation plans, strategy and produced a benefits realisation framework;
- Created an International programme designed to connect with creatives overseas supported by a number of delivery partners including the British Council and the RSA (the Royal Society of Arts);
- Attended industry leading events such as South by Southwest, Sheffield Doc Fest and BEYOND;
- Worked with Green Spaces Dark Skies to create a dedicated BBC One Countryfile programme and with StoryTrails to produce a BBC Two documentary. Work created as part of this Commission has also been shown at the London Film Festival with one of their virtual reality experiences being part of the Venice Biennale Immersive strand;
- Designed the dissolution process in collaboration with the Organising Committee of the Commonwealth Games and the Department for Digital, Culture, Media and Sport for Festival 2022;
- Produced a strategy for operating in a COVID-19 environment.

## Group Strategic Report (*continued*)

### Key Performance Indicators (KPIs)

The Company was established to complete the planning, organisation, staging and operation of the Games in July and August 2022. The Company is governed by a Management Agreement with DCMS. Included within the Management Agreement are a number of operational objectives the Company must report to DCMS against. These objectives include progress against workforce numbers, budget monitoring, and management of COVID-19. Below are the detailed objectives that the Company is measured against in line with the management agreement.

Measure	Status
Management of COVID-19 planning	<p>The Company established and adopted a COVID-19 scenario planning framework with regular reviews scheduled to consider the impact of the global landscape on proposed safety measures.</p> <p>The Company established cross partner governance including a dedicated COVID-19 Advisory Group to provide assurance over the proposed delivery schedule and associated COVID-19 safety measures. The Advisory Group included cross sector national and international medical and public health expertise.</p>
Delivery of actions in line with both the integrated project plan agreed by the Games Partners and the Company's internal project plan to enable the Games to be ready for 28 July 2022.	<p>All key deliverables in the year were achieved to allow successful delivery of the Games in July – Aug 2022, and the Birmingham 2022 Festival from Mar - Sep 22. Engagement and training of 14,000 volunteers, sale of 1.5 million tickets, delivery of 11 days of sports competition and more than 200 Festival commissions were also delivered.</p> <p>The Company continues to work through its dissolution plan and milestones to ensure close out of all business activity by end of the financial year 22/23.</p>
The outturn versus budget	The outturn (actual income and expenditure) for the period was in line with the budget for the period.
Meeting delivery obligations at a cost within the Company's part of the Games budget	Costs to date and projections for the Company's lifetime costs are within the Company's overall Games Budget. The Company anticipates a significant budget surplus.
Major procurement outcomes are in line with budgeted costs and demonstrate value for money.	<p>The main procurements in the period were achieved within the estimated budgeted costs. The Company closely monitored budgeted costs during all procurement activities and is tracked the inclusion of any COVID-19 safety measures through change control.</p> <p>A contractual review of existing contracts was conducted in consideration of the COVID-19 impact, with findings presented to Board.</p>

## Group Strategic Report (*continued*)

### Strategic Priorities

In addition to the above, the Company had determined four strategic priority themes and associated objectives: a Birmingham Games at the heart of a year of UK celebration, sustainability, inclusivity, and creativity.

Against these objectives the Company had been tracking 69 specific KPIs focused on delivery through to legacy ambitions, with each categorised into one of the four themes. Recognising that some have yet to be evaluated post Games, the Company reports successful delivery against 54 KPIs to date as summarised within each of the themes below:

#### 1. A Birmingham Games at the heart of a year of UK celebration

- Providing a platform to stage world class sporting moments by enabling athletes to perform at their best, with world class accommodation, training, and competition facilities;
- Supporting and enabling our home CGA, Team England, to inspire the nation in the build up to, during and after the Games;
- Staging spectacular cultural moments across the Games through Ceremonies and the Birmingham 2022 Festival, with local and regional representation that promotes the region's creativity to the world; and
- Providing a volunteer and workforce development programme that promotes and reflects the demographics of the West Midlands.

##### KPI Status Update:

The Company tracked 20 KPIs under this strategic priority, of which all 20 have been completed. The Games successfully attracted top athletes and teams to Birmingham 2022 across all sports. The Company provided services as required to the standards of the CGF and ensured appropriately trained national technical officials and sport specific volunteers were available to deliver a world class sporting competition.

In delivering the Games, the Company's ticketing strategy ensured strong host nation support for the competition schedule. The Ceremonies delivered global media coverage for Birmingham, the West Midlands and the UK and were broadcast live across 134 countries. The Birmingham 2022 Festival saw 224 projects deliver artistic commissions across the West Midlands, with grassroots organisations from 25 of the most deprived wards in Birmingham forming part of the Creative City Grants programme.

Across the region, pride increased and volunteers from across the West Midlands played a critical role in delivering a successful Games, contributing to a positive shift in perceptions of Birmingham, the West Midlands and the UK.

#### 2. Sustainability

Delivering the most environmentally friendly Commonwealth Games ever, in a socially responsible way through a sustainable delivery model. Supporting regional economic recovery in a post pandemic world.

##### KPI Status Update:

The Company tracked 19 KPIs under this strategic priority, of which 16 have been completed and three are on track to be completed as part of the dissolution activities.

The Company is calculating the final carbon footprint of the Games and working with our sustainability partners to deliver agreed carbon reduction and offsetting.

Public transport was included for ticket holders which saw large numbers of spectators use this method to travel to and from Games venues. 42% of the fleet used were low-emission vehicles and all fleet and buses met the Birmingham City Council clear air zone requirements.

## **Group Strategic Report (*continued*)**

### **Key Performance Indicators (KPIs) (*continued*)**

#### **2. Sustainability (*continued*)**

Clean and free drinking water was available across 41 water bars installed for the Games, used by 50% of spectators. This formed part of the implementation of a wider policy covering single use plastic, waste reduction and ethical trading.

Across the competition venues and workforce, the Company ensured it delivered a 'right size' Games, maximising efficiencies and reducing wastage through a refined delivery model. In conjunction with commitments to recruitment this has led to significant benefits for the city and region with 66% of workforce recruited locally and 73% of Games budget being spent with West Midlands suppliers.

#### **3. Inclusivity**

Providing a Games for all which genuinely engages the whole region and provides the most inclusive Commonwealth Games sports programme ever, with gender equality and full integration of the Para sport programme.

##### KPI Status Update:

The Company tracked 15 KPIs under this strategic priority, of which all 15 have been completed. In furthering the Company's aim to deliver a Games for Everyone, the Company has undertaken a wide range of initiatives to widen access and increase inclusivity.

Workforce is central to this commitment, with the demographics of the Company's workforce published on the Company website. In addition, 63% of the 14,000-strong volunteer workforce were from the West Midlands.

The Birmingham 2022 Festival and Festival sites provide free-at-point-of-access opportunities for over 2.3million people to engage with the Games. In addition, the Company undertook 125 community roadshows, 225 business forums and operated a comprehensive youth engagement programme.

Accessibility information was integrated within information for all those who interacted with the Games, and the Competition Schedule was fully integrated across Para Sport and included more medal events for women than men.

This, combined with over 30,000 tickets being made available to youth and community groups, and a low median ticket price, has ensured a wide and diverse audience could access the Games.

## Group Strategic Report (*continued*)

### Key Performance Indicators (KPIs) (*continued*)

#### 4. Creativity

Unlocking the creative potential of the West Midlands through an ambitious six-month arts festival that positively develops the region's cultural sector. Using the Games as a platform to showcase West Midlands design and innovation, whilst also developing innovative and modern Games delivery and venue solutions.

##### KPI Status Update:

The Company tracked 15 KPIs under this strategic priority, of which 14 have been completed and one is on track to be completed.

The Company delivered the Birmingham 2022 Festival, thanks to the support of 19 external funders who supported 224 artistic projects. This has resulted in increased investment in arts and culture in Birmingham and the West Midlands, which is on track to continue post-Games. Sector development programmes have been completed and several of the organisations who benefitted from this have received ongoing annual funding from external Lottery distributors.

The international reputation of Birmingham's cultural offer was positively enhanced through the Birmingham 2022 Festival and the Opening and Closing Ceremonies of the Games. More than ten countries collaborated with the Festival and all 72 nations and territories of the Commonwealth participated in the Ceremonies. The Queen's Baton Relay successfully toured all of the competing nations and territories of the Commonwealth.

Technology advancement strengthened the Games, including innovation across venue technology, Games systems, and throughout the operational delivery model. Combined with a full developed contingency plan, and clear governance, a robust framework for decision making has resulted in the overall success of the Games.

#### Principal Risks and Uncertainties

The Board has assessed the key risks and uncertainties impacting the Company, implementing controls and mitigation measures in line with its risk tolerance. The principal risks surrounded delivery of the Games with particular consideration for the effects of COVID-19, delivery and resilience of the required workforce and the potential threat of a cyber-attack. Further details are summarised in the Governance Statement included as part of this report.



## Group Strategic Report (*continued*)

### Festival 2022 Key Performance Indicators (KPIs)

KPIs	Commentary	RAG Status
Selection and delivery of ten major commissions.	The R&D project was designed and completed in the period resulting in the selection of ten commissions to take forward for the Festival's public-facing programme. The Company has successfully delivered all ten commissions.	Green
Delivery of actions in line with both the integrated project plan agreed by the Festival partners and the Company's internal project plan to enable the Festival to be delivered in 2022.	The Company was established in May 2020. The Festival is being delivered to an accelerated timeline, however, the Company has made significant progress in achieving all key deliverables in the period in line with the Project Plan. Critical to this was the formation of the Company's Board and the successful completion of the R&D Project. Delivering a large-scale project across the UK in 2022 is an ambitious task and the Company continues to monitor resources and capacity to ensure this delivery momentum can be maintained. Despite the challenging circumstances of COVID-19, delivery of the Festival remains on schedule.	Amber
Outturn versus budget.	The outturn was in line with the budget for the period.	Green
Meeting delivery obligations at a cost within the Company's part of the budget.	Costs to date are within the Company's overall Budget. The Company continues to closely monitor any financial risks identified to ensure delivery obligations can be met within budget. The inclusion of COVID-19 safety measures is being managed based on the scenario planning framework.	Green
Major procurement outcomes are in line with budgeted costs.	The main procurements in the period were within the estimated budgeted costs. The Company continue to closely monitor budgeted costs during all procurement activities. A significant number of procurements are due to take place in the next financial year and these are being managed accordingly.	Green
Projected workforce costs against budget.	The workforce costs for period ended 30 September 2022 were within the expected budget. The team continues to review needs and recruit key roles to ensure the Company has sufficient resource to deliver the Festival and support the commissioned projects.	Green

## **Group Strategic Report (*continued*)**

### **Festival 2022 Principal Risks and Uncertainties**

The Board has assessed the key risks and uncertainties impacting the Company.

The Festival is delivered in partnership across the UK with funding and support from all four Governments. The Company is responsible for ensuring the programme is delivered at arm's length to the agreed strategic objectives and that the content is politically neutral. This is facilitated by a signed Concordat between the four Governments, agreeing to these principles and enabling the Company and the Strategic Delivery Bodies to independently deliver the Festival.

The Company continues to operate in a complex and changing external environment which requires us to be proactive in our planning and delivery. A programmatic approach allows us to operate in an agile way and adopt quickly to changing circumstances so that opportunities are not diminished or lost. This has been applied to mitigate the risks of supply chain and challenges in the labour market.

As a large-scale public programme, the Board has regularly monitored engagement with each of the ten commissions to ensure audiences are benefitting from the range of free experiences available throughout the UNBOXED programme across live, digital, broadcast, learning and participation. Whilst there are challenges to communicating a programme with a live events programme delivered hyper locally throughout across towns, villages and cities across the UK, alongside non-live experiences, the Board is confident that millions of people are engaging with UNBOXED.

Throughout, the Company has monitored and assured the work of the Lead Organisations responsible for the devolved delivery of the ten commissions. The programme has been delivered effectively throughout the period since the initial public event on 1 March 2022 and there is activity ongoing. As of 30 September 2022, all ten commissions have now launched to the public. The programme is being delivered to the timescales agreed with the Board and the four Governments, and within the total budget allocated across all delivery partners.

The Company continues to monitor risks on resource pressures, specifically workforce recruitment and retention. COVID-19 has not impacted the programme as much as originally thought however, COVID-19 mitigation remained a key factor throughout the programme and formed part of all live event planning. The Company continues to monitor these risks on the business and is regularly reporting to the Audit and Risk Assurance Committee (ARAC) and Board on status.

### **Festival 2022 UK Wide Partners**

Festival 2022 is a UK wide event with delivery of commissions for Northern Ireland, Scotland and Wales being delivered by strategic delivery bodies for each nation.

The Company has put in place the necessary reporting and governance structures to ensure regular reporting on the performance of the whole Festival against its budget targets.

Projects delivered by other delivery bodies are outside of the scope of the Company and not included in this set of financial statements which include only the specific activities undertaken by the Company.

By order of the Board



John Crabtree OBE  
Chair on behalf of Board  
09 December 2022

## Directors' Report

The Directors are pleased to present their Report on the affairs of the Group, together with the Remuneration Report, Financial Statements and Auditor's Report for period ending 30 September 2022. The Governance Statement set out on pages 41 to 53 forms part of this report.

The Company is limited by guarantee without share capital.

The Financial Statements included within this document have been prepared in accordance with the Companies Act, under International Financial Reporting Standards as adopted by the United Kingdom (IFRSs) and in line with the Accounts Direction issued by DCMS.

The Birmingham 2022 Commonwealth Games is funded by a combination of public expenditure (split 75:25 between National and Local Government) and commercial income generated by the Company and its partners. Together these two sources of funding make up the majority of the revenue of the Company with the remaining coming from various other income streams. Government funding is provided by the "Grant-in-aid" process which effectively means money will be released to the Company as it is required in line with its commitments. This will have the impact in the profit and loss account of creating a surplus/deficit of zero, as Grant-in-aid revenue is calculated to meet but not exceed the costs of the business.

### Directors

The Board comprises eight Directors nominated by Games Partners, together with six independent appointments (denoted by \* in the table below) as at 30 September 2022.

The Company's non-executive directors are:

Ama Agbeze MBE\*  
 Derrick Anderson CBE  
 Simon Ball  
 John Crabtree OBE\*  
 Hiren Dhimar  
 Lyndsey Jackson\*  
 Dame Louise Martin DBE  
 Ian Metcalfe  
 Dame Julie Moore DBE  
 Sandra Osborne-Burgess SCM KC  
 Eleanor Simmonds OBE\*  
 Professor Geoff Thompson MBE\*  
 Nicholas Timothy CBE\*  
 Councillor Ian Ward

## Directors' Report (*continued*)

### Financial Results

The results of the Company for the period are detailed from page 70 and consolidated results for the Group are from page 95.

The Company intends to enter Member's Voluntary Liquidation in the first quarter of 2023 hence the Company has adopted basis of preparation other than going concern for these Financial Statements, in accordance with the International Financial Reporting standards. The Company extended its accounting period to 30 September 2022, meaning the majority of lifetime revenue and expenditure has been captured in this 18-month period.

As noted earlier, the majority of the Company's income during the period has been received through public funding from both the Government and BCC. Additionally, the Company has Value in Kind revenues resulting from goods and services provided to the Company by Games Sponsors. Commercial Value-in-Kind revenues of £54.5m from Games Sponsors and £43.2m in ticket sales alongside other revenues were recognised in the period, where majority of the revenue was received.

One of the most significant expenditure items for the Company during the period was £37m of payments made to Birmingham Ceremonies Ltd for the production of the Opening and Closing Ceremonies. Another significant expenditure item was £6.3m of payments made to the CGF. These payments are defined in the Host City Contract and include elements relating to Joint Marketing Programme Arrangements with Commonwealth Games Associations as well as the Host City Fee. Host Broadcast costs of £17.4m were paid to Sunset + Vine. Employee salaries of £42.7m plus outsourced services and labour and secondees costs of £54.6m and Overlay expenditure of £99.8m which related to all temporary facilities at venues, such as extra seating, tents, and cabins and temporary groundwork. The other expenditure mainly relates to marketing, transport, security, and technology.

Festival 2022 commissioning costs of £54.3m are also a significant expenditure item this period. Festival 2022's full results are presented in its individual Report and Financial Statements. Festival 2022's results are based on the same 18-month accounting period.

### Commercial Income

The Company's commercial programme was a success. Commercial income was raised from three main areas, ticketing, sale of broadcast rights and sponsorship. The Company met its commercial income targets.

The ticketing programme was a huge success, with more than 1.5million tickets sold, the median ticket price was less than £25, and concession prices starting at under £10. The ticketing programme allowed Birmingham 2022 to be the most accessible Games ever.

In the period leading up to the Games, Birmingham 2022 announced a number of rights-holding broadcasters, companies which had exclusive rights to the Games. The BBC signed up to be the Domestic Broadcast Rights Holder for the Birmingham 2022 Commonwealth Games.

Throughout the period, the Company signed numerous sponsorship contracts in addition to the ten sponsorship contracts it had ending the 2020/21 financial year. Birmingham 2022 was fortunate to have a strong group of sponsors who shared the commitment to making the Games a success. The list of sponsors can be found on page 3. The Company would again like to thank all of its sponsors.

## **Directors' Report (*continued*)**

### ***Going Concern***

A lifetime budget has been approved by HM Treasury and the Company is delivering in line with the lifetime budget. The Company intends to enter Member's Voluntary Liquidation in the first quarter of 2023 hence the Company has prepared these Financial Statements on a basis other than going concern, in accordance with the International Financial Reporting standards. Management has established a Steering Group to develop and implement dissolution plans across a number of workstreams, including contracts, assets, information, facilities management and workforce.

### ***Treasury Policy***

During the period the Company did not hold any shares or other investments except in subsidiary entities.

The Company's cash requirements are funded through Grant-in-aid from DCMS on the basis of need, in accordance with HM Treasury guidance, Managing Public Money. Additionally in the period the Company received Commercial Revenues.

Festival 2022 has received its funding through a Grant from DCMS based on budgeted spend for the period.

### ***Investment in Non-Current Assets***

The Company spent £1,936,000 on non-current assets during the period. This largely relates to an additional lease for a second office in Brindley Place, office branding and information technology equipment.

### ***Employees***

#### ***Employees with a Disability***

The Company holds the status of a "Disability Confident" approved employer. This means that the Company is fully committed to the elimination of unlawful and unfair discrimination and the Company values the differences that a diverse workforce brings to the organisation. Applicants through this programme will have the option to request that they be considered under the guaranteed interview scheme for a position, if the minimum criteria in the job description is met.

The Company has a proactive attitude when it comes to looking after the wellbeing and inclusion of all its employees. The Company is diverse in its approach to recruitment and recognises that talent comes in all different forms. It is the policy of the Company that the training, career development and promotion of people with a disability should, as far as possible, be identical to that of other employees.

#### ***Employee Communication***

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them and the performance of the Company. This is achieved through a weekly all staff briefing known as 'Birmingham Buzz', the development and launch of an intranet known as 'The Foundry', regular presentations from different functional areas known as 'Lunch and Learn' or 'Teatime Talk' sessions, and company-wide emails that share key updates and announcements.

The Group has continued a number of staff specific groups including a group for ethnically diverse employees, a group for women, and an all-inclusive staff group.

## **Directors' Report (*continued*)**

### **Equality, Diversity and Inclusion**

Alongside the Group's legal obligations to comply with the requirements of the Equality Act 2010, the Public Sector Equality Duty and any other relevant equality legislation, the Company's approach to equality, diversity, and inclusion (EDI) is based around five priorities:

- Developing a workforce reflective of the West Midlands;
- Delivering a highly accessible and inclusive Games;
- Creating a fair, supportive, and open culture throughout Games delivery;
- Connecting communities to the Games through engagement and participation; and
- Educating and developing our shared understanding on issues of inequality.

#### ***Developing a workforce reflective of the West Midlands***

The Company's approach to recruitment was to ensure that no potential or actual employees receive more or less favourable treatment on the grounds of race, marriage and civil partnership, pregnancy and maternity, age, sex, gender reassignment, sexual orientation, disability and religion or belief. 'Conscious Inclusion' workshops were delivered across the Company specifically for hiring managers. Working with GI Group, the Company monitored the workforce EDI diversity data against West Midland diversity data to establish trends and identify if any diversity strands were not being represented, so, if required, interventions could be put in place for improvement. The Company delivered a successful 'Summer Jobs' campaign to provide job opportunities for people within the West Midlands during the Games.

#### ***Protecting Labour rights and mitigating Modern Slavery risk***

The Company wanted to ensure that the United Nations (UN) Guiding Principles on Business and Human Rights were at the core of delivery, to respect, protect, and promote those rights and freedoms guaranteed to all individuals under law. The Company ensured a risk-based, credible and pragmatic approach was implemented to protect Labour Rights and mitigating Modern Slavery risk.

The Company conducted a Modern Slavery risk assessment, to identify potential labour and human risks in the supply chain and planned for appropriate mitigation responses. Based on the risk categories, the Company implemented a tiered approach of increasing levels of mitigations (Low to Medium to High risk), where mitigations for high-risk suppliers included some Modern Slavery 'spot check' reviews on sites. All suppliers in the Company's supply chain were required to do self-declarations and work with the Company to remedy, if there were any labour rights / modern slavery issues.

#### ***Delivering a highly accessible and inclusive Games***

The Company has an internal EDI working group in place, with membership from across the Company. This working group enables the Company to challenge and share progress as it works to ensure that EDI is fully embedded in its internal processes and its delivery. The Company engaged all areas of the business to identify any requirements for EDI support, to ensure that good practice is shared across the organisation and to consider any relevant risks and issues relating to EDI. The Company have four staff networks to support different diversity strands across the Company; Women at Work Network, EmbRace Network, Inclusive Network and Armed Forces and Families Working Group. The Company is a Disability Confident employer and in 2022 the Company achieved The Deaf-friendly Standard Gold level, the Armed Forces Silver Award, and the 'Include Me West Midlands' certification, which is a regional approach to making the West Midlands an exemplar region for engaging disabled people and people with long term health conditions to be physically active.

## **Directors' Report (*continued*)**

### ***Creating a fair, supportive and open culture throughout Games delivery***

The Company has a Safeguarding Lead with the EDI team which is a critical role within the Company to lead and continue the development of a safe and supportive environment. A Safeguarding Triage was developed during Games time with the support from the CGF to manage safeguarding queries and issues effectively.

### ***Connecting communities to the Games through engagement and participation***

The Company delivered an extensive community engagement programme across the region through sport activations and projects including the Large Festival Community Engagement Fund. A series of forums were delivered for the community and community leaders to ensure they were fully engaged with the progress of the Games delivery. A total of 125 Community Roadshow and Events have engaged over: 183,000 people, 34 Community Hub drop-in sessions, 18 Community Engagement Forums, plus two Faith Forums and six EDI Forums.

In collaboration with Sport England, the Company gifted a wide range of sports equipment used by teams and athletes across all of the competition venues to local sport and community groups in the West Midlands.

### ***Educating and developing our shared understanding on issues of inequality***

The Company has achieved the Leaders in Diversity award and accreditation from the National Centre for Diversity in 2021. This expires in January 2023. The Company delivered an extensive EDI programme across Birmingham 2022 and underwent an EDI audit conducted by PwC in October 2021. All findings were addressed.

The Company delivered a successful seven month mentoring programme which engaged 70 pairs – mentors from Senior Leadership Team, Team England, DCMS and the Commonwealth Games Federation supported the programme.

### ***Accessibility***

Birmingham 2022 delivered a highly accessible and inclusive Commonwealth Games. The Head of Accessibility and team, worked to embed, promote, and implement accessibility across the Games for all client groups.

The strategic objectives set out in the Games Accessibility and Inclusion Commitment (published June 2020) were delivered in the five following ways:

1. Setting Standards; Defining standards and setting levels for accessibility across the Games using 'The BIG Standard'. Birmingham 2022 Accessibility planning and delivery, this guidance document can be used as guidance by others to embed better accessibility practice.
2. Create an 'Accessibility Advisory Forum'; The 'Accessibility Advisory Forum' which met from January 2020 to August 2022 made up of disabled people, carers, disability charities and Games Venues. The Accessibility Advisory Forum plans to continue in legacy, providing guidance across the region post Games.
3. Improved Games Accessible Information; Improve accessible information wherever possible across the Games. The Accessibility Team worked with Functions across the Organising Committee to ensure Games information was as accessible as possible.
4. Commit towards reducing the Disability Employment Gap; A commitment from the Games to help reduce the disability employment gap. The Accessibility Team worked with Functions across the Organising Committee to put in place more accessible and inclusive employment processes for both paid and volunteer workforce.
5. Gain Certification; Achieve recognised certification which shapes and promotes accessibility and inclusion across the Games. Birmingham 2022 was successful in achieving 'Include Me West Midlands' and Gold standard 'Deaf Friendly Standard' certification.

## Directors' Report (*continued*)

### Sustainability

The Company wanted the Birmingham 2022 Commonwealth Games to have a significant, positive outcome for the city, its people and local communities. Our overarching sustainability goal was to host the first Commonwealth Games with a Carbon Neutral Legacy, setting the benchmark for future Games and driving long-term sustainable behaviour change.

As an Organising Committee we wanted to be bold and ambitious while acknowledging the parameters we had to work in and the challenges we would likely face. Our overall approach was certified by a third party organisation in line with ISO20121 – a sustainable event management system international standard

To guide our journey, we produced our Sustainability Pledge, published at 500 Days to go that shaped our decisions and provided a guiding mandate. Our Sustainability Pledge had seven key pillars:

1. Accessibility
2. Equality, diversity and inclusion
3. Job creation and social value
4. Human rights
5. Carbon and air quality
6. Circular economy principles to minimise waste
7. Conservation

The socioeconomic aspects of Sustainability are referenced in the Group Strategic Report on pages 26 to 27.

Sustainability initiatives included:

- Minimising waste by reusing and repurposing existing facilities and venues, hiring over buying where possible.
- Significantly reducing the use of single-use plastic, including Severn Trent providing free water bars at Games venues to refill water bottles.
- 72 tennis court-sized Tiny Forests have been planted by Severn Trent in urban areas across the West Midlands. Each Tiny Forest is named after a national flower or animal to represent each of the 72 Commonwealth nations and territories.
- 2,022 acres of Legacy Forest that will be planted, which will over time rebalance the residual emissions of the Games.
- The Canal & River Trust have cleared 22 miles of canals of rubbish and plastics, under the banner of the 'United by 2022' community programme.
- The Organising Committee used 252 fully electric vehicles as part of its fleet during the Games.
- Supporting active travel at Games time, including provision of two free 30-minute cycle hire rides each day, and a dedicated secure cycle parking provision at every venue.
- Promotion of the sustainability efforts of the Games through BBC coverage, including a short video highlighting the key initiatives and an athlete interview on the importance of action.
- A dissolution strategy that has focused on redistributing to charities and community groups. 16,000 items of sports equipment has been made available to community organisations, and signage, office furniture and Athlete vVillage items such as kit has also been distributed to those in need.
- Two carbon literacy courses have been produced to help continue the learning both by residents and sports clubs around carbon and the actions they can take.

### Post Games Environmental Sustainability Report

A full report will be written on our environmental sustainability – reporting on our impact, our performance against our targets and also our challenges and lessons learnt. This report has been published on the Birmingham 2022 website: <https://www.birmingham2022.com/about-us/our-purpose/our-legacy/sustainability/>.



## Directors' Report (continued)

### Sustainability (continued)

#### Sustainability metrics

In the table below, the Company reports on the following metrics:

- Scope 1:
  - Gas consumption across three offices and all venues (when owned by the OC for the period of Games time).
  - Fuel used in generators to create temporary power through Games time.
- Scope 2:
  - Electricity consumption across three offices and all venues (when owned by the OC for the period of Games time).
- Scope 3:
  - Expensed mileage.
  - Mileage of the OC's leased fleet made up of rental vehicles.

Total gross CO<sub>2</sub>e emissions based for Group, as per the metrics outlined above for the period is presented below. A breakdown of GHG emissions and energy use data, per the metrics above, for the period is given in the table below.

The metrics of all other activities within the carbon footprint boundary of the Birmingham 2022 Commonwealth Games, can be found in the Post-Games Sustainability report.

2022 Activity	Consumption (kWh)	GHG Emissions (Location-Based) tCO <sub>2</sub> e	GHG Emissions (Market-Based) tCO <sub>2</sub> e
<b>Total Scope 1</b>	<b>13,468,545</b>	<b>2,940</b>	<b>-</b>
<i>Gas Use (Scope 1)</i>	<i>5,553,869</i>	<i>1,179</i>	<i>-</i>
<i>Fuel Use (Scope 1)</i>	<i>7,043,242</i>	<i>420</i>	<i>-</i>
<i>OC Games Time Fleet (cars and buses)</i>	<i>871,434*</i>	<i>1,341**</i>	<i>-</i>
<b>Total Scope 2</b>	<b>9,752,025</b>	<b>2,569</b>	<b>1,290</b>
<i>Electricity (Scope 2)</i>	<i>9,089,543</i>	<i>2,434</i>	<i>1,155</i>
<i>District Heating (Scope 2)</i>	<i>662,482</i>	<i>135</i>	<i>135</i>
<b>Total Scope 3</b>	<b>220,387</b>	<b>69</b>	<b>-</b>
<i>Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel.</i>	<i>220,387</i>	<i>69</i>	<i>-</i>
Tonnes of CO <sub>2</sub> e per full time equivalents	-	-	-

\* This figure excludes the data for bus systems as granular data unavailable and only the tCO<sub>2</sub>e is known.

\*\*This figure includes tCO<sub>2</sub>e for both car fleet and bus systems.

## Directors' Report (continued)

### Sustainability (continued)

#### Sustainability metrics (continued)

2021 Activity	Consumption (kWh)	GHG Emissions (Location-Based) tCO <sub>2</sub> e	GHG Emissions (Market-Based) tCO <sub>2</sub> e
<b>Total Scope 1</b>	<b>718,709</b>	<b>132</b>	-
<i>Gas Use (Scope 1)</i>	<i>718,709</i>	<i>132</i>	-
<b>Total Scope 2</b>	<b>608,402</b>	<b>141</b>	-
<i>Electricity (Scope 2)</i>	<i>608,402</i>	<i>141</i>	-
<b>Total Scope 3</b>	<b>22,458</b>	<b>5.6</b>	-
<i>Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel.</i>	<i>22,458</i>	<i>5.6</i>	-
Tonnes of CO <sub>2</sub> e per full time equivalents	-	1.6	-

In the period covered by the report, there has been a concerted effort to reduce energy usage in the Groups main office (1 Brindley Place) through optimisation of the building management systems (BMS). The electricity is also supplied in this office by a low-carbon electricity tariff.

There has also been a concerted effort to reduce the number of temporary generators required through Games time, and therefore the volume of fuel required:

- Utilising every potential grid supply available at all venues, often to full capacity, to reduce our reliance on additional diesel generators;
- Using battery storage systems supplied by Aggreko across several venues, including Alexander Stadium, to use energy more efficiently. Having this storage system in place meant that it was possible to run generators for a couple of hours per day to charge the batteries – which powered everything during low-demand periods – instead of running at least one generator for 24 hours per day. This helped to save a lot of fuel compared to a traditional reliance on generators. This worked well during lower-load periods and further hybridisation would have reduced fuel consumption and carbon emissions even further, however, funding was not available for this; and
- Where generators were necessary – used for critical elements of the Games like results timing and storage – we used hydrotreated vegetable oil (HVO), a renewable resource that generates around up to 90% fewer carbon emissions than fossil fuel diesel.

In line with SECR reporting standards, this report covers the energy consumption within the Groups office locations, One, Five and Six Brindley Place, fuel use, mileage in leased fleet vehicles and expensed travel for business mileage.

Emissions have been calculated in alignment with the GHG Reporting Protocol – Corporate Standard and relevant 2021 and 2022 BEIS/DEFRA emission factors have been applied, to calculate the carbon dioxide equivalent emissions from energy use. Consumption data was recorded from utility invoices and meter reads. Business mileage data is tracked through the financial expense system based on the reimbursement value of 45p/mile. As the expense system does not capture details about the type of car used, the emission factor for an average car size with fuel unknown was used. Mileage of the leased fleet vehicles was recorded using the odometer in each vehicle.

## **Directors' Report (*continued*)**

### **Political and Charitable Contributions**

During the period, the Group made no charitable or political contributions.

### **Qualifying third party indemnity provisions**

The Department for Digital, Culture, Media and Sport provides Directors' and Officers' liability insurance policies on behalf of the Directors. These policies meet the Companies Act 2006 definition of a qualifying third-party indemnity provision. The qualifying third-party indemnity provision was in force during the financial year and at the date of approval of the financial statements.

### **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 information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the Report inclusive of the Financial Statements for the 18 months ended 30 September 2022 are the Company's final set of financial statements to be submitted to Companies House. Therefore, the National Audit Office will cease to act as the Company's Auditor following completion of the final set of financial statements.

By order of the Board



John Crabtree OBE  
Chair on behalf of Board  
09 December 2022

## Governance Statement

This statement sets out the governance structures, risk management and internal control procedures which the Group had in place during the period from 1 April 2021 to 30 September 2022.

Delivering the Games was a large and challenging project, so it was important to ensure that appropriate governance systems, structures and processes were in place. These systems provided the clarity, accountability and transparency needed in order to ensure the effective delivery of the Games.

### Compliance with the Corporate Governance Code

A review of the Government's Corporate Governance Code of Good Practice 2017 (the Code) has been completed and it was concluded that the Company has complied with the areas applicable to a Non-Departmental Public Body ("NDPB").

### Accounting Officer

The Accounting Officer of the Company is accountable to the Secretary of State for DCMS and the Permanent Secretary of DCMS, for maintaining sound systems of governance, risk management and internal control. These systems support the achievement of Company policies and strategic objectives, while safeguarding the public funds and assets for which he is personally responsible, in accordance with Treasury guidance "Managing Public Money". The Accounting Officer is also responsible for using the public funds and assets assigned to the Company economically, efficiently, and effectively.

The Chief Executive Officer of the Company was the Accounting Officer for the whole of the reporting period.

### Company Board

The governance process is led by the Company Board, chaired by John Crabtree OBE, the Board is comprised of nominees from Games Partners and independent appointments. It was required to meet on a two monthly basis during the reporting period, however the Board met on a monthly basis from July 2021 to May 2022 due to the importance of matters requiring discussion and approval in the run up to the Games. As a result, the Board met a total of fourteen times during the reporting period, comprising twelve scheduled meetings and two extraordinary meetings, the latter of which were held in April and May 2021.

During the reporting period, the Board focused on the following areas:

- The Games transport solution and assurances required for successful Games time delivery;
- Contingency scenario planning around the effects of COVID-19 on the Games;
- Ongoing review of the Games capital projects being undertaken for the Games by the Games Partners;
- The key risks and issues facing the Games and the strategic priorities, including updates on workforce and contractor recruitment;
- Specific Games' approvals (e.g. major procurement and sponsorship contracts) as well as the QBR planning and operation, marathon route, volunteer programme and name, uniforms, medals and youth programme;
- Updates on the Games EDI, Sustainability and Legacy programmes and priorities;
- Budget management and progress on commercial income targets; and
- Allocation of budget to key areas to ensure the delivery of a great Games.

Board members also chaired "deep dive" sessions into the Games Village, EDI and transport solution for the Games.

Biographies of all Board members can be found on the Company website at <https://www.birmingham2022.com/corporate/who-we-are/board-of-directors/>

Official

## Governance Statement (continued)

### Company Board (continued)

Board attendance for the reporting period to 30 September 2022

Board Member	19 Apr 21*	12 May 21	20 May 21*	7 Jul 21	10 Aug 21	8 Sep 21	13 Oct 21	10 Nov 21	8 Dec 21	19 Jan 22	16 Feb 22	16 Mar 22	13 Apr 22	11 May 22	20 Sep 22	Attendance
John Crabtree OBE	x	✓	✓	x	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	12 out of 15
Ama Agbeze MBE	x	✓	x	✓	x	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	11 out of 15
Derrick Anderson CBE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15 out of 15
Simon Ball	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	14 out of 15
Hiren Dhimar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15 out of 15
Lyndsey Jackson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	14 out of 15
Dame Louise Martin DBE	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	x	12 out of 15
Ian Metcalfe	✓	✓	x	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11 out of 15
Dame Julie Moore DBE	✓	✓	✓	x	✓	✓	✓	✓	x	x	✓	x	✓	✓	x	10 out of 15
Sandra Osborne	✓	✓	x	✓	x	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	12 out of 15
Eleanor Simmonds OBE	x	✓	x	x	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	10 out of 15
Geoff Thompson MBE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	15 out of 15
Nicholas Timothy CBE	✓	✓	✓	✓	x	✓	✓	x	✓	✓	x	✓	x	✓	✓	11 out of 15
Councillor Ian Ward	✓	✓	✓	x	✓	✓	x	✓	x	✓	✓	✓	✓	x	x	10 out of 15
Brigid Jones (alternate for Ian Ward)				✓			✓							✓	✓	4 out of 4
Company Secretary																
Caroline McGrory	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	14 out of 15

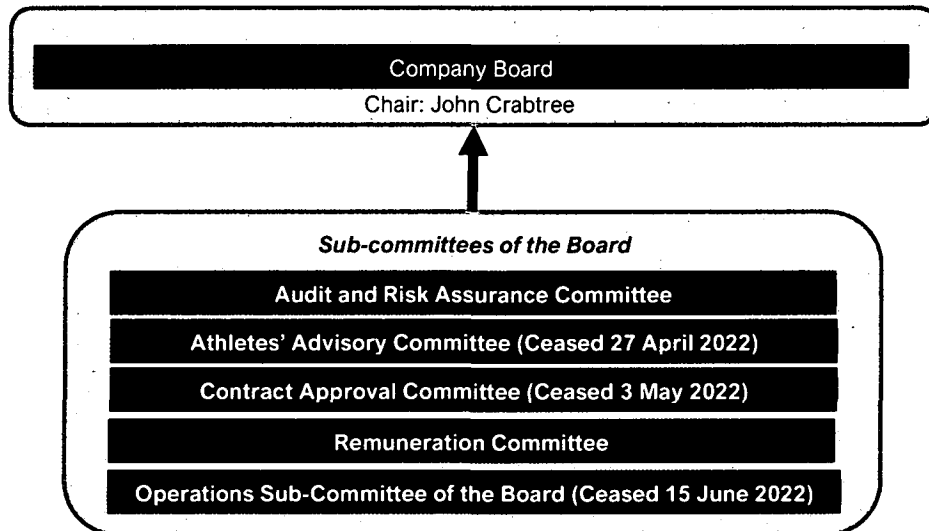
\* Extraordinary Board Meetings.

Official

## Governance Statement (*continued*)

### Sub Committees of the Board

The diagram below represents the structure of the Board and its sub-committees during the reporting period.



#### **Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee (ARAC) is a sub-committee of the board, established to provide oversight of the Games Risk Assurance Framework and associated Risk Management processes; the Financial management, control and Statutory reporting processes of the Company; the appointment and direction of the Internal Audit function; and the appointment of and relationship with the National Audit Office as External Auditors.

ARAC is chaired by Simon Ball (Non-Executive Director), and has five further Committee members - Hiren Dhimar, Rebecca Hellard (representing Councillor Ian Ward) and Nick Timothy CBE from the OC Board, together with two ex officio members, Gill Ball and Chantal Henderson, who were co-opted in 2020 to provide additional expertise regarding Finance and Risk management. In addition to its formal membership, meetings are attended by the Chief Executive, Chief Financial Officer and General Counsel, and both Internal and External Auditors. Ama Agbeze (as Chair of the Athletes' Advisory Committee) and Lyndsey Jackson (as Chair of Operations Committee) have attended as observers, to provide input from and co-ordination with their respective committee activities.

During the reporting period, ARAC met on 13 occasions, as reflected in the following attendance record.

## Governance Statement (*continued*)

### Sub Committees of the Board (*continued*)

#### **Audit and Risk Assurance Committee (*continued*)**

ARAC attendance for the accounting period to 30 September 2022

Committee Member	6 May 21	22 Jun 21	30 Jul 21	8 Sep 21	21 Sep 21	20 Oct 21	30 Nov 21	17 Jan 22	3 Feb 22	30 Mar 22	25 May 22	29 Jun 22	22 Sep 22	Attendance
Simon Ball	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	12 out of 13
Hiren Dhimar (Colin McInnes appointed as DCMS representative for May 2022)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13 out of 13
Nicholas Timothy CBE	x	x	x	✓	✓	✓	✓	x	✓	✓	x	✓	✓	8 out of 13
Rebecca Hellard (Alison Jarrett appointed as alternate for Sept 2021, Feb 2022, and May 2022)	✓	✓	x	✓	✓	x	✓	✓	✓	✓	✓	✓	x	10 out of 13
Chantal Henderson*	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	12 out of 13
Gill Ball OBE*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13 out of 13
<b>Observers</b>														
Ama Agbeze MBE	NA	NA	NA	NA	NA	NA	✓	NA	✓	✓	✓	✓	✓	6 out of 13
Lyndsey Jackson	NA	NA	✓	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	10 out of 13

At those meetings, ARAC focused on the following key areas:

- Risk Management: Top 10 Risk updates (see page 50), COVID-19 plans and mitigation, Cyber Security exposure, Risk Framework updates, Scenario planning and Readiness review;
- Finance: Commercial Income initiatives, Games Budgeting (including 'Good to Great' reviews), Value for Money considerations, Financial Management and Controls Framework, and Dissolution Planning and Execution;
- Internal Audit: Annual Plan of work, final reports and follow up actions, nature of non-audit work and independence;
- Reporting: Report and Accounts preparation (including consideration of NAO audit planning, execution and opinions), Games Act Reporting, Management Assurance reporting to DCMS;
- Legacy: Sustainability updates, United By Birmingham establishment, KPMG Legacy reporting process; and
- Policies: Treasury Management, Whistleblowing, Fraud, Data Management.

In addition to the above, ARAC members met privately with each of PwC (Internal Auditors) and National Audit Office (External Auditors), and conducted an assessment of operations of the Committee during the period. The Chair reported on the activities of the Committee at each OC Board meeting, and met regularly between ARAC meetings with the Accounting Officer and members of the Executive Board.

## Governance Statement (*continued*)

### Sub Committees of the Board (*continued*)

#### ***Athletes' Advisory Committee***

The Athletes' Advisory Committee ("AAC") was set up to give the Board and the Company's executive management team advice on the planning and delivery of the Games from an athlete's perspective. The AAC helped ensure the best possible experience for all participants. The members of the AAC represented a wide-range of sports – athletics, Para athletics, netball, squash, triathlon and weightlifting, and all members are Commonwealth Games medallists from previous Games. Ama Agbeze is the Chair of the Athletes' Advisory Committee.

The AAC was set up to meet up to six times during each calendar year (and met eight times during the reporting period) to discuss a range of issues that would impact on athletes in the lead up to and during Birmingham 2022. The meetings were intended to precede each of the Company's Board meetings.

Committee Member	7 May 21	20 Sept 21	4 Oct 21	4 Nov 21	2 Dec 21	1 Mar. 22	30 Mar 22	27 Apr 22	Attendance
Ama Agbeze (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	8 out of 8
Alistair Brownlee	x	✓	✓	✓	x	x	x	x	3 out of 8
Tom Bosworth	x	✓	x	x	✓	x	x	✓	3 out of 8
Sarah Davies	✓	✓	✓	✓	x	x	✓	✓	6 out of 8
Jodie Gibson	✓	x	✓	✓	✓	x	x	✓	5 out of 8
Katrina Hart	✓	✓	✓	✓	✓	✓	✓	✓	8 out of 8
Sarah-Jane Perry	✓	✓	✓	✓	✓	✓	x	✓	7 out of 8
Colin Gregor*	✓	✓	x	x	x	x	x	✓	3 out of 8
Frankie Kelly**	x	x	✓	✓	✓	x	x	x	3 out of 8

\* Observer on behalf of the CGF's Athletes Advisory Commission

\*\* Observer on behalf of CGE



## Governance Statement (continued)

### Sub Committees of the Board (continued)

#### Contract Approval Committee

The Contract Approval Committee ("CAC"), which acts on behalf of the Board, was chaired by Dame Julie Moore (Non-executive Director) and was responsible for ensuring that significant procurement and other contractual activity was subject to appropriate review and approval in line with the Company's Scheme of Financial Delegation. It was delegated to approve the sourcing strategy for all contracts with a value greater than £1million and the award of all contracts that had a proposed value between £1million and £5million. All contract awards above £5million required Board approval, as did sponsorship agreements.

The committee ceased on 3 May 2022 after fulfilling its obligations and passed its delegations and responsibilities back to the Board.

Committee Member	01 Apr 21	19 Apr 21	4 May 21	17 May 21	01 Jun 21	01 Jul 21	03 Aug 21	02 Sep 21	05 Oct 21	02 Nov 21	03 Dec 21	06 Jan 22	01 Feb 22	28 Feb 22	10 Mar 22	05 Apr 22	03 May 22	Attendance
Dame Julie Moore (Chair)	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	14 of 17
David Leather*	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	15 of 17
Ian Metcalfe	✓	✓	✗	✓	✓	✗	✓	✗	✗	✓	✓	✓	✗	✓	✗	✓	✓	11 of 17
Guy Olivant**	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✗	13 of 17
Derrick Anderson (AS ALTERNATE for Ian Metcalfe)	NA	NA	✓	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1 of 1
Derrick Anderson (APPOINTED MEMBER FROM 17 MAY 21)	NA	NA	NA	✓	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	12 of 14
Alison Jarrett***	NA	NA	NA	NA	✓	NA	NA	NA	NA	NA	NA	NA	NA	✓	NA	NA	✓	3 of 3

\* Representative of CGFP

\*\* Representative of BCC

\*\*\*Deputy Representative of BCC/Alternate for Guy Olivant

#### Remuneration Committee

The main purpose of the Remuneration Committee ("REMCO") was to approve salary changes linked to role changes for chief officers and directors, and banding increases, to agree on the performance appraisal system, to agree chiefs' and directors' bonus awards, to approve redundancy payments, to approve terms in relation to termination of contracts and to review the reward policy periodically. The committee met twice during the reporting period:

Committee Member	June 22	Sept 22	Attendance
Lyndsey Jackson (Chair)	✓	✓	2 out of 2
John Crabtree	✓	✗	1 out of 2
Derrick Anderson	✓	✓	2 out of 2

## Governance Statement (*continued*)

### Sub Committees of the Board (*continued*)

#### **Operations Sub-Committee of the Board**

The Operations Sub-Committee ("OPCOM") met ten times in the reporting period from 1 April 2021 to 30 September 2022. The remit of OPCOM was to review the key operational strategies as developed by the OC. The members had been selected for their range of experience and knowledge of multi-sport Games, to cover the core operational competencies of Sport, Venue and Village Management, Transport, Security, Games Services, Venue Development and Overlay, Technology and Broadcast. OPCOM provided the Board with assurance on the proposed strategies and made recommendations to the Board on their approval or otherwise. During the reporting period OPCOM considered the following key items:

- Village Allotment Model
- Venue and Village Operational Planning
- Volunteer Recruitment Campaign
- Welcome Centre Process
- Workforce Training Strategy
- B2022 Visa Application Process
- COVID-19 Operational Plan
- Test Events
- Transport Planning
- Security Planning
- Sport Updates
- Cyber Security Updates
- Procurement Updates

The committee was comprised of ex-officio members due to their 'expert' knowledge in the multi-sport Games industry.

The committee ceased on 15 June 2022 after fulfilling its obligations and passed its delegations and responsibilities back to the Board.

Committee Member	Apr 21	Jun 21	Interim Aug 21	Aug 21	Oct 21	Nov 21	Feb 22	Mar 22	May 22	Jun 22	Attendance
Lyndsey Jackson (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10 out of 10
Ian Whitehead*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10 out of 10
Bernard Ainsworth*	✓	✓	✓	✓	x	✓	✓	x	✓	x	7 out of 10
Nigel Walker*	✓	✓	x	✓	x	x	✓	✓	✓	✓	7 out of 10
Cathy Chapman*	✓	✓	✓	✓	✓						5 out of 5. Left in November 21 and was replaced by Gerry Pennell and Naomi Climber.
Michael Renshaw*	✓	✓	x	✓	x	x	✓	✓	✓	✓	7 out of 10
Gerry Pennell*							✓	✓	✓	✓	4 out of 4
Naomi Climber*							x	✓	✓	✓	3 out of 4
<b>Observers</b>											
Simon Ball (OC Board Member)					✓	✓	✓	✓	✓	✓	6 out of 6
Nicholas Bibby (DCMS)							✓	✓	✓	✓	4 out of 4
Ama Agbeze (OC Board Member)							✓	✓			2 out of 2
Ian Metcalfe (OC Board Member)							✓				1 out of 1

\* Ex-officio member

## **Governance Statement (*continued*)**

### **Declaration of Interests**

All Board members have disclosed their range of interests in order to minimise conflicts. The register of interests of each Director can be seen on the Company website at <https://www.birmingham2022.com/corporate/who-we-are/board-of-directors>

### **Information Management**

The Company's Board and its sub-committees were provided with a range of management performance reports, risk registers and corporate data information, in order to review its performance and capability. The Board secretariat oversaw this information and ensured that the quality of the data complied with the Company's guidance on writing board papers, in order to facilitate informed discussion and decision making.

### **Policies and Procedures**

The Company had in place all key policies and procedures it requires for its activities.

### **Risk Management Summary**

Building upon the Company's established Risk Management framework, a monthly risk management process was maintained across all Company departments with the central Programme Management and Integrated Planning (PIP) team facilitating the process, and collation of risks in a centralised risk register.

The PIP team provided full oversight to the management of issues and risks, including undertaking monthly department-level review sessions to challenge the content of all programme deliverables, ensure items are identified for escalation where required and action plans were updated.

Those responsible for the Company's work-streams maintained responsibility for identifying, documenting and managing risks and issues as they arose. In addition, risks affecting areas of the programme beyond the sole remit of the Company were discussed via the relevant forums of the Games' governance structure, where further challenge was provided to severity scoring, the adequacy of mitigating actions and the timely progress of risk management.

As the Company worked through training and readiness phases, seeing the redeployment of resources into venue teams more agile risk and issue management was provided by the Company's Games Operations Executive Group. In addition, a focus on the Top 10 risks was made to ensure that risk tolerances were met with appropriate levels of mitigation. As the Company prepared for Games Time operations, the remaining risks were transferred into a cross partner issue tracking system which was supported by a cross partner wide issue and incident management structure.

Following the Games, residual risks continued to be tracked by the team in support of the Dissolution programme.

### **Strategic Risks**

In November 2018, the Games Partners agreed a set of Strategic Risks to be managed and monitored. The Company's PIP team regularly reviewed the status of these risks, and associated operational risk items, across all Delivery Partners and provided updates to the Strategic Board on a quarterly basis.

Risk Management is a core element of the Company's Project and Programme Management approach, with the Company's Risk Management practices following recognised industry standards. This approach was shared with Games Partners to ensure consistent recording and management of risks relating to the Birmingham 2022 Commonwealth Games, including those that were reported to the Strategic Board (see page 14).

## Governance Statement (*continued*)

### Strategic Risks (*continued*)

By their nature, Risk Registers are 'living documents' and are continually edited, updated and added to. The Company's PIP team delivered regular, comprehensive reviews of all risk items. The outputs of the Company's Risk Management process were reviewed by the Company's ARAC quarterly. Immediately ahead of the Games they were reviewed on a monthly basis.

The list below identifies the principal risk areas which were considered as having a potential impact on the planning and delivery of the Birmingham 2022 Commonwealth Games. The identification of the risks below did not indicate that the Company considered them likely to occur.

The principal risks which the Strategic Board monitored during the period were as follows:

1. Event Scope Changes
  - Event scope changes (B2022), particularly in light of the impacts of COVID-19, adversely impacting on the planning and scope of delivery for projects within the Transport Operations Workstreams.
2. Games Route Network
  - Risk that road congestion led to increased/unreliable Games Family journey times.
3. Pandemic; Programme Delivery, Recruitment, Retention & Resilience
  - Delivery of the OC's roles and responsibilities could have been negatively impacted by the implementation of necessary measures to safeguard the wellbeing of the OC workforce from COVID-19.
4. Contractor/Supplier Workforce Recruitment and Mobilisation
  - Contractors / Service Suppliers may not have been able to secure the required resources / staff in preparation for The Games or during Games Delivery.
5. Delivering a COVID-19 Secure Games
  - An extended outbreak of COVID-19 could have meant that B2022 was delivered as a non-traditional event (e.g. reduced or no spectators, reduced attendance of teams/athletes, partial or non-delivery of legacy benefits).
6. Equality, Diversity and Inclusion
  - There was a risk that the delivery of the OC's responsibilities was not fully representative of the city and the West Midlands region and the benefits that the Games brought would not have been shared across all communities.
7. Cyber Attack
  - There was a risk that the Pre-Games and Games Time technology infrastructure would have been subject to cyber-attack resulting in disruption to the operational delivery and reputational damage. Likelihood and impact was greater at Games Time.
8. Operating Environment; Supply Chain Stability
  - There was a risk that assets / personnel required for the Games may not be available, delivery of the procurement process be delayed, or costs increase due to a continued outbreak of COVID-19.
9. Integration of Contracted Workforce
  - There was a risk that late recruitment of contracted staff or ineffective tracking of the recruitment process reduce opportunities for the contracted staff to integrate with the venue teams.
10. Airport Processing Delays At Ports of Entry
  - If B2022 Ports of Entry were unable to reach their desired staffing levels by Games Time, there was a risk these delays will negatively impact on client experience, as well as disrupt OC Arrivals and Departures.

## **Governance Statement (*continued*)**

### **Risk Management Framework**

The Company developed a Risk Management Framework based on International Standard ISO 31000 Risk Management Process, which was last reviewed and approved by the Company's ARAC in early 2022. The Company continued to embed a risk management culture where employees and stakeholders were aware of the importance of monitoring and managing risk and were supported by the Company's Programme Management and Integrated Planning (PIP) team to fulfil their role within the process.

Responsibility for the identification, documentation and management of risks was focused within the Company's departments, with guidance, support and oversight of the Risk Management process delivered by the PIP. This team provided a central co-ordinating function that undertook trend analysis across the organisation, ensuring Risk Management best practice was followed by all involved. The PIP team also managed the escalation of cross-departmental risks that impacted multiple Games delivery partners and ensured that these were considered by appropriate governance forums including the Chief Executives Group and the Strategic Board.

A representative from the Company chaired the Cross-Partner Programme Group (CPPG) and the Company took the lead on the delivery and reporting of issue and risk management practices on behalf of all Games Partners. A monthly issue and risk summary was provided to the Chief Executive Officers Group (which was attended by the Chief Executives of each of the Games Partners) where items were escalated for support, decision, or action as appropriate.

### **Risk Oversight**

The Company Board operated an established sub-committee, the ARAC, which includes the following responsibilities in relation to risk: to investigate Company organisational risks on behalf of the Company Board; to oversee the implementation of the Risk Management Framework; and to review and challenge any emerging risks and mitigating actions.

As part of its duties during this reporting period, the ARAC commissioned an embedded internal audit function of the Company's issue and risk management practices, allowing more immediate feedback and actions to be implemented. Regular feedback sessions were held with the PIP team, to discuss observations and make recommendations on a more immediate basis.

During this reporting period, the ARAC undertook a pre - Games review of its previous horizon-scanning risk exercise to provide a second view of potential risk areas for the Company covering late emerging risk items, transparency of mitigating actions and any final insight on partner organisations / previous event experiences. The outputs of this exercise were validated by the Company and are being managed in alignment with the Company's Risk Management Framework.

### **Information Risk**

There have been no data losses or personal data incidents reported in the period.

### **Cyber Security**

Oversight to the management of this risk was provided through Birmingham 2022's governance structure including a comprehensive assessment of residual risks at specific system level presented to the OC's Audit and Risk Assurance Committee.

A further Cyber Security Audit was conducted in the first quarter of 2022 by the Government Internal Audit Agency which identified three medium level issues, all of which were addressed. There were no significant cyber issues during Games Time operations. Nonetheless, both the National Crime Agency and National Cyber Security Centre had resources based in the Technology Operations Centre to support issue resolution and communications in the event of a significant cyber incident.

## **Governance Statement (*continued*)**

### **Programme Management**

Programme Management and Reporting formed part of the Company's overarching management system. A Programme Management System ("PMS") was deployed across the Company providing a single source of information that enabled coordinated monitoring and consistent reporting of the Company's activities both internally and to all respective governance bodies, including the Company Board.

A monthly review of milestones and schedule of progress was undertaken by each department, where internal and external dependencies are identified and monitored, and change to baseline plans analysed. A series of readiness "check points" were established in the lead up to the Games, led by the Integrated Planning and Readiness teams, to provide assurance that all items requiring action from the Company Executive or governance forums were prioritised for action or decision as appropriate.

### **Cross Partner Programme Management**

Cross-Partner programme management, integration and prioritisation was achieved through the Games Partner PMS. This system documented issues, risks, schedules and managed change requests escalated from workstream governance for Cross-Partner consideration by the Chief Executives Group and Strategic Board, aligned to the Games Change Request Strategy. This system was maintained by programme leads from each of the Games Partners, with outputs reviewed through monthly meetings of the Games Partner Programme Group (CPPG) and reported to the Chief Executive Officers Group and the Strategic Board inclusive of all items that required a decision, actions or support from the relevant governance body. See pages 12 to 13 for the cross-partner governance framework structure.

### **Internal Audit**

A Company specific programme of internal audit work was prepared by PwC and agreed with the Executive Management Team and the Audit and Risk Assurance Committee. This programme was designed to provide assurance that appropriate controls had been designed and were operating effectively in relation to a number of the risks faced by the Company. The programme also included embedded assurance activity which targeted the Company's risk management and mitigation process. This was completed on a real time basis allowing the Company to react quickly to identified findings.

During the reporting period, the audits completed covered the following topics:

- Operational Delivery;
- Value for Money Plans;
- Delivery of the OC Legacy Programme;
- Delivery of the OC's Sustainability and Diversity/Inclusion Programme;
- Third Party Contractor Management;
- Core Finance, IT and HR Controls;
- Cyber Security;
- Review of Risk Management and Mitigation Process;
- Onboarding of new Telecoms Provider;
- Compliance with the requirements of the Host City Contract; and
- Post Games Time Journey including Development and Delivery.

The overall Internal Audit opinion for the period was "Generally satisfactory with some improvements required".

## **Governance Statement (*continued*)**

### **Internal Audit (*continued*)**

The findings of internal audit reports were considered by the Executive Management Team, Directors, Senior Managers and teams concerned and the Audit and Risk Assurance Committee. Greater scrutiny was given to any reports that are high risk with respect to either the design of controls or their operational effectiveness. Actions were agreed by management in response to all recommendations made, and progress against these was reported to each Audit and Risk Assurance Committee meeting. The team worked to address and close all internal audit findings as they arose.

The ARAC has confirmed with PwC that adequate controls existed to ensure its independence as internal auditor was not adversely impacted with it being a Games Sponsor. The Government Internal Audit Agency completed the audits on Third Party Contractor Management and Cyber Security to maintain the independence.

A similar approach was taken towards Festival 2022 Limited, where the findings of the internal audit reports were considered by its Executive Management Team and Audit Committee. Actions were agreed by management in response to all recommendations made, and progress against these was reported to each ARAC meeting. The programme concluded in November 2022.

### **Other Assurance**

The Company's Internal Auditors, PwC, organised and chaired the Commonwealth Games Assurance Forum group. This group shared information on internal audit activity across individual Games' delivery partners in order to coordinate activities.

The Company was subject to other assurance reviews including the Commonwealth Games Federation (CGF) Coordination Commission reviews. The Coordination Commission (CoCom) was responsible for the delivery oversight of the Commonwealth Games and tasked with monitoring the Games to ensure it was delivered to scope, schedule, and budget. The Company was subject to seven reviews; the latest one took place in December 2021. Positive feedback was received in particular in relation to the integrated nature of delivery and how well the Games Partners were working together.

### **Fraud and Error**

The Group has a zero-tolerance policy on fraud, malpractice, and corruption. The Group has a number of policies and procedures which set out the arrangements for reporting and responding to suspected fraud. Both Group entities completed a detailed fraud risk assessment during the period. Controls were in place to ensure risk areas were appropriately responded to and fraud risks in relation to new transaction types were fully considered.

There were minor instances reported of Fuel Cards fraud due to stolen fuel cards during the Games period. The amount is immaterial, and the OC is continuing to try and recover the monies.

# Remuneration Report



## Remuneration Report

### Remuneration Strategy

The Company had an overall remuneration strategy and a remuneration committee.

The Company had a detailed workforce budget which was regularly reviewed and challenged by the Executive Management Team. Recruitment outside of the workforce budget was subject to additional approvals within the Company.

The Company required specific experience and technical expertise for certain roles however where possible aimed to recruit a workforce that is reflective of the city and the region.

### Directors' Remuneration

The Directors received the following remuneration in the period (table below is audited information):

	2022	2021
	£000	£000
Directors' emoluments (including benefits in kind)	36	8

The Company confirms that John Crabtree OBE has been paid for his role as Chair of the Board since 1 April 2021.

As per the previous year, Eleanor Simmonds OBE was remunerated through a third party for services in relation to a marketing campaign.

Ama Agbeze was also remunerated for additional work carried out, as detailed in 'talent' agreements.

### Executive Team Members

Remuneration of the CEO and any higher earners is subject to DCMS approval. The remuneration package consists of five elements:

(i) Salaries

Salaries are consistent with public sector standards whilst being comparable in the market. Salary bands are determined by job evaluation based on the job factor analysis, internal relativities and external market indicators.

(ii) Pension

In line with all employees, the Executive Team members have access to a defined contribution scheme. The Company will contribute 8% of salary into the scheme if the employee contributes a minimum of 2%. All Executive Team members were contributing members to the scheme.

(iii) Benefits in Kind

Benefits in kind are benefits which some of the Executive Management Team receive from their employment but which are not included in their salary.

(iv) Bonus Payment

Bonus payments are paid to qualifying employees upon their contractual conclusion date in line with HM Treasury approval.

(v) Redundancy

Enhanced severance payments are paid to qualifying employees which is in line with HM Treasury approval.

## Remuneration Report (continued)

### Executive Team Members (continued)

The Executive Team received the following remuneration in the 18-month period compared to the 12-month period (table below is audited information):

Name	Job Title	Salary £000	Pension £000	Benefits in Kind £000	Bonus £000	Redundancy £000	Total £000	2020/21 Total £000
Ian Reid*	Chief Executive Officer	277	22	12	-	-	311	208
Mark Ward	Chief Marketing Officer	201	16	-	-	-	217	145
Caroline McGrory*	Chief Legal Officer	209	16	-	-	-	225	144
David Grady*	Chief Financial Officer	228	18	-	-	-	246	163
Martin Green*	Chief Creative Officer	245	20	-	52	33	350	175
Total		1,160	92	12	52	33	1,349	835

\* A proportion of Ian Reid, Martin Green, David Grady and Caroline McGrory salaries were recharged to Festival 2022 Limited during the course of the 2021/22 financial period. Recharges in the period for the shared Executive Management team totalled £268,413 amount (2021: £157,608).

For the purposes of a 12-month comparison, the below table shows the remuneration from 1 April 2021 to 31 March 2022:

Name	Job Title	Salary £000	Pension £000	Benefits in Kind £000	Total £000	2020/21 Total £000
Ian Reid*	Chief Executive Officer	184	15	6	205	208
Mark Ward	Chief Marketing Officer	127	10	-	137	145
Caroline McGrory*	Chief Legal Officer	135	11	-	146	144
David Grady*	Chief Financial Officer	151	12	-	163	163
Martin Green*	Chief Creative Officer	162	13	-	175	175
Total		759	61	6	826	835

The Chief Information Officer, Executive Director of Operations, Director of Integrated Planning and Project Management, Executive Director of Workforce & Games Services, and Director of Venue, Village Development and Overlay are seconded into the Company by CGF Partnerships Limited in accordance with the Host City Contract. The cost of these secondees was £1,705,204 (2021: £894,096) during the 18-month period. Tax and National Insurance are deducted at source.

## Remuneration Report (*continued*)

The number of Executive Team members whose remuneration including benefits in kind and employer pension contributions in the period was £100,000 or more (and FTE), is shown in the table below (audited information). The period ended 31 March 2021 was a 12-month period in comparison to the 18-month period ending 30 September 2022:

<b>Range●</b>	<b>FTE 18-month period ended 30 September 2022 Total</b>	<b>FTE 12-month period ended 31 March 2021 Total</b>
£140,000 - £144,999	-	1
£145,000 - £149,999	-	1
£160,000 - £164,999	-	1
£174,999 - £179,999	-	1
£205,000 - £209,999	-	1
£215,000 - £219,999	1	-
£225,000 - £229,999	1	-
£245,000 - £249,999	1	-
£310,000 - £314,999	1	-
£350,000 - £354,999	1	-

● - only relevant bands have been included

For the purposes of a 12-month comparison, the number of Executive Team members whose remuneration including benefits in kind and employer pension contributions in the period was £100,000 or more (and FTE), is shown in the table below.

<b>Range●</b>	<b>FTE 12 month period ended 31 March 2022 Total</b>	<b>FTE 12 month period ended 31 March 2021 Total</b>
£135,000 - £139,999	1	-
£140,000 - £144,999	-	1
£145,000 - £149,999	1	1
£160,000 - £164,999	1	1
£175,000 - £179,999	1	1
£205,000 - £209,999	1	1

● - only relevant bands have been included.

### Travel and Expenses (data was subject to audit)

During the 18-month period, the Group paid travel and subsistence costs of £2,507,320 (2021: £18,157), of which £2,255,820 (2021: £17,000) related to the Company. Due to Games Time travel and minimal travel in 2020/21 financial year due to COVID-19, the costs in the 18-month period were considerably higher than the prior period.

## Remuneration Report (*continued*)

### Sickness Days

During the period to 30 September 2022, the Group lost 1,708 days (2021: 161.5 days) to sickness absence of which 1,810 days were lost in the Company. The average sick days per employee in the Group during the period was 0.67 days (2021: 0.48 days).

### Staff Exit Packages (data was subject to audit)

During the 18-month period, one individual received a non-contractual payment subject to ACAS COT3 agreement. This individual was paid a sum of £11,000 as part of this agreement. This individual left in the previous reporting cycle, however, the agreement for COT3 was only finalised in June 2022 when payment was made.

There were no staff exit packages in the Group's subsidiary Festival 2022 during the period.

### Trade Unions

The Group consults and negotiates any potential changes to terms and conditions directly with employees. As a result, it does not officially recognise any Trade Unions. This does not exclude an individual employee from being a member of a Trade Union and they could still be represented by a Trade Union official at a formal hearing if required.

### Hutton Fair Pay Disclosures (data was subject to audit)

#### Group

The Group is required to disclose the relationship between the remuneration of the highest paid member of the EMT in its organisation and the median remuneration of the organisation's workforce. The annualised 18-month period from April 2021 to September 2022 has been used to calculate the below bandings versus a twelve month period in 2021.

During the period, the annualised banded remuneration of the highest paid member of the Executive Management Team was £190,000 - £194,999 (excluding employer pension contributions and redundancy) (2021: £190,000-194,999). For period ended 30 September 2022 this was 5.43 times annualised (2021: 4.28 times) the median remuneration of the workforce as at 30 September 2022, which equated to £35,000 (2021: £45,000).

Annual remuneration ranged from £16,000 to £166,000 (2021: £18,000 to £162,000) excluding the highest paid member of staff. No member of staff received remuneration higher than the highest paid member of the Executive Management Team.

Total remuneration includes salary, allowances, and non-consolidated performance related pay. It does not include employer pension contributions or severance payments.

## Remuneration Report (*continued*)

### Hutton Fair Pay Disclosures (data was subject to audit) (*continued*)

#### Company

The Company is required to disclose the relationship between the remuneration of the highest paid member of the EMT in its organisation and the median remuneration of the organisation's workforce.

During the period, the annualised banded remuneration of the highest paid member of the Executive Management Team was £190,000 - £194,999 (excluding employer pension contributions, bonus and redundancy) (2021: £190,000-194,999). For period ended 30 September 2022 this was 5.43 times annualised (2021: 4.28 times) the median remuneration of the workforce as at 30 September 2022, which equated to £35,000 (2021: £45,000).

Annual remuneration ranged from £16,000 to £166,000 (2021: £18,000 to £162,000) excluding the highest paid member of staff. No member of staff received remuneration higher than the highest paid member of the Executive Management Team.

Total remuneration includes salary, allowances, and non-consolidated performance related pay. It does not include employer pension contributions or severance payments.

#### Fair Pay Disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

**Table 2 - Percentage change in total salary and bonuses for the highest paid director and the staff average.**

	Total salary and allowances	2021-22 Bonus Payments
Staff average	-27.0%	N/A
Highest paid director	2.0%	N/A

There were no bonus payments in previous years therefore a percentage change is in calculable as for the previous period, there were no bonuses paid. There was no change in the highest paid director from the previous period, excluding bonus payments.

**Table 3 - Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay.**

	Lower quartile	Median	Upper quartile
2021-22	10.7 :1	8.5 :1	6.6 :1
2020-21	5.7 :1	4.4 :1	3.6 :1

## Remuneration Report (*continued*)

### Staff Composition & Turnover

The number of civil service staff (excluding agency and contractors) expressed as headcount of the Group, split between male and female as at 30 September 2022:

Grade	Female	Male	Total
Executive Team	1	4	5
Employees	123	63	185
<b>Total</b>	<b>124</b>	<b>67</b>	<b>191</b>
<i>Percentage of Staff</i>	65%	35%	

The Group has a 92% staff turnover rate during the period. For the period from April 2021 to July 2022, the average attrition rate was 2% for the Group. Most of the Group's employees' contracts expired or were made redundant in August 2022, this attrition rate increased to 85% for this month. As the Group continues the dissolution process this rate increased to 92% by the end of September 2022.

### Expenditure on Consultancy

For expenditure on consultancy, refer to note 6 on page 81 the Company and note 30 on page 102 for the Group.

### Off-payroll Engagements

As at 30 September 2022 there were no off-payroll engagements of more than £245 a day and that lasted for longer than six months. Also, no off-payroll arrangements have been in place for more than 12 months. These off-payroll engagements have been subject to a risk-based assessment as to whether assurance is required that the individuals are paying the correct amount of tax and, where necessary, that assurance has been sought and received.

The following tables summarise the off-payroll engagements:

**Table 1: For all off-payroll engagements as of 30 September 2022, for more than £245 per day and that last for longer than six months**

	2022
No. of existing engagements as of 30 September 2022	-
Of which...	
No. that have existed for less than one year at time of reporting.	-
No. that have existed for between one and two years at time of reporting.	-
No. that have existed for between two and three years at time of reporting.	-
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-

## Remuneration Report (*continued*)

### Off-payroll Engagements (*continued*)

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 30 September 2022, for more than £245 per day and that last for longer than six months**

	2022
No. of new engagements, or those that reached six months in duration, between 1 April 2021 and 30 September 2022	-
Of which...	
No. assessed as caught by IR35	-
No. assessed as not caught by IR35	-
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	-
No. of engagements reassessed for consistency / assurance purposes during the period.	-
No. of engagements that saw a change to IR35 status following the consistency review.	-

**Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 30 September 2022**

	2022
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial period.	-
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial period.	10

## **Statement of Directors' and Accounting Officer's responsibilities**



## Statement of Directors' and Accounting Officer's responsibilities

The Directors and Accounting Officer are responsible for preparing the Strategic Report, the Directors' Report, the Governance Statement, Remuneration Report and the Group financial statements, in accordance with applicable law and regulations.

Company Law requires the Directors to prepare Group financial statements for each financial period. Under that law they have elected to prepare the Group financial statements in accordance with IFRSs, as adopted by the UK and applicable law.

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 Group and of its income and expenditure and cash flows for the financial period. In preparing the Group 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 they have been prepared in accordance with IFRSs as adopted by the UK; and
- 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 keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Accounting Officer of DCMS has designated the Chief Executive Officer as Accounting Officer of the Group. The relevant responsibilities of an Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for keeping of proper records and the safeguarding of the Group's assets, are set out in Managing Public Money published by HM Treasury. The Group complies with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis; and
- State whether applicable accounting standards as set out in the Companies Act and IFRS have been followed and disclose and explain any material departures in the financial statements.

The Accounting Officer confirms that the Report and Financial Statements as a whole is fair, balanced and understandable and I take personal responsibility for the Report and Financial Statements and the judgments required for determining that it is fair, balanced and understandable.

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that she/he is obliged to take as a Director in order to make her/himself aware of any relevant information and to establish that the auditor is aware of that information.



John Crabtree OBE - Chair on behalf of Board  
09 December 2022



Ian Reid - Chief Executive Office  
09 December 2022

**Independent Auditor's report to the  
Members of the Birmingham  
Organising Committee for the 2022  
Commonwealth Games Ltd**

## **Independent Auditor's report to the Members of the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd**

### **Opinion on Financial Statements**

I have audited the financial statements of Birmingham Organising Committee for the 2022 Commonwealth Games Limited ('the Company') for the 18-month period ended 30 September 2022 and its Consolidated group (the 'Group'). The financial statements comprise:

- The Company Statement of Comprehensive Income for the 18-month period ended 30 September 2022;
- The Company Statement of Financial Position as at 30 September 2022;
- The Company Statement of Changes in Equity for the 18-month period ended 30 September 2022;
- The Company Statement of Cash Flows for the 18-month period ended 30 September 2022;
- The Consolidated Statement of Comprehensive Income for the 18-month period ended 30 September 2022;
- The Consolidated Statement of Financial Position as at 30 September 2022;
- The Consolidated Statement of Changes in Equity for the 18-month period ended 30 September;
- The Consolidated Statement of Cash Flows for the 18-month period ended 30 September 2022; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Company and Group financial statements is applicable law and the UK adopted International Accounting Standards.

In my opinion the financial statements:

- give a true and fair view of the state of the Company and its Group's affairs as at 30 September 2022 and their results for the 18-month period then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of Matter – Basis of Preparation: The Financial Statements are prepared on a basis other than Going Concern**

I draw attention to section 1.2 'basis of preparation' and section 1.5 'changes in accounting policies' of Note 1 to the financial statements which explains that the directors intend for the Company and its Subsidiary to enter Member's Voluntary Liquidation in the first quarter of 2023 and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in section 1.2 'basis of preparation' and section 1.5 'changes in accounting policies' of Note 1. My opinion is not modified in respect of this matter.

### **Opinion on Regularity**

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Independent Auditor's report to the Members of the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd**

### **Basis for Opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Company and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Other Information**

The other information comprises information included in the Consolidated Report but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In my opinion the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements; and
- the information given in the Group Strategic Report and the Directors' Report for the 18-month period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Company and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Group Strategic Report or the Directors' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or

## **Independent Auditor's report to the Members of the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd**

- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- a corporate governance statement has not been prepared by the parent company; or
- I have not received all of the information and explanations I require for my audit;

### **Responsibilities of the Directors for the Financial Statements**

As explained more fully in the Statement of Directors' and Accounting Officer's responsibilities, the directors are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Company and its Group'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 intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (ISAs) (UK).

My 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 a report that includes my 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.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I considered the following:

- the nature of the sector, control environment and operational performance including the design of the Company and its Group's accounting policies.
- Inquiring of management, the Company and Group's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Company and its Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

## **Independent Auditor's report to the Members of the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd**

- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Company and its Group's controls relating to the Company's compliance with the Companies Act 2006 and Managing Public Money;
- discussing among the engagement team including significant component audit teams and involving relevant internal specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Company and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, commissioned expenditure, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Company and Group's framework of authority as well as other legal and regulatory frameworks in which the Company and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Company and its Group. The key laws and regulations I considered in this context included the Companies Act 2006 and Managing Public Money.

In addition, I considered fraud in revenue recognition at the Company and commissioning expenditure in the Subsidiary.

### **Audit Response to Identified Risk**

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- testing the completeness of new revenue streams at the Parent and the completeness of commissioned expenditure at the Subsidiary.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

## **Independent Auditor's report to the Members of the Birmingham Organising Committee for the 2022 Commonwealth Games Ltd**

### **Other Auditor's Responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



**Greg Wilson (Senior Statutory Auditor)**

**15 December 2022**

For and on behalf of the

**Comptroller and Auditor General (Statutory Auditor)**

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

# **Company Financials**



**Company Statement of Comprehensive Income**  
**For the 18-month period ended 30 September 2022**

	Note	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
<b>Income</b>			
Grant income	4	354,711	37,698
Income	5	155,780	2,213
<b>Total income</b>		<b>510,491</b>	<b>39,911</b>
Administrative expenses	6	(510,550)	(39,800)
<b>Operating (loss)/profit</b>	7	<b>(59)</b>	<b>111</b>
Financial expenses	10	(96)	(111)
<b>(Loss)/result before taxation</b>		<b>(155)</b>	<b>-</b>
Taxation	11	-	-
<b>(Loss)/result for the financial period/year</b>		<b>(155)</b>	<b>-</b>

The notes on pages 75 to 94 form part of these Financial Statements.

# Company Statement of Financial Position

As at 30 September 2022

		30 September 2022 £000	31 March 2021 £000
	Note		
<b>Assets</b>			
Cash and cash equivalents	22	34,989	2,156
Trade and other receivables	14	74,329	26,827
Right-of-use asset – office building	13	242	1,701
Property, plant and equipment	12	-	1,010
Investments in subsidiaries	2	-	-
<b>Total assets</b>		<b>109,560</b>	<b>31,694</b>
<b>Liabilities</b>			
Trade and other payables	15	(107,606)	(27,066)
Lease liability	13	(39)	(2,982)
Provisions	16	(1,915)	(1,491)
<b>Total liabilities</b>		<b>(109,560)</b>	<b>(31,539)</b>
<b>Net assets</b>		<b>-</b>	<b>155</b>
<b>Equity</b>			
Profit and loss reserve		-	69
Revaluation surplus reserve		-	86
<b>Total equity</b>		<b>-</b>	<b>155</b>

The notes on pages 75 to 94 form part of these Financial Statements.

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



John Crabtree OBE  
Chair on behalf of the Board  
09 December 2022



Ian Reid  
Chief Executive Officer and Accounting Officer  
09 December 2022

Company registered number: 11120160

## Company Statement of Changes in Equity

For the 18-month period ended 30 September 2022

	Profit and loss reserve £000	Revaluation surplus reserve £000	Total equity £000
<b>As at 31 March 2020</b>	5	150	155
<b>Comprehensive income for the year</b>			
Result for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<i>Transactions with owners:</i>			
Transfers during the year	64	(64)	-
<b>As at 31 March 2021 and 1 April 2021</b>	69	86	155
<b>Comprehensive expense for the period</b>			
Loss for the period	(155)	-	(155)
<b>Total comprehensive expense for the period</b>	(155)	-	(155)
<i>Transactions with owners:</i>			
Transfers during the period	86	(86)	-
<b>Balance at 30 September 2022</b>	-	-	-

The notes on pages 75 to 94 form part of these Financial Statements.

Company registered number: 11120160

**Company Statement of Cash Flows**  
**For the 18-month period ended 30 September 2022**

		<b>30 September 2022 £000</b>	<b>31 March 2021 £000</b>
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
(Loss)/result for the period/year		<b>(155)</b>	<b>-</b>
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	12, 13	<b>4,073</b>	<b>1,307</b>
Loss on disposal of property, plant and equipment	12	<b>1</b>	<b>2</b>
Financial expenses	10	<b>96</b>	<b>111</b>
Value in kind non-cash income		<b>(54,556)</b>	<b>(1,327)</b>
Value in kind non-cash expenditure		<b>60,618</b>	<b>1,475</b>
Movement in provisions	16	<b>387</b>	<b>1,183</b>
Operating cash flows before movements in working capital		<b>10,464</b>	<b>2,751</b>
Decrease/(increase) in trade and other receivables*	<b>Error! Refere nce source not found.</b>	<b>7,053</b>	<b>(4,298)</b>
Increase in trade and other payables*	15	<b>19,923</b>	<b>2,268</b>
Cash generated by operations		<b>37,440</b>	<b>721</b>
Tax paid	11	<b>-</b>	<b>-</b>
<b>Net cash inflow from operating activities</b>		<b>37,440</b>	<b>721</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	<b>(348)</b>	<b>(878)</b>
<b>Net cash outflow from investing activities</b>		<b>(348)</b>	<b>(878)</b>
<b>Cash flows from financing activities</b>			
Lease payments	13	<b>(4,259)</b>	<b>(827)</b>
<b>Net cash outflow from financing activities</b>		<b>(4,259)</b>	<b>(827)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>32,833</b>	<b>(984)</b>
Cash and cash equivalents at start of financial period/year	22	<b>2,156</b>	<b>3,140</b>
<b>Cash and cash equivalents at 30 September 2022</b>	<b>22</b>	<b>34,989</b>	<b>2,156</b>

\* - The movements in working capital do not agree to the notes due to movements in notes also including finance charges which are accounted for separately in the cash flow statement and the movements excluding items not passing through P&L such as the contract receivables/liabilities balances.

The notes on pages 75 to 94 form part of these Financial Statements.

# Notes to the Company Financial Statements for the 18 month period ended 30 September 2022

*(forming part of the financial statements)*

## 1 Accounting policies

### 1.1 Basis of preparation

The Company is incorporated in the UK and is limited by guarantee without share capital.

These financial statements have been prepared in accordance with the Companies Act and with International Financial Reporting Standards as adopted by the United Kingdom (IFRSs) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as published by the International Accounting Standards Board (IASB). The Company has regarded the requirements of the Government Financial Reporting Manual to the extent that they clarify or build on the requirements of the Companies Act and International Financial Reporting Standards and in particular observed the Accounts Direction issued by DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.

These financial statements have been prepared on basis other than going concern, under the historical cost convention except for certain items which are measured at fair value.

The principal activity of the Company is the planning, organising, staging and operating of the Birmingham 2022 Commonwealth Games ("the Games").

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates, and therefore pounds sterling is considered to be both the functional and presentational currency.

### 1.2 Going concern

A lifetime budget has been approved by HM Treasury and the Company is delivering in line with the lifetime budget. The Company intends to enter Member's Voluntary Liquidation in the first quarter of 2023 hence the Company has prepared these Financial Statements on a basis other than going concern, in accordance with the International Financial Reporting standards. Management has established a Steering Group to develop and implement dissolution plans across a number of workstreams, including contracts, assets, information, facilities management and workforce. Assets have been revalued to net realisable value. As per note 1.5, the Company has presented its Statement of Financial Position on a liquidity basis as allowed under IAS 1 as the Company does not have a defined operating cycle.

### 1.3 Basis of measurement

The preparation of the financial statements requires the use of estimates and assumptions that have an impact on the application of accounting policies and the measurement of amounts recognised in the financial statements. The areas for which the estimates and assumptions are material with respect to the financial statements are presented in note 3 critical accounting estimates.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 1 Accounting policies (continued)

#### 1.4 New standards, interpretations and amendments

Certain new accounting standards and interpretations have been published that are mandatory for 30 September 2022 reporting periods, however none of these standards or interpretations have had a material impact on the financial statements of the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2022 reporting periods:

- IFRS 17 Insurance Contracts - Effective 1 January 2023.
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 - Effective 1 January 2023.
- Property, Plant and Equipment; Proceeds before intended use - Amendments to IAS 16 - Effective 1 January 2022.
- Reference to the Conceptual Framework - Amendments to IFRS 3 - Effective 1 January 2022.
- Onerous Contracts - Cost of Fulfilling a Contract Amendments to IAS 37 - Effective 1 January 2022.
- Annual Improvements to IFRS Standards 2018-2020 - Effective 1 January 2022.

None of these standards have been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current period.

#### 1.5 Changes in accounting policies

As per note 1.2, the Company intends to enter Member's Voluntary Liquidation in the first quarter of 2023 hence the Company has adopted a basis other than going concern for the preparation for these Financial Statements. As a consequence, the Company has presented its Statement of Financial Position on a liquidity basis as allowed under IAS 1 as the Company does not have a defined operating cycle. For applicable amounts, unless otherwise stated all amounts are considered to be due within one year.

#### 1.6 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Further details regarding the Company's subsidiary are provided in note 2.

#### 1.7 Government grants

Government grants are not recognised until there is a reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the income statement on a systematic and rational basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company spends the grant on agreed expenditure are recognised as deferred income in the Balance Sheet and transferred to the income statement on a systemic and rational basis.

Grant Income in the period represents funding from the HM Government and BCC.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 1 Accounting policies (continued)

#### 1.8 Commercial income

Commercial revenue, including that received in the form of Value in Kind, is recognised in line with IFRS 15 with the performance obligation including the planning, organising and hosting as one service obligation. Revenue is recognised over the period of the planning, organising and hosting activities. The method of revenue recognition is based on the consumption of Value in Kind services utilised in the reporting period. Value in Kind commercial income is recognised at fair value.

In line with IFRS 15, the Company recognised a contract receivable and liability for signed sponsorship deals at each period end. This is then released when the invoice was received.

#### 1.9 Employee benefits

The Company operates defined contribution pension plans, which are post-employment benefit plans under which the Company pays fixed contributions into a separate entity on behalf of employees 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 Statement of Comprehensive Income in the periods during which services are rendered by employees.

#### 1.10 Financing income and expenses

Interest income and interest payable is recognised in profit or loss account as it accrues, using the effective interest method.

#### 1.11 Taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

#### 1.12 Cash and cash equivalents

Cash for the purposes of the cash flow statement, comprises of cash in hand and deposits repayable on demand.

#### 1.13 Property, plant, and equipment ("PPE") and depreciation

PPE is comprised of IT Hardware, fixtures and fittings and other equipment. IT Hardware and Fixtures and Fittings are stated at cost less accumulated depreciation and any recognised impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Other Equipment is recognised using the revaluation model.

The Company expects the useful economic life of all individual assets purchased to be no longer than the expected life of the Company. Depreciation is charged so as to write off the costs of assets over their useful economic lives, using the straight-line method, over the shorter of:

- Useful economic life of asset; or
- Date of purchase until 31 August 2022 (end of Games).

The Company operates a £5k threshold for capitalisation. Items below this value will be expensed in the month of purchase.

#### 1.14 Prepaid expenditure

Prepaid expenses are amounts paid for by the Company in advance of the goods or services being received. These prepaid expenses are included on the balance until the goods or services have been received.

## Notes to the Company Financial Statements for the 18 month period ended 30 September 2022 (continued)

### 1 Accounting policies (continued)

#### 1.15 Right-of-use asset (continued)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The asset is depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The right-of-use asset are currently depreciated over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the rate provided by HM Treasury.

At each subsequent year end, the lease liability is measured at amortised cost using the effective interest method.

#### 1.16 Provisions and accruals

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. The provisions related to dilapidations on a Right-of-use-asset, an Executive Management remuneration scheme, an enhanced severance payment provision and an additional HR provision.

Accruals are recognised when the Company has a present obligation as a result of a past event and a reliable estimate can be made of the amount of the obligation.

The Company has a number of accruals which are not expected to be settled until the last quarter of 2022.

#### 1.17 Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

A contingent liability is not recognised in the Statement of Financial Position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes.



## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 2. Investments in subsidiaries

The Company has a subsidiary undertaking, Festival 2022 Limited incorporated on 1 May 2020, which is a Company limited by guarantee for which the Company is the sole guarantor (and, as such, there is no cost of investment associated with this subsidiary entity). Investments in subsidiaries are held at cost less accumulated impairment losses. The registered address of Festival 2022 Limited is One Brindley Place, Brindley Place, Birmingham, B1 2JB. Further information on Festival 2022 Limited is disclosed in the Business Review on page 24.

### 3. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

#### **Value of Assets**

Fixed assets have been recognised at cost or fair value where appropriate with most assets written down to nil under the break-up basis of accounting. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### **Provisions for liabilities and charges**

The Company has made a reasonable estimate on the dilapidations provisions using a cost per square metre using industry average rates. The Company has not done a full property valuation and the provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. There is a maximum capacity cap for dilapidations in the contract of £1m.

#### **Value in Kind**

The Company has made a reasonable estimate in concluding that the performance obligation within Value in Kind contracts is the *Planning, Organising and Hosting* of the Games. The Company considers the value of services/goods received to date is the best proxy for recognition of revenue. The contracts do not contain significant financing components.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 4. Grant Income

An analysis of funding per body is given below:

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Department for Digital, Culture, Media and Sport – Grant-in-aid	352,924	36,864
Birmingham City Council	1,787	834
	<b>354,711</b>	<b>37,698</b>

Grant-in-aid received from The Department of Digital, Culture, Media and Sport during the period was £366,500,000 (2021: £36,670,000). Included in this is the release of grant deferred from the prior period of £618,992 (2021: £618,992) less the current period deferral of £14,390,327 (2021: £618,992) at the period end.

In the Directors' Report the Company states a 75:25 funding split between DCMS and BCC. This split is across the whole of Games budget and will not necessarily be reflected in the Grant Income the Company receives as the Company is only responsible for a proportion of the Games budget.

### 5. Income

An analysis of Income is given below:

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Commercial Income – Value in Kind	54,556	1,327
Cultural Programme income	8,905	270
Legacy Programme income	848	120
Hospitality income	719	-
West Midlands Police income*	41,895	235
Ticket income	43,212	-
Accommodation commission income	521	-
Other income**	5,124	261
	<b>155,780</b>	<b>2,213</b>

\* West Midlands Police income is part of the overall Games budget, where the Company incur expenditure for security services which is then reimbursed to the Company by PCC for West Midlands.

\*\* Other Income is mainly derived from Hospitality, Accommodation Commission, and Learning and Legacy Programmes.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 6. Administration expenses

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Accommodation costs	4,258	-
Ceremonies Costs	36,896	-
Contractors and consultants	4,956	849
Depreciation	4,073	1,307
Dilapidations	(316)	715
Host Broadcast services	17,442	4,133
Results, Timing and Scoring Costs	11,232	-
Host city fee	6,300	3,000
Information technology costs	31,988	1,227
Marketing and advertising	7,910	3,694
Office management costs	20,398	621
Operations costs	63,168	3,764
Venue hire costs	33,257	-
Logistics costs	8,829	-
Travel Grants	7,244	-
Cultural Programme Costs	7,354	-
Insurance Costs	3,824	-
Other administrative expenses	22,865	587
Outsourced services and labour	46,555	718
Overlay & Equipment Costs	99,834	-
Payroll costs	42,721	10,280
Professional services	2,682	860
Recruitment costs	6,303	1,263
Rent and Rates	1,988	110
Retention costs	1,843	281
Secondees	8,046	3,641
Sports development grant	1,750	2,750
Vehicle Hire Costs	7,150	-
	<b>510,550</b>	<b>39,800</b>

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 7. Operating (loss)/profit

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
<i>Included in operating profit are the following expenses:</i>		
Depreciation of other equipment	206	115
Depreciation of IT equipment	338	125
Depreciation of fixtures and fittings	813	95
Depreciation of right-of-use asset – office buildings	2,716	972
<i>Amounts receivable by auditor and their associates in respect of:</i>		
Audit of these financial statements	125	60

Finance expenses and cash outflows relating to leases have been disclosed in note 13.

### 8. Remuneration of directors

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Directors' emoluments (including benefits in kind)	36	8

Additional information on remuneration is included within the Remuneration Report on pages 54 to 61.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 9. Average number of employees

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	<b>18-month period ended 30 September 2022</b>	<b>Year ended 31 March 2021</b>
	<b>Number of employees</b>	<b>Number of employees</b>
Administration and management	178	85
Operations	388	86
	<b>566</b>	<b>171</b>

Staff numbers as at 30 September 2022 are as follows:

	<b>18-month period ended 30 September 2022</b>	<b>Year ended 31 March 2021</b>
	<b>Number of employees</b>	<b>Number of employees</b>
Administration and management	60	130
Operations	47	176
	<b>107</b>	<b>306</b>

The aggregate payroll costs of these persons for the period/year were as follows:

	<b>18-month period ended 30 September 2022</b>	<b>Year ended 31 March 2021</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	36,064	8,617
Social security costs	3,981	987
Other pension costs (note 21)	2,676	676
	<b>42,721</b>	<b>10,280</b>

In addition to the wages and salaries there were a number of staff seconded into the organisation. The majority of these staff were from CGF Partnerships Limited in accordance with the Host City Contract. During the period the costs were £8,046,000 (2021: £3,641,000).

The average number of other staff utilised by the Company during the period are as follows:

	<b>18-month period ended 30 September 2022</b>	<b>Year ended 31 March 2021</b>
	<b>Number of employees</b>	<b>Number of employees</b>
Contractors	125	4
Seconded	49	33
	<b>174</b>	<b>37</b>

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 10. Financial expenses

	18-month period ended 30 September 2022	Year ended 31 March 2021
	£000	£000
Unwinding of discount on long term accruals	37	20
Interest on lease liability	59	73
Unwinding of long-term provisions	-	18
	96	111

### 11. Taxation

#### (a) Analysis of taxation in period recognised in the Statement of Comprehensive Income

	18-month period ended 30 September 2022	Year ended 31 March 2021
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the period/year	-	-
<b>Total current taxation</b>	-	-

No liability to UK corporation tax arose for the period ended 30 September 2022 as the Company did not undertake any taxable trading activities. A tax charge can arise on interest income, although this is not relevant for the current period.

#### (b) Reconciliation of effective tax rate

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 19%. The actual taxation for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	18-month period ended 30 September 2022	Year ended 31 March 2021
	£000	£000
(Loss)/result before taxation	(155)	-
Taxation calculated at UK standard rate of corporation tax of 19%	(29)	-
<b>Effects of:</b>		
Losses not allowable for tax as the Company is not trading for tax purposes	29	-
<b>Total taxation</b>	-	-

#### (c) Factors affecting future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 12. Property, plant and equipment

	IT Equipment £000	Fixtures and Fittings £000	Other equipment £000	Total £000
<b>Cost/revaluation</b>				
As 1 April 2020	130	108	281	519
Additions	285	593	-	878
Disposals	(2)	-	-	(2)
As 31 March 2021 and 1 April 2021	413	701	281	1,395
Additions	86	213	50	349
Disposals	(2)	-	-	(2)
<b>At 30 September 2022</b>	<b>497</b>	<b>914</b>	<b>331</b>	<b>1,742</b>
<b>Depreciation</b>				
As 1 April 2020	34	6	10	50
Charge for the year	125	95	115	335
As 31 March 2021 and 1 April 2021	159	101	125	385
Charge for the period	338	813	206	1,357
<b>At 30 September 2022</b>	<b>497</b>	<b>914</b>	<b>331</b>	<b>1,742</b>
<b>Net book value</b>				
At 31 March 2021	254	600	156	1,010
<b>At 30 September 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 13. Leases

The following table presents the right-of-use asset relating to the Company's Office Building:

	<b>Total £000</b>
<b>Cost</b>	
As 1 April 2020 and 31 March 2021	3,663
Additions	1,257
<b>At 30 September 2022</b>	<b>4,920</b>
<b>Depreciation</b>	
As 1 April 2020	990
Charge for the year	972
As 31 March 2021	1,962
Charge for the period	2,716
<b>At 30 September 2022</b>	<b>4,678</b>
<b>Net book value</b>	
At 31 March 2021	1,701
<b>At 30 September 2022</b>	<b>242</b>

The Company's lease is for the rental of One Brindley Place. This lease contains no renewal option and ends on 31 December 2022, with rent payable quarterly in advance. The lease is discounted using a rate of 1.99% provided by Treasury presented in the table below. The Company undertook another lease for the rental of Six Brindley Place during the period which ended in August 2022.

	<b>30 September 2022 £000</b>	<b>31 March 2021 £000</b>
Current (due within 1 year)	39	1,973
Non-current (due over 1 year)	-	1,009
	<b>39</b>	<b>2,982</b>

The following table presents the contractual undiscounted cash flows for these lease obligations as at 30 September 2022:

	<b>30 September 2022 £000</b>	<b>31 March 2021 £000</b>
Current (due within 1 year)	39	1,998
Non-current (due over 1 year)	-	1,038
	<b>39</b>	<b>3,036</b>

Interest expense on lease obligations for the period ended 30 September 2022 was £59,000 (2021: £73,000). Total cash outflow for leases was £2,997,000 (2021: £827,000) in the period as the Company's rent-free period has ended.



## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 14. Trade and other receivables

	30 September 2022 £000	31 March 2021 £000
Accounts receivable	3,406	246
VAT receivable	26,657	2,151
Prepayments	-	2,466
Other debtors	528	27
Accrued revenue	43,559	488
Contract receivables due within one year	179	4,936
Contract receivables due over one year	-	16,513
	<b>74,329</b>	<b>26,827</b>

Accrued revenue relates to Value-in-Kind revenues received but not yet invoiced. Contract receivables relate to signed contracts the Company has in place as at 30 September 2022 for Value in Kind services to be closed out.

There are no contract receivables falling over one year (2021: eight). The total value of the contracts receivable is £179,127 (2021: £21,449,225). Income was recognised on the contracts based on the Company's utilisation of the services. During the period, £54,555,623 (2021: £1,327,000) was recognised as income. Income is recognised when the Company receives the Value in Kind goods and services. The Company expects to receive the remaining revenue in the last quarter of 2022.

### 15. Trade and other payables

	30 September 2022 £000	31 March 2021 £000
Trade payables	6,608	428
Deferred income	14,608	1,912
Accrued expenses due within one year	83,313	2,226
Contract liability due within one year	3,077	4,442
Accrued expenses due over one year	-	873
Contract liability due over one year	-	17,185
	<b>107,606</b>	<b>27,066</b>

Contract liabilities relate to signed contracts the Company has in place for Value in Kind services to be settled at a future date. These amounts relate to unfulfilled obligations at the period end.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 16. Provisions

	Leasehold Dilapidations £000	Group HR £000	Other £000	Total £000
As 1 April 2020	233	57	-	290
Charged to the profit or loss	715	453	15	1,183
Unwinding of discount	18	-	-	18
At 31 March 2021	966	510	15	1,491
Due within one year	-	-	15	15
Due over one year	966	510	-	1,476
	Leasehold Dilapidations £000	Group HR £000	Other £000	Total £000
As 1 April 2021	966	510	15	1,491
(Credited)/charged to the profit or loss	(316)	755	(15)	424
Unwinding of discount	-	-	-	-
At 30 September 2022	650	1,265	-	1,915
Due within one year	650	1,265	-	1,915
Due over one year	-	-	-	-

Dilapidations are based on best estimate based on current usage of the building. The current best estimate is £650,000 based on valuations by professional surveyors.

On the 28 October 2020, the Company announced its Enhanced Severance Payment (HR in the above table) for all eligible employees which has been approved by HMT. Also included within the provision is £169k being the aggregate Executive Management Bonus scheme. The approved bonus scheme is based on an annual reward for KPIs delivered in each year of contract with these earned amounts deferred and paid on full contract completion as part of the organisation's remuneration strategy. These are payable on employee end dates aligned with the Company's dissolution date for which the liquidation process will commence in the first quarter of 2023.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 17. Financial instruments

#### *Carrying amount of financial instruments*

The carrying amounts of the financial assets and liabilities include:

	30 September 2022 £000	31 March 2021 £000
<b>Assets</b>		
<i>Other financial assets measured at amortised cost:</i>		
Trade and other receivables	47,493	760
Cash and cash equivalents	34,989	2,156
Contract receivables due within one year	179	4,936
Contract receivables due over one year	-	16,513
<b>Total financial assets measured at amortised cost:</b>	<b>82,661</b>	<b>24,365</b>
<b>Liabilities</b>		
<i>Other financial liabilities measured at amortised cost:</i>		
Trade and other payables	(89,921)	(2,654)
Contract liabilities due within one year	(3,077)	(4,442)
Lease liability due within one year	(39)	(1,973)
Provisions due within one year	(1,265)	-
Contract liabilities due over one year	-	(17,185)
Lease liability due over one year	-	(1,009)
Long term accruals	-	(872)
Provisions due over one year	-	(510)
<b>Total financial liabilities measured at amortised cost:</b>	<b>(94,302)</b>	<b>(28,645)</b>

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 17. Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company produces a cash flow forecast in advance of needs and receives Grant-in-aid funding from DCMS to meet its obligations.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

#### Analysis of contractual cash flow maturities

##### 30 September 2022

Financial liabilities	Carrying amount £000	Contractual cash flows* £000	Less than 12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Lease liability	537	537	537	-	-	-
Trade & other payables	89,921	89,921	89,921	-	-	-
Provisions	1,265	1,265	1,265	-	-	-

Contractual cash flows may vary from carrying amount due to the application of discounting on balances payable later than 12 months.

##### 31 March 2021

Financial liabilities	Carrying amount £000	Contractual cash flows £000	Less than 12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Lease liability	2,982	3,036	1,998	1,038	-	-
Trade & other payables	2,654	2,654	2,654	-	-	-
Provisions	510	510	-	510	-	-
Long-term accruals	872	907	-	907	-	-

#### Capital risk management

The Company has no external borrowings or loans. All current cash requirements are funded through Grant-in-aid and Birmingham City Council Funding.

#### Interest rate risk

Interest Rate risk is considered to be low as the Company does not hold large cash balances or borrowings as it receives Grant-in-aid amounts to cover the next month's expenditure.

#### Foreign currency financial assets and liabilities

The Company does not currently hold any foreign currency assets or liabilities.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 18. Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

<b>30 September 2022</b>	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>
<i>Financial assets</i>			
Contract receivables	179	-	-
<b>Total assets</b>	<b>179</b>	<b>-</b>	<b>-</b>
<i>Financial Liabilities</i>			
Contract liability	3,077	-	-
<b>Total liabilities</b>	<b>3,077</b>	<b>-</b>	<b>-</b>
 <b>31 March 2021</b>	 <b>Level 1 £000</b>	 <b>Level 2 £000</b>	 <b>Level 3 £000</b>
<i>Financial assets</i>			
Contract receivables	21,449	-	-
<b>Total Assets</b>	<b>21,449</b>	<b>-</b>	<b>-</b>
<i>Financial Liabilities</i>			
Contract liability	21,627	-	-
<b>Total liabilities</b>	<b>21,627</b>	<b>-</b>	<b>-</b>

There were no transfers between Level 1 and Level 2 in 2021 or 2022.

### Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes. During the period the Company only had level 1 financial assets and liabilities and the fair values were agreed to active markets for identical assets and liabilities. No external valuations were deemed necessary in the current period.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 19. Capital commitments

Capital commitments at the end of the financial period, for which no provision has been made, are as follows:

	30 September 2022 £000	31 March 2021 £000
Contracted	-	310

### 20. Contingencies and commitments

The Company has no contingent liabilities other than those arising in the ordinary course of business from which it is anticipated that the likelihood of any material liability arising is remote.

### 21. Pension schemes

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to: £2,675,506 (2021: £675,820). There were £Nil (2021: £Nil) of outstanding contributions at the end of the financial year.

### 22. Analysis of changes in net debt

	At 1 April 2021 £000	Cash flow £000	Other non cash changes £000	Exchange movement £000	At 30 September 2022 £000
Cash at bank and in hand	2,156	32,833	-	-	34,989
Leases	(2,982)	4,259	(1,316)	-	(39)
Net debt	(826)	37,092	(1,316)	-	34,950

### 23. Post balance sheet events

There were no adjusting or non-adjusting post balance sheet events after the balance sheet date of 30 September 2022.

### 24. Related party transactions

Councillor Ian Ward (Non-executive Director) is Leader of BCC. During the financial period, the Company received Grant funding of £1,787,437 (2021: £844,692) from BCC. During the financial period, there was expenditure paid to BCC for £4,759,081 (2021: £510,809) mainly in relation to the Transport Mall at Alexander Stadium and rates for One Brindley Place. There are current accruals of £667,713 (2020: £440) mainly relating to Overlay services. There is a receivable balance of £135,235 (2021: £30,102) mainly related to the Volunteer Programme and Contractor Meal Programme.

## Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 24. Related party transactions (continued)

Councillor Ian Ward (Non-executive Director) is a constituent member of the WMCA. During the financial period, the Company paid £18,224,089 (2021: £1,519,109) to WMCA for work undertaken by Transport for West Midlands. An additional £10,000 (2021: £395,878) remains as an accrual at the period end. There is a receivable balance of £64,447 (2021: £30,102) in relation to the Director of Legacy.

Councillor Ian Ward (Non-executive Director) is a board member of the WMGC. During the financial period, the Company paid £3,004,000 (2021: £57,191) to WMGC. There is a receivable balance of £2,100 (2021: £Nil) for venue hire.

Councillor Ian Ward (Non-executive Director) is member of Warwickshire County Cricket Club ("WCCC"). Ian Metcalfe is an Honorary Life Member of WCCC. During the financial period, the Company paid £2,353,910 (2021: £Nil) to WCCC for use of Edgbaston Cricket Ground. There is a receivable balance of £80,714 (2021: £Nil) in relation to a royalty payment.

Councillor Ian Ward (Non-executive Director) is a member of Birchfield Harriers which during the period, the Company paid £500 (2021: £Nil).

Simon Ball (Non-executive Director) is Non-executive Director of Commonwealth Games England. During the financial period, there was expenditure paid to Commonwealth Games England of £42,542 (2021: £5,318).

Dame Louise Martin (Non-executive Director) is President of the Commonwealth Games Federation (CGF). During the period, the Company paid £4,340,000 (2021: £3,000,000) to the CGF for the contractual Host City Fees and Joint Marketing Fees due to CGF and other Commonwealth Games Associations. Sandra Osborne (Non-executive Director) who is a retired Attorney-at-Law is a legal advisor for the Commonwealth Games Federation. During the financial period there was expenditure paid to the Commonwealth Games Federation of £1,750,000 (2020: £2,7500,000) relating to the Sport's Development Grant.

Additionally, CGF holds a 60% stake in CGF Partnerships Limited (CGFP). During the financial period there were costs of £16,704,324 (2021: £3,561,883) paid to CGFP mainly in relation to embedded resources. Additionally, Value in Kind income of £54,555,623 (2021: £1,326,589) were recognised in the period in relation to Value in Kind contracts of which £5,034,931 (2021: £252,479) remains in accrued revenue at the period end. Additionally, there are contract liabilities of £3,076,796 (2021: £21,627,379) relating to Value in Kind contracts. There is a long-term accrual of £1,197,897 (2021: £906,686) in relation to IT Services.

Hiren Dhimar (Non-executive Director) is an employee of The Department for Digital, Culture, Media and Sport. During the financial period, the Company received Grant-in-aid funding of £366,500,000 (2021: £36,670,000) from DCMS and other income of £844,975 (2021: £245,000). There was a total expenditure of £100,000 (2021: £300) during the financial period. There is a receivable balance of £55,583 (2021: £30,102) mainly for the Director of Legacy. The Secretary of State remains as a person with significant control.

Sandra Osborne (Non-executive Director) is the President of the Barbados Olympic Association. During the period, the Company paid £65,444 (2021: £Nil) to the Barbados Olympic Association.

John Crabtree (Non-executive Director) and Derrick Anderson (Non-executive Director) are trustees of the United by Birmingham 2022 Legacy Charity which the Company paid £75,530 (2021: £Nil) during the period. This money was to cover the direct third-party costs incurred by that organisation in its role as administrator of a planned open access volunteering platform which forms part of the Games legacy activity in respect of volunteering.

## **Notes to the Company Financial Statements for the 18-month period ended 30 September 2022 (continued)**

### **24. Related party transactions (continued)**

John Crabtree is also a member of Sense, which the Company paid £500 (2021: £Nil) during the period.

Ian Metcalfe (Non-executive Director) is a Governor on the Foundation Board of the Schools of King Edward VI in Birmingham which the Company paid £18,500 (£Nil) during the period.

Geoff Thompson (Non-executive Director) is a Board Member at the London Legacy Development Corporation, which the Company paid £285,487 (2021: £Nil) during the period.

Diana Crabtree who is the wife of John Crabtree (Non-executive Director), is the Country President of St John's Ambulance. During the financial period, there was expenditure paid to St John's Ambulance of £33,919 (2021: £805).

### **25. Controlling Party**

The Company is a Non-Departmental Public Body of DCMS. This relationship is managed through a Management Agreement between the Company and DCMS. The Secretary of State remains as a person with significant control.



# **Group Financial Statements**

**Consolidated Statement of Comprehensive Income**  
**For the 18-month period ended 30 September 2022**

		<b>18-month period ended 30 September 2022 £000</b>	<b>Year ended 31 March 2021 £000</b>
	<b>Note</b>		
<b>Income</b>			
Grant Income	28	<b>422,051</b>	45,100
Income	29	<b>157,661</b>	2,086
<b>Total Income</b>		<b>579,712</b>	47,186
Administrative expenses	30	<b>(579,771)</b>	(47,075)
<b>Operating (loss)/profit</b>	31	<b>(59)</b>	111
Financial expenses	34	<b>(96)</b>	(111)
<b>(Loss)/result before taxation</b>		<b>(155)</b>	-
Taxation	35	-	-
<b>(Loss)/result for the financial period/year</b>		<b>(155)</b>	-

The notes on pages 100 to 112 form part of these Financial Statements.

# Consolidated Statement of Financial Position

As at 30 September 2022

		30 September 2022 £000	31 March 2021 £000
	Note		
<b>Assets</b>			
Cash and cash equivalents	44	35,789	3,723
Trade and other receivables	36	75,727	26,825
Right-of-use asset – office building	13	242	1,701
Property, plant and equipment	12	-	1,010
<b>Total assets</b>		<b>111,758</b>	<b>33,259</b>
<b>Liabilities</b>			
Trade and other payables	37	(109,541)	(28,631)
Lease liability	13	(39)	(2,982)
Provisions	38	(2,178)	(1,491)
<b>Total liabilities</b>		<b>(111,758)</b>	<b>(33,104)</b>
<b>Net assets</b>		<b>-</b>	<b>155</b>
<b>Equity</b>			
Profit and loss reserve		-	69
Revaluation surplus reserve		-	86
<b>Total equity</b>		<b>-</b>	<b>155</b>

The notes on pages 100 to 112 form part of these Financial Statements.

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



John Crabtree OBE  
Chair on behalf of the Board  
09 December 2022



Ian Reid  
Chief Executive Officer and Accounting Officer  
09 December 2022

Company registered number: 11120160

**Consolidated Statement of Changes in Equity**  
**For the 18-month period ended 30 September 2022**

	Profit and loss reserve £000	Revaluation surplus reserve £000	Total equity £000
<b>As at 31 March 2020</b>	5	150	155
<b>Comprehensive income for the year</b>			
Result for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
<i>Transactions with owners:</i>			
Transfers during the year	64	(64)	-
<b>As at 31 March 2021 and 1 April 2021</b>	69	86	155
<b>Comprehensive expense for the period</b>			
Loss for the period	(155)	-	(155)
<b>Total comprehensive expense for the period</b>	(155)	-	(155)
<i>Transactions with owners:</i>			
Transfers during the period	86	(86)	-
<b>Balance at 30 September 2022</b>	-	-	-

The notes on pages 100 to 112 form part of these Financial Statements.

**Consolidated Statement of Cash Flows**  
**For the 18-month period ended 30 September 2022**

	Note	30 September 2022 £000	31 March 2021 £000
<b>Cash flows from operating activities</b>			
(Loss)/result for the period/year		(155)	-
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	12, 13	4,073	1,307
Loss on disposal of property, plant and equipment	12	1	2
Financial expenses	34	96	111
Value in Kind non cash income		(54,556)	(1,327)
Value in Kind non cash expenditure		60,618	1,475
Movement in provisions		650	1,183
Operating cash flows before movements in working capital		10,727	2,751
Increase/(decrease) in trade and other receivables *	36	5,617	(4,296)
Increase in trade and other payables *	37	20,329	3,833
Cash generated by operations		36,673	2,288
Tax paid		-	-
<b>Net cash inflow from operating activities</b>		<b>36,673</b>	<b>2,288</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(348)	(878)
<b>Net cash outflow from investing activities</b>		<b>(348)</b>	<b>(878)</b>
<b>Cash flows from financing activities</b>			
Lease payments	13	(4,259)	(827)
<b>Net cash outflow from financing activities</b>		<b>(4,259)</b>	<b>(827)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>32,066</b>	<b>583</b>
Cash and cash equivalents at start of financial period/year	44	3,723	3,140
<b>Cash and cash equivalents at 30 September 2022</b>	<b>44</b>	<b>35,789</b>	<b>3,723</b>

\* - The movements in working capital do not agree to the notes due to movements in notes also including finance charges which are accounted for separately in the cash flow statement and the movements excluding items not passing through P&L such as the contract receivables/liabilities balances.

The notes on pages 100 to 112 form part of these Financial Statements.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022

*(forming part of the financial statements)*

### 26. Accounting policies

In addition to the accounting policies disclosed on pages 75 to 78, the Group also applies the following accounting policies consistently:

#### 26.1 Basis of consolidation

The Group consolidated financial statements have been prepared on a basis other than going concern, under the historical cost convention except for certain items which are measured at fair value.

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 30 September 2022.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company has one subsidiary – Festival 2022 Limited - which reports the same year-end. Intra-group balances are eliminated in preparing the consolidated financial statements.

### 27. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

#### Value of Assets

Fixed assets have been recognised at cost or fair value where appropriate. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Provisions for liabilities and charges

The Group has made a reasonable estimate on the dilapidations provisions using a cost per square metre using industry average rates. The Group has not done a full property valuation and the provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. There is a maximum capacity cap for dilapidations in the contract of £1m.

#### Value in Kind

The Group has made a reasonable estimate in concluding that the performance obligation within Value in Kind contracts is the *Planning, Organising and Hosting* of the Games. The Group considers the value of services/goods received to date is the best proxy for recognition of revenue. The contracts do not contain significant financing components.

#### Festival 2022 Limited

Festival 2022 Limited has recognised commissioning expenditure related to long term contracts from the Festival commissions based on invoices received and best estimates of the costs of contracted deliverables as at 30 September 2022.

Festival 2022 Limited is funded by a Grant from DCMS and has received a grant from British Council. The Group has recognised grant income on a systematic basis in accordance with the expenditure the Company incurs in line with IAS 20.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 28. Grant Income

An analysis of funding per body is given below:

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Department for Digital, Culture, Media and Sport – Grant-in-aid	352,924	36,864
Grant Income	67,340	7,402
Birmingham City Council	1,787	834
	<b>422,051</b>	<b>45,100</b>

Grant-in-aid received from The Department of Digital, Culture, Media and Sport during the period was £366,500,00 (2021: £36,670,000). Included in the £352,924,000 (2021: £36,684,000) is the release of grant deferred from the prior period of £618,992 (2021: £618,992) less the current period accrual of £14,390,327 (2021: £618,992) at the period end.

During the period, the Festival 2022 Limited recognised Grant funding from The Department of Digital, Culture, Media and Sport during the period was £67,339,504 (2021: £7,401,607). During the period £64,785,426 (2021: £8,447,515) of cash was received.

In the Directors' Report the Company states a 75:25 funding split between DCMS and BCC. This split is across the whole of Games budget and will not necessarily be reflected in the Grant Income the Company receives as the Company is only responsible for a proportion of the Games budget.

### 29. Income

An analysis of Income is given below:

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Commercial Income – Value in Kind	54,556	1,327
Cultural Programme Income	8,905	270
Legacy Programme Income	848	120
Hospitality Income	719	-
West Midlands Police Income*	41,895	235
Ticket Income	43,212	-
Accommodation Commission Income	521	-
Other Income**	7,005	134
	<b>157,661</b>	<b>2,086</b>

\* West Midlands Police income forms part of the overall Games budget which is transferred directly to PCC for West Midlands. The Company is reimbursed by West Midlands Police for its expenditure in relation to security services.

\*\* Other income is mainly derived from Hospitality, Accommodation Commission and Learning and Legacy programmes as well contributions from the Welsh Government and Visit Scotland for the Festival.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 30. Administration expenses

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Accommodation Costs	4,338	-
Ceremonies Costs	36,896	-
Contractors and consultants	4,956	847
Depreciation	4,073	1,307
Dilapidations	(316)	715
Host Broadcast services	17,442	4,133
Results, Timing and Scoring Costs	11,232	-
Host city fee	6,300	3,000
Information technology costs	32,143	1,452
Marketing and advertising	14,373	3,872
Office management costs	20,398	569
Operations costs	64,908	3,975
Venue hire costs	33,257	-
Logistics costs	8,829	-
Travel Grants	7,244	-
Cultural Programme Costs	7,354	-
Insurance Costs	3,824	-
Other administrative expenses	23,155	985
Outsourced services and labour	46,913	718
Overlay & Equipment Costs	99,864	-
Payroll costs	46,857	10,868
Professional services	3,491	1,109
Recruitment costs	6,396	1,337
Rent and Rates	2,428	173
Retention costs	2,106	281
Secondees	8,046	3,700
Sports development grant	1,750	2,750
Vehicle Hire Costs	7,150	-
Festival Creative Commissioning Costs	54,364	5,284
	<b>579,771</b>	<b>47,075</b>



## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 31. Operating profit

	18-month period ended 30 September 2022	Year ended 31 March 2021
	£000	£000
<i>Included in operating profit are the following expenses:</i>		
Depreciation of other equipment	206	115
Depreciation of IT equipment	338	125
Depreciation of fixtures and fittings	813	95
Depreciation of right-of-use asset – office buildings	2,716	972
<i>Amounts receivable by auditor and their associates in respect of:</i>		
Audit of these financial statements	180	96

Finance expenses and cash outflows relating to leases have been disclosed in note 40.

### 32. Remuneration of directors

	18-month period ended 30 September 2022	Year ended 31 March 2021
	£000	£000
Directors' emoluments (including benefits in kind)	60	23

Additional information on remuneration is included within the Remuneration Report on pages 54 to 61.

### 33. Average number of employees

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	18-month period ended 30 September 2022	Year ended 31 March 2021
	Number of employees	Number of employees
Administration and management	239	98
Operations	388	86
	627	184

Staff numbers as at 30 September 2022 are as follows:

	18-month period ended 30 September 2022	Year ended 31 March 2021
	Number of employees	Number of employees
Administration and management	144	158
Operations	47	176
	191	334

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 33. Average number of employees (continued)

The aggregate payroll costs of these persons for the period were as follows:

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Wages and salaries	39,526	9,108
Social security costs	4,385	1,044
Other pension costs (note 43)	2,946	716
	<b>46,857</b>	<b>10,868</b>

In addition to the wages and salaries there were a number of staff seconded into the organisation. The majority of these staff were from CGF Partnerships Limited in accordance with the Host City Contract. During the period the costs were £8,046,000 (2021: £3,700,000).

The average number of other staff utilised by the Group during the period are as follows:

	18-month period ended 30 September 2022 Number of employees	Year ended 31 March 2021 Number of employees
Contractors	125	4
Seconded	49	33
	<b>174</b>	<b>37</b>

### 34. Finance Costs

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
Unwinding of discount on long term accruals	37	20
Interest on lease liability	59	73
Unwinding of long term provisions	-	18
	<b>96</b>	<b>111</b>

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 35. Taxation

#### (a) Analysis of taxation in period recognised in the Statement of Comprehensive Income

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
<b>Total current taxation</b>	-	-

No liability to UK corporation tax arose for the period ended 30 September 2022 as the Group did not undertake any taxable trading activities. A tax charge can arise on interest income, although this is not relevant for the current period.

#### (b) Reconciliation of effective tax rate

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 19%. The actual taxation for the current period differs from the standard rate for the reasons set out in the following reconciliation:

	18-month period ended 30 September 2022 £000	Year ended 31 March 2021 £000
(Loss)/result before taxation	(155)	-
Taxation calculated at UK standard rate of corporation tax of 19%	(29)	-
<b>Effects of:</b>		
Losses not allowable for tax as the Company is not trading for tax purposes	29	-
<b>Total taxation</b>	-	-

#### (c) Factors affecting future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 36. Trade and other receivables

	30 September 2022 £000	31 March 2021 £000
Accounts receivable	3,372	246
VAT receivable	26,654	2,151
Prepayments	-	2,466
Other debtors	527	25
Accrued revenue	44,995	488
Contract receivables due within one year	179	4,936
Contract receivables due over one year	-	16,513
	<b>75,727</b>	<b>26,825</b>

Accrued revenue relates to Value-in-Kind revenues received but not yet invoiced. Contract receivables relate to signed contracts the Company has in place as at 30 September 2022 for Value in Kind services to be closed out.

There are no contract receivables falling over one year (2021: eight). The total value of the contracts receivable is £179,127 (2021: £21,449,225). Income was recognised on the contracts based on the Group's utilisation of the services. During the period, £54,555,623 (2021: £1,327,000) was recognised as income. Income is recognised when the Group receives the Value in Kind goods and services. The Group expects to receive the remaining revenue in the last quarter of 2022.

### 37. Trade and other payables

	30 September 2022 £000	31 March 2021 £000
Trade payables	6,753	606
Deferred income	14,608	3,208
Other payables	34	1
Accrued expenses due within one year	85,069	2,316
Contract liability due within one year	3,077	4,442
Accrued expenses due over one year	-	873
Contract liability due over one year	-	17,185
	<b>109,541</b>	<b>28,631</b>

Contract liabilities relate to signed contracts the Group has in place for Value in Kind services to be settled at a future date. These amounts relate to unfulfilled obligations at the period end.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 38. Provisions

	Leasehold Dilapidations £000	Group HR £000	Other £000	Total £000
As 1 April 2020	233	57	-	290
Charged to the profit or loss	715	453	15	1,183
Unwinding of discount	18	-	-	18
At 31 March 2021	966	510	15	1,491
Due within one year	-	-	15	15
Due over one year	966	510	-	1,476
	Leasehold Dilapidations £000	Group HR £000	Other £000	Total £000
As 1 April 2021	966	510	15	1,491
Charged to the profit or loss	(316)	1,018	(15)	687
Unwinding of discount	-	-	-	-
At 30 September 2022	650	1,528	-	2,178
Due within one year	650	1,528	-	2,178
Due over one year	-	-	-	-

Dilapidations are based on best estimate based on current usage of the building. The current best estimate is £650,000 based on valuations by professional surveyors.

On the 28 October 2020, the Group announced its Enhanced Severance Payment (HR in the above table) for all eligible employees in the Parent Company which has been approved by HMT. Also included is the Executive Management remuneration scheme, both which are payable on employee end dates until the Company's dissolution date for which the liquidation process will commence in the first quarter of 2023.

On the 31 January 2022, the Company (Festival 2022 Limited) announced its Enhanced Severance Payment (HR in the above table) for all eligible employees in the Subsidiary Company which has been approved by HMT. Amounts are payable on employee end dates until the Company's dissolution date for which the liquidation process will commence in the first quarter of 2023.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 39. Financial instruments

#### **Carrying amount of financial instruments**

The carrying amounts of the financial assets and liabilities include:

	30 September 2022 £000	31 March 2021 £000
<b>Assets</b>		
<i>Other financial assets measured at amortised cost:</i>		
Trade and other receivables	48,894	759
Cash and cash equivalents	35,789	3,723
Contract receivables due within one year	179	4,936
Contract receivables due over one year	-	16,513
<b>Total financial assets measured at amortised cost</b>	<b>84,862</b>	<b>25,931</b>
<b>Liabilities</b>		
<i>Other financial liabilities measured at amortised cost:</i>		
Trade and other payables	(91,856)	(2,924)
Contract liabilities due within one year	(3,077)	(4,442)
Lease liability due within one year	(39)	(1,973)
Provisions due within one year	(1,528)	-
Contract liabilities due over one year	-	(17,185)
Lease liability due over one year	-	(1,009)
Long term accruals due over one year	-	(872)
Provisions due over one year	-	(510)
<b>Total financial liabilities measured at amortised cost</b>	<b>(96,500)</b>	<b>(28,915)</b>

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 39. Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group produces a cash flow forecast in advance of needs and receives Grant-in-aid.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

#### Analysis of contractual cash flow maturities

30 September 2022

Financial liabilities	Carrying amount £000	Contractual cash flows* £000	Less than 12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Lease liability	537	537	537	-	-	-
Trade & other payables	91,856	91,856	91,856	-	-	-
Provisions	1,528	1,528	1,528	-	-	-
Long-term accruals	-	-	-	-	-	-

\* Contractual cash flows may vary from carrying amount due to the application of discounting on balances payable later than 12 months.

#### Analysis of contractual cash flow maturities

31 March 2021

Financial liabilities	Carrying amount £000	Contractual cash flows £000	Less than 12 months £000	1-2 years £000	2-5 years £000	More than 5 years £000
Lease liability	2,982	3,036	1,998	1,038	-	-
Trade & other payables	2,924	2,924	2,924	-	-	-
Provisions	510	510	-	510	-	-
Long-term accruals	873	907	-	907	-	-

#### Capital risk management

The Group has no external borrowings or loans. All current cash requirements are funded through Grant-in-aid and Birmingham City Council Funding.

#### Interest rate risk

Interest Rate risk is considered to be low as the Group does not hold large cash balances or borrowings as it receives Grant-in-aid amounts to cover the next month's expenditure.

#### Foreign currency financial assets and liabilities

The Group does not currently hold any foreign currency assets or liabilities.

## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 40. Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

<b>30 September 2022</b>	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>
<i>Financial assets</i>			
Contract receivables	179	-	-
<b>Total assets</b>	<b>179</b>	<b>-</b>	<b>-</b>
<i>Financial Liabilities</i>			
Contract liability	3,077	-	-
<b>Total liabilities</b>	<b>3,077</b>	<b>-</b>	<b>-</b>
<b>31 March 2021</b>	<b>Level 1 £000</b>	<b>Level 2 £000</b>	<b>Level 3 £000</b>
<i>Financial assets</i>			
Contract receivables	21,449	-	-
<b>Total Assets</b>	<b>21,449</b>	<b>-</b>	<b>-</b>
<i>Financial Liabilities</i>			
Contract liability	21,627	-	-
<b>Total liabilities</b>	<b>21,627</b>	<b>-</b>	<b>-</b>

There were no transfers between Level 1 and Level 2 in 2021 or 2022.

### Measurement of fair value of financial instruments

The Company's finance team performs valuations of financial items for financial reporting purposes. During the period the Company only had level 1 financial assets and liabilities and the fair values were agreed to active markets for identical assets and liabilities. No external valuations were deemed necessary in the current period.



## Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)

### 41. Capital commitments

Capital commitments at the end of the financial period, for which no provision has been made, are as follows:

	30 September 2022 £000	31 March 2021 £000
Contracted	-	310

### 42. Contingencies and commitments

The Group has no contingent liabilities other than those arising in the ordinary course of business from which it is anticipated that the likelihood of any material liability arising is remote.

Financial commitments of £5,521,073 (excluding VAT) (2021: £1,232,738) are contracted with the project teams commissioned for the Festival at 30 September 2022.

### 43. Pension schemes

The Group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £2,946k (2021: £716k). There were £Nil (31 March 2021: £Nil) of outstanding contributions at the end of the financial period.

### 44. Analysis of changes in net debt

	At 1 April 2021 £000	Cash flow £000	Other non cash changes £000	Exchange movement £000	At 30 September 2022 £000
Cash at bank and in hand	3,723	32,066	-	-	35,789
Leases	(2,982)	4,259	(1,316)	-	(39)
Net debt	741	35,325	(1,316)	-	35,750

### 45. Post balance sheet events

There were no adjusting or non-adjusting post balance sheet events after the balance sheet date of 30 September 2022.

Following the approval of Festival 2022 Limited's 2021/22 Report and Financial Statements on [TBC] 2022, there have been no post balance sheet events to report.

## **Notes to the Consolidated Financial Statements for the 18-month period ended 30 September 2022 (continued)**

### **46. Related party transactions**

In addition to the transactions disclosed for the Company in note 24, the following related party transactions were incurred by the subsidiaries:

During the period Festival 2022 received £64,785,426 (2021: £8,447,515) from The Department of Digital, Culture Media and Sport (DCMS). £67,339,504 from Note 2 (2021: £7,401,607) was recognised as income in the period. The Secretary of State is a person with significant control.

The Company's Parent Company, Birmingham Organising Committee for the 2022 Commonwealth Games Limited, recharged £5,398,999 (2021: £1,627,234) in the period to September 2022 related to supplier invoices paid on behalf of Festival 2022 Limited during its set up period and other recharges such as payroll. At 30 September 2022 there is a creditor balance of £33,647 (2021: £932).



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