

CO2SENSE LIMITED

Report and Financial Statements

For the year ended 31 March 2011

CO2Sense Limited

Report and Financial Statements
For the year ended 31 March 2011

Presented to the House of Commons 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 18th July 2011

© CO2Sense Ltd Copyright 2011

The text in this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context.

The material must be acknowledged as CO2Sense Ltd copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this publication should be sent to us at the registered offices of the company.

This publication is also for download at www.official-documents.gov.uk

This document is also available from our website at co2sense.co.uk

ISBN: 9780102974386

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2442643 07/11

Printed on paper containing 75% recycled fibre content minimum.

CONTENTS

	Page
Company Information	1
Directors' Report	2-3
The Certificate and Report of the Comptroller and Auditor General to the Member of CO2Sense Limited	4-5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8-12

COMPANY INFORMATION

DIRECTORS	B J Dodd J M Pollard J M Bradbury T Brown (resigned 18 th March 2011) K Eddington
SECRETARY	A P King (resigned 3 rd February 2011) S R J Gordon (appointed 3 rd February 2011)
COMPANY NUMBER	05383346
REGISTERED OFFICE	Victoria House 2 Victoria Place Leeds LS11 5AE
AUDITORS	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
BUSINESS ADDRESS	Victoria House 2 Victoria Place Leeds LS11 5AE
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 and auditor's report, for the year ended 31st March 2011.

PRINCIPAL ACTIVITY

The principal activity of the company is that of being a grant funded promoter of sustainable development.

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 2011 are disclosed on pages 6 to 12 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 2011 the company's sole member was Yorkshire Forward.

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
T Brown (resigned 18 March 2011)
K Eddington

AUDITORS

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.

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.

DIRECTORS' REPORT

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 Company's sole member and principal funder, Yorkshire Forward, is due to close on 31 March 2012. Notwithstanding this, the Directors are satisfied that the Company has sufficient funding in place to continue in operation for the foreseeable future. Further details are disclosed in note 1 to the financial statements

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are 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 auditors are 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
30th June 2011

The Certificate and Report of the Comptroller and Auditor General
to the member of CO2Sense Limited

I certify that I have audited the financial statements of CO2Sense Limited for the year ended 31 March 2011 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 Directors' Responsibilities Statement, 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 the company's affairs as at 31 March 2011 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and have been prepared in accordance with the Companies Act 2006.

Emphasis of matter – going concern

In forming my opinion which is not qualified, I have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the application of the going concern principle. The company is affected by the government's announcement that it intends to abolish Yorkshire Forward (the primary funder of CO2Sense Limited), along with the other Regional Development Agencies, and replace it with a Local Enterprise Partnership. This is subject to Parliamentary approval. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the ability of CO2Sense Limited to continue as a going concern. The

The Certificate and Report of the Comptroller and Auditor General
to the member of CO2Sense Limited

financial statements do not include the adjustments that would result if CO2Sense was unable to continue as a going concern.

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; or

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*

Date 7th July 2011

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2011

	Note	2011 £	2010 £
Turnover		308,330	154,320
Administrative expenses		(6,965,016)	(11,209,196)
Other operating income		<u>6,888,530</u>	<u>11,040,915</u>
Operating Profit / (Loss)	2	231,844	(13,961)
Other interest receivable and similar income	3	<u>27,156</u>	<u>14,029</u>
Profit on ordinary activities before taxation		259,000	68
Tax on profit on ordinary activities	4	<u>58,483</u>	-
Profit for the year	9	<u><u>200,517</u></u>	<u><u>68</u></u>

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

BALANCE SHEET

31 March 2011

	Note	2011 £	2010 £
Fixed Assets			
Tangible assets	5	405,139	576,052
Current Assets			
Debtors	6	275,495	708,957
Cash at bank and in hand		572,569	18,972
		<u>848,064</u>	<u>727,929</u>
Creditors: amounts falling due within one year	7	<u>(784,638)</u>	<u>(1,043,849)</u>
Net Current Assets / (Liabilities)		<u>63,426</u>	<u>(315,920)</u>
Provision for liabilities – deferred taxation	8	<u>7,916</u>	<u>-</u>
Total Assets less Current Liabilities		<u>460,649</u>	<u>260,132</u>
Capital and Reserves			
Profit and loss account	9	<u>460,649</u>	<u>260,132</u>
Member's Funds		<u>460,649</u>	<u>260,132</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 30th June 2011

J M Pollard
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

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 period 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.

Going concern

Yorkshire Forward is the Company's parent organisation. It is also currently the majority funder of the Company's activities. Following the general election last year, the coalition Government outlined a series of proposed changes to how local economic development will be delivered, including the creation of Local Enterprise Partnerships to replace Regional Development Agencies. Since Yorkshire Forward was established

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

by statute through the Regional Development Agencies Act 1998, further legislation is required to abolish it. The Public Bodies Bill, published in Parliament on 29 October 2010, authorises the Secretary of State to lay Orders in Parliament to abolish Yorkshire Forward following appropriate consultation. Approval of the Order by both a resolution of each House of Parliament will give legislative authority to the abolition and set its date.

In light of the publication of the Public Bodies Bill, the Directors have concluded that due to the uncertainty surrounding the timing and eventual decision of Parliament on this matter, there exists a material uncertainty that casts doubt upon the Company's ability to continue as a going concern.

Nevertheless, after making enquiries and discussing the situation with the Company's parent organisation, the Directors are satisfied that sufficient funding is in place to enable the Company to continue in operation for the foreseeable future and meet its obligations as they fall due. Yorkshire Forward have confirmed that there will be an orderly transition to any new arrangements and there is no reason to believe that future funding will not be forthcoming until the end of the Company's existing contracts with Yorkshire Forward at 31 March 2013. For these reasons, the Directors continue to adopt the going concern basis in preparing their report and financial statements

2. OPERATING PROFIT

	2011	2010
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	200,395	78,553
Auditor's remuneration – statutory audit work	8,000	7,350
Auditor's remuneration – non statutory audit work	2,000	2,350
Directors' emoluments	118,755	118,602
Pension contributions paid on behalf of directors	7,105	7,105
Government grants	<u>(6,888,530)</u>	<u>(11,040,915)</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 £77,502 (2010: £75,145). The number of directors accruing retirement benefits under the scheme is one (2010: one).

3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Bank interest receivable	-	101
Other interest receivable	<u>27,156</u>	<u>13,928</u>
	<u><u>27,156</u></u>	<u><u>14,029</u></u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011	2010
	£	£
Domestic current year tax		
UK corporation tax	50,567	-
Deferred taxation charge	7,916	-
	<u>58,483</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Leasehold building improvements	Fixtures and fittings	Plant and machinery	Office and computer equipment	Total
	£	£	£	£	£
Cost					
Beginning of year	33,190	90,096	308,355	302,239	733,880
Additions	0	2,403	0	27,079	29,482
Disposals	0	0	0	0	0
	<u>33,190</u>	<u>92,499</u>	<u>308,355</u>	<u>329,318</u>	<u>763,362</u>
Depreciation					
Beginning of year	11,433	18,567	2,788	125,040	157,828
Charge for the year	10,953	9,393	101,757	78,292	200,395
Disposals	0	0	0	0	0
	<u>22,386</u>	<u>27,960</u>	<u>104,545</u>	<u>203,332</u>	<u>358,223</u>
Net book value					
End of year	<u>10,804</u>	<u>64,539</u>	<u>203,810</u>	<u>125,986</u>	<u>405,139</u>
Beginning of year	<u>21,757</u>	<u>71,529</u>	<u>305,567</u>	<u>177,199</u>	<u>576,052</u>

6. DEBTORS

Amounts falling due within one year:	2011	2010
	£	£
Trade debtors	125,781	374,115
Other debtors	149,714	334,842
	<u>275,495</u>	<u>708,957</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	92,186	293,205
Taxation and social security	64,428	868
Other creditors	628,024	749,776
	<u>784,638</u>	<u>1,043,849</u>

Other creditors include deferred income amounting to £431,293 (2010: £556,828).

8. DEFERRED TAX PROVISION

	£
Balance as at 1 April 2010	-
Provided in year in respect of timing differences from capital allowances	7,916
	<u>7,916</u>
Balance as at 31 March 2011	<u>7,916</u>

9. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
At beginning of year	260,132	260,064
Retained profit for the year	200,517	68
	<u>460,649</u>	<u>260,132</u>

10. FINANCIAL COMMITMENTS

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012:

	2011	2010
	£	£
Operating leases which expire:		
Within one year	1,397	-
Between two and five years	2,854	1,368
	<u>4,251</u>	<u>1,368</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

11. CONTROL

The company is limited by guarantee from its sole member, Yorkshire Forward. Yorkshire Forward 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 2011 was one (2010: one).

12. RELATED PARTY TRANSACTIONS

At the balance sheet date the company owed £87,061 to (2010: £504,878 receivable from) Yorkshire Forward, the sole guarantor of the company.

During the year the company claimed grant funding amounting to £6,844,351 (2010: £11,048,315) from Yorkshire Forward.

During the year Yorkshire Forward was invoiced by the company for services amounting to £59,136 (2010: £26,699) and invoiced the company £421,013 (2010: £311,240) for services it provided.



Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, telephone, fax and email

TSO
PO Box 29, Norwich NR3 1GN
Telephone orders/general enquiries: 0870 600 5522
Order through the Parliamentary Hotline Lo-Call 0845 7 023474
Fax orders: 0870 600 5533
Email: customer.services@tso.co.uk
Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders/general enquiries: 020 7219 3890
Fax orders: 020 7219 3866
Email: bookshop@parliament.uk
Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

Customers can also order publications from:

TSO Ireland
16 Arthur Street, Belfast BT1 4GD
Telephone orders/general enquiries: 028 9023 8451
Fax orders: 028 9023 5401

ISBN 978-0-10-297438-6

