

CO2Sense Community Interest Company

Report and Financial Statements

For the year ended 31st March 2012

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For the year ended 31 March 2012

Presented to Parliament pursuant to Section 6(2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit making Companies) Order 2009 (SI 2009/476)

Ordered by the House of Commons to be printed on 16th July 2012

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CONTENTS

Company Information	1
Directors' Report	2-3
The Certificate and Report of the Comptroller and Auditor General to the Member of CO2Sense CIC	4-5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8-11

COMPANY INFORMATION

DIRECTORS	B J Dodd J M Pollard J M Bradbury (resigned 13 June 2011) K Eddington H Thomson (appointed 13 June 2011) M Dobson (appointed 14 March 2012) I Mills (appointed 14 March 2012) A Lythgo (appointed 14 March 2012) A Gouldson (appointed 14 March 2012) A Nolan (appointed 14 March 2012)
SECRETARY	S R J Gordon (resigned 8 May 2012) J Oliver (appointed 8 May 2012)
COMPANY NUMBER	05383346
REGISTERED OFFICE	Marshall's Mill Marshall Street Leeds LS11 9YJ
AUDITOR	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
BUSINESS ADDRESS	Marshall's Mill Marshall Street Leeds LS11 9YJ
BANKERS	Barclays Bank Plc 1 Churchill Place London E14 5HP

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 31st March 2012.

PRINCIPAL ACTIVITY

The principal activity of the company is that of being a grant funded promoter of sustainable development. During the year the company has focussed more on providing Commercial Consultancy work to clients to diversify the income streams of the business.

REVIEW OF THE BUSINESS

The directors consider the results for the year to be satisfactory. The financial performance and position of the company for the year ended 31 March 2012 are disclosed on pages 8 to 11 of the financial statements.

The company, whose registered number is 05383346, is limited by guarantee and its members at any point in time comprise any person subscribing to its services. As at 31 March 2012 the company's members were as follows:

Leeds City Council
CSRi Ltd
Mark Greenop Associates
Helen Thomson
Business in The Community
The University of Leeds School of the Earth and the Environment

DIRECTORS

The directors who served during the year, and up to the date of this report, were as follows:

B J Dodd
J M Pollard
J M Bradbury (resigned 13 June 2011)
K Eddington
H Thomson (appointed 13 June 2011)
M Dobson (appointed 14 March 2012)
I Mills (appointed 14 March 2012)
A Lythgo (appointed 14 March 2012)
A Gouldson (appointed 14 March 2012)
A Nolan (appointed 14 March 2012)

AUDITOR

The Comptroller and Auditor General is appointed by statute to audit the company and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Director's report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those 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; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHANGE OF MEMBERSHIP AND ACCREDITATION AS A CIC

During the year the Directors worked with Yorkshire Forward (YF) and the Department of Business, Innovation and Skills (BIS) resulting in Yorkshire Forward resigning as the sole member of CO2Sense Limited with effect 14th March 2012. At this date 6 new organisations were appointed as equal members of the company with no one member having a controlling stake in the business.

As part of the agreement to become an independent company CO2Sense Limited successfully applied for accreditation as a Community Interest Company (CIC) under the control of the CIC Regulator. This accreditation was effective as at 15th February 2012.

GOING CONCERN

In accordance with their responsibilities, the Directors have considered the appropriateness of the going concern basis for preparation of the financial statements. The Directors are satisfied that the Company has sufficient funding in place to continue in operation for the foreseeable future.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

- (a) so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- (b) they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board

J M Pollard
Chief Executive
15th June 2012

The Certificate and Report of the Comptroller and Auditor General
to the members of CO2Sense Community Interest Company

I certify that I have audited the financial statements of CO2Sense Community Interest Company (CIC) for the year ended 31 March 2012 under the Government Resources and Accounts Act 2000. These comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of the directors and auditor

As explained more fully in the Statement of Directors', the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

Opinion on Regularity

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

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of CO2Sense CIC's affairs as at 31 March 2012 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

The Certificate and Report of the Comptroller and Auditor General
to the members of CO2Sense Community Interest Company

Opinion on other matters

In my opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London
SW1W 9SP

18th June 2012

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2012

	Note	2012 £	2011 £
Turnover		718,099	308,330
Administrative expenses		(5,460,943)	(6,965,016)
Other operating income	2	<u>4,903,486</u>	<u>6,888,530</u>
Operating Profit	2	160,642	231,844
Other interest receivable and similar income	3	<u>32,760</u>	<u>27,156</u>
Profit on ordinary activities before taxation		193,402	259,000
Tax on profit on ordinary activities	4	<u>(57,998)</u>	<u>(58,483)</u>
Profit for the year	10	<u><u>135,404</u></u>	<u><u>200,517</u></u>

A Statement of Total Recognised Gains and Losses is not required as there are no recognised gains or losses in the year or the preceding year other than the profit for those periods. All activities are from continuing operations.

BALANCE SHEET

31 March 2012

	Note	2012 £	2011 £
Fixed Assets			
Investment in Joint Venture	5	100	-
Tangible assets	6	271,581	405,139
		<u>271,681</u>	<u>405,139</u>
Current Assets			
Debtors	7	671,360	275,495
Cash at bank and in hand		405,674	572,569
		<u>1,077,034</u>	<u>848,064</u>
Creditors: amounts falling due within one year	8	(778,397)	(784,638)
		<u>298,637</u>	<u>63,426</u>
Net Current Assets			
Provision for Assets / (Liabilities)	9	25,735	(7,916)
		<u>596,053</u>	<u>460,649</u>
Total Assets less Current Liabilities			
		<u>596,053</u>	<u>460,649</u>
Capital and Reserves			
Profit and loss account	10	596,053	460,649
		<u>596,053</u>	<u>460,649</u>
Member's Funds			
		<u>596,053</u>	<u>460,649</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 15th June 2012

J M Pollard

Chief Executive

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below:

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

Turnover

Turnover represents amounts receivable for services net of VAT including income from rentals, consultancy and training. Turnover is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold building improvements	33% straight line
Fixtures and fittings	10% straight line
Plant & Machinery	33% straight line
Office and computer equipment	33% straight line

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Current Taxation

The tax expense for the year comprises current and deferred taxation.

The charge for current taxation is based on the results for the year, as adjusted for income that is exempt and expenses that are not deductible, using tax rates that are applicable to the taxable income.

Deferred taxation

Deferred taxation has been recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Government grants

Other operating income represents government grants, which in respect of grants received for fixed assets are credited to the profit and loss account over the expected useful life of the fixed asset. Other government grants are credited to the profit and loss account when the related expenditure is incurred.

2. OPERATING PROFIT

	2012 £	2011 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	203,475	200,395
Impairment of Boiler	101,774	-
Auditor remuneration – statutory audit work	9,000	8,000
Auditor remuneration – non statutory audit work	2,200	2,000
Directors’ emoluments	111,659	111,650
Pension contributions paid on behalf of directors	7,105	7,105
Government grants	(4,903,486)	(6,888,530)
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £70,615 (2011: £77,502). The number of directors accruing retirement benefits under the scheme is one (2011: one).

3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Other interest receivable	<u>32,760</u>	<u>27,156</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £	2011 £
Domestic current year tax		
UK corporation tax	91,649	50,567
Deferred taxation (asset)/ charge	(33,651)	7,916
	<u>57,998</u>	<u>58,483</u>

5. INVESTMENT IN JOINT VENTURE

	2012 £	2011 £
Resense Limited	<u>100</u>	<u>-</u>
	<u>100</u>	<u>-</u>

On the 29th March 2012 CO2Sense CIC purchased £100 (50%) of the Ordinary Share Capital of Resense Limited (Co. Reg number 7970633). Resense Limited was not trading at the 31st March 2012 and therefore no trading accounts were available for Resense Limited at that date. The investment in Resense Limited is, therefore, valued at the face value of the shares purchased only.

6. TANGIBLE FIXED ASSETS

	Leasehold building improvements £	Fixtures and fittings £	Plant and machinery £	Office and computer equipment £	Total £
Cost					
Beginning of year	33,190	92,499	308,355	329,318	763,362
Additions	111,440	35,320	0	24,931	171,691
End of year	<u>144,630</u>	<u>127,819</u>	<u>308,355</u>	<u>354,249</u>	<u>935,053</u>
Depreciation					
Beginning of year	22,386	27,960	104,545	203,332	358,223
Charge in year	15,942	9,650	102,036	75,847	203,475
Impairment	0	0	101,774	0	101,774
End of year	<u>38,328</u>	<u>37,610</u>	<u>308,355</u>	<u>279,179</u>	<u>663,472</u>
Net book value					
End of year	<u>106,302</u>	<u>90,209</u>	<u>0</u>	<u>75,070</u>	<u>271,581</u>
Beginning of year	<u>10,804</u>	<u>64,539</u>	<u>203,810</u>	<u>125,986</u>	<u>405,139</u>

The impairment of £101,774 in the year refers to the write down of the Biomass boiler to a net book value of £nil reflecting the Director's view that due to changes in government renewable heat incentives (RHI) this asset cannot be sold or rented out to generate income. A RHI is a fixed payment for the renewable heat that is generated by the asset.

7. DEBTORS

Amounts falling due within one year:	2012	2011
	£	£
Trade debtors	301,968	125,781
Other debtors	369,392	149,714
	<u>671,360</u>	<u>275,495</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	32,440	92,186
Taxation and social security	117,191	64,428
Other creditors	628,766	628,024
	<u>778,397</u>	<u>784,638</u>

Other creditors include deferred income amounting to £362,806 (2011: £431,293).

9. DEFERRED TAX PROVISION

Liability as at 1 April 2011	£ (7,916)
Provided in year in respect of timing differences from capital allowances	33,651
	<hr/>
Asset as at 31 March 2012	25,735
	<hr/> <hr/>

10. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
At beginning of year	460,649	260,132
Profit and loss account	135,404	200,517
	<hr/>	<hr/>
At end of year	596,053	460,649
	<hr/> <hr/>	<hr/> <hr/>

11. FINANCIAL COMMITMENTS

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2012	2011
	£	£
Operating leases which expire:		
Within one year	-	1,397
Between two and five years	2,854	2,854
After 5 years	83,943	-
	<hr/>	<hr/>
	86,797	4,251
	<hr/> <hr/>	<hr/> <hr/>

12. CONTROL

The company was limited by guarantee from its sole member, Yorkshire Forward, until Yorkshire Forward resigned as a member on 14th March 2012. At that date 6 new members were appointed, none of which had a controlling membership of the company. Each new member undertakes to contribute such amount as maybe required, not to exceed £1, to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member.

This would be for payment of the company's debts and liabilities contracted before ceasing to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors' amount themselves.

The number of members at 31 March 2012 was six (2010: one).

13. RELATED PARTY TRANSACTIONS

As referred to in note 12, Yorkshire Forward was a related Party until 14th March 2012. Related party transactions for Yorkshire forward during the year were as follows:-

At the balance sheet date the company was owed £nil from (2011: £87,061 receivable from) Yorkshire Forward, the sole guarantor of the company until 14th March 2012.

During the year the company claimed grant funding amounting to £1,825,228 (2011: £6,844,351) from Yorkshire Forward.

During the year Yorkshire Forward was invoiced by the company for services amounting to £47,434 (2011: £59,136) and invoiced the company £291,963 (2011: £421,013) for services it provided.

There were no other transactions with other related parties during the year.



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