Company Registration No. 05383346 (England and Wales)

CO2Sense Community Interest Company

Report and Financial Statements

For the year ended 31st March 2013

CO2Sense Community Interest Company

Report and Financial Statements

For the year ended 31 March 2013

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 31st October 2013

HC 768 London: The Stationery Office £6.25

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

The Tannery
91 Kirkstall Road
Leeds
LS3 1HS

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

ISBN: 9780102987096

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

PO ID 2597996 10/13 33807 19585

Printed on paper containing 75% recycled fibre content minimum.

CONTENTS

COMPANY INFORMATION

DIRECTORS	B J Dodd	(resigned 23 September 2013)
	J M Pollard	(resigned 30 April 2013)
	K Eddington	
	H Thomson	(resigned 23 September 2013)
	M Dobson	(resigned 23 September 2013)
	I Mills	
	A Lythgo	
	A Gouldson	(resigned 13 May 2013)
	A Nolan	(resigned 23 September 2013)
	S D Brown	(appointed 4 September 2012 and resigned 9 August 2013)
	A Hartley	(appointed 8 May 2012 and resigned 28 February 2013)
	G Sinclair	(appointed 23 September 2013)

SECRETARY	J W Oliver
COMPANY NUMBER	05383346
REGISTERED OFFICE	The Tannery 91 Kirkstall Road Leeds LS3 1HS
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 2013.

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 disappointing but not unexpected reflecting that the company has worked through the transition from being a wholly owned subsidiary within the public sector to a commercially viable not for profit organisation. Within this financial year a major restructure has occurred, which has reduced the number of staff from a maximum of 50 compared to 18 at the year end and has reduced operating costs by more than £1.6m. There have been exceptional costs within the year totalling £200k, which incorporate the full cost of the restructuring exercise and to cover claw backs from a large European Regional Development Fund (ERDF) project, which was originally with Yorkshire Forward. The joint venture loss recognised from Resense Limited was expected due to the high costs incurred up front in acquiring planning permission for wind turbine sites.

The financial performance and position of the company for the year ended 31 March 2013 are disclosed on pages 6 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 2013 the company's members were as follows:

Leeds City Council
Kirklees 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	(resigned 23 September 2013)
J M Pollard	(resigned 30 April 2013)
K Eddington	
H Thomson	(resigned 23 September 2013)
M Dobson	(resigned 23 September 2013)
I Mills	
A Lythgo	
A Gouldson	(resigned 13 May 2013)
A Nolan	(resigned 23 September 2013)
S D Brown	(appointed 4 September 2012 and resigned 9 August 2013)
A Hartley	(appointed 8 May 2012 and resigned 28 February 2013)
G Sinclair	(appointed 23 September 2013)

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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.

GOING CONCERN

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for preparation of the financial statements. Since the year end the volume of new consultancy work won has not been sufficient to meet targets set in the budget. With no large pipeline opportunities in the short to medium term the directors have agreed to close down the consultancy business with effect from 9th August 2013. This has resulted in a further restructure to ensure that the company can continue to operate in a smaller capacity without financial risk. The directors are therefore 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

K Eddington
Director
21st October 2013

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 2013 under the Government Resources and Accounts Act 2000. The financial statements 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' Responsibilities, 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.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded 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 recorded 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 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 2013 and of its loss 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 returns adequate for my audit have not been received from branches not visited by my staff; or

- the financial statements are not in agreement with the accounting records or returns; 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

Date 30th October 2013

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2013

	Note	2013 £	2012 £
Turnover		757,241	718,099
Administrative expenses		(6,348,795)	(5,460,943)
Other operating income	2	5,334,798	4,903,486
Operating (Loss)/ profit	2	(256,756)	160,642
Other interest receivable and similar income	3	1,455	32,760
Exceptional items	4	(85,850)	-
(Loss)/ profit on ordinary activities before taxation		(341,151)	193,402
Tax on loss/ (profit) on ordinary activities	5	49,024	(57,998)
(Loss)/ profit on ordinary activities after taxation		(292,127)	135,404
Share of loss in joint venture operations	6	(344,496)	-
(Loss)/ profit for the year	11	(636,623)	135,404

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 2013

	Note	2013 £	2012 £
Fixed Assets			
Investment in joint venture	6	100	100
Tangible assets	7	177,970	271,581
		178,070	271,681
Current Assets			
Debtors	8	836,987	671,360
Cash at bank and in hand		930,887	405,674
		1,767,874	1,077,034
Creditors: amounts falling due within one year	9	(1,644,777)	(778,397)
Share in joint venture assets	6	1,085,175	-
Share in joint venture liabilities	6	(1,429,671)	-
Net Current (Liabilities) / Assets		(221,399)	298,637
Provision for Assets / (Liabilities)	10	2,759	25,735
Total Assets less Current Liabilities		(40,570)	596,053
Capital and Reserves			
Profit and loss account	11	(40,570)	596,053
Members' Funds		(40,570)	596,053

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 21st October 2013

K Eddington

Director

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.

Joint Ventures

Interest in joint ventures has been accounted for by using the gross equity method in accordance with FRS9

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 credit for the year comprises current and deferred taxation.

The credit 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

	2013	2012
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	103,707	203,475
Impairment of boiler	-	101,774
ERDF contractual penalties	114,319	-
Auditor remuneration – statutory audit work	9,000	9,000
Auditor remuneration – non statutory audit work	2,200	2,200
Directors' salaries and benefits in kind	219,295	111,659
Pension contributions paid on behalf of directors	13,197	7,105
Government grants	(5,267,931)	(4,903,486)

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 £83,512 (2012: £70,615). The number of directors accruing retirement benefits under the scheme is two (2012: one).

3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Other interest receivable	1,455	32,760

4. EXCEPTIONAL ITEMS

	2013	2012
	£	£
Restructuring costs	85,850	-

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013	2012
	£	£
Domestic current year tax		
UK corporation tax	(72,000)	91,649
Deferred taxation (asset)/ charge	22,976	(33,651)
	(49,024)	57,998

6. INVESTMENT IN JOINT VENTURE

	2013	2012
	£	£
Resense Limited	100	100
	100	100

Resense Limited is a 50% joint venture acquired in March 2012. In the period ending 31 March 2013 50% of the trading losses were £344,496. 50% of assets were valued at £1,085,175 and 50% of net liabilities were valued at £1,429,671

7. TANGIBLE FIXED ASSETS

	Leasehold building improvements	Fixtures and fittings	Plant and machinery	Office and computer equipment	Total
	£	£	£	£	£
Cost					
Beginning of year	144,630	127,819	308,355	354,249	935,053
Additions	-	497	-	9,599	10,096
Disposals	-	-	(308,355)	-	(308,355)
End of year	144,630	128,316	-	363,848	636,794
Depreciation					
Beginning of year	38,328	37,610	308,355	279,179	663,472
Charge in year	36,775	12,744	-	54,188	103,707
Disposals	-	-	(308,355)	-	(308,355)
End of year	75,103	50,354	-	333,367	458,824
Net book value					
End of year	69,527	77,962	-	30,481	177,970
Beginning of year	106,302	90,209	-	75,070	271,581

8. DEBTORS

Amounts falling due within one year:	2013	2012
	£	£
Trade debtors	488,668	301,968
Corporation tax debtor	72,000	-
Other debtors	276,310	369,392
	836,987	671,360

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	84,069	32,440
Taxation and social security	81,824	117,191
Other creditors	1,478,884	628,766
	1,644,777	778,397

Other creditors include deferred income amounting to £177,946 (2012: £362,806).

10. DEFERRED TAX PROVISON

	£
Asset as at 1 April 2012	25,735
Provided in year in respect of timing differences from capital allowances	(22,976)
Asset as at 31 March 2013	2,759

11. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
At beginning of year	596,053	460,649
Profit and loss account	(636,623)	135,404
At end of year	(40,570)	596,053

12. FINANCIAL COMMITMENTS

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

	2013	2012
	£	£
Operating leases which expire:		
Within one year	-	-
Between two and five years	2,140	2,854
After 5 years	83,943	83,943
	86,083	86,797

13. CONTROL

At the end of the financial year the company had 6 Members, none of which had a controlling membership. 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 2013 was six (2012: six).

14. RELATED PARTY TRANSACTIONS

Resense Limited is a 50% joint venture acquired in March 2012. Related party transactions in the year were as follows:-

During the year the company invoiced Resense Limited £16,000 for payments in kind (£10,000) and management fees (£6,000) (2012: £Nil).

At 31 March 2013 Resense Limited owed the company £19,200 (2012: £Nil) for unpaid sales invoices.

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

15. POST BALANCE SHEET EVENTS

Since the year end the volume of new consultancy work won has not been sufficient to meet targets set in the budget. With no large pipeline opportunities in the short to medium term the directors have agreed to close down the consultancy business with effect from 9th August 2013. This has resulted in a further restructure to ensure that the company can continue to operate in a smaller capacity without financial risk.

TSO
information & publishing solutions

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

Online
www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail
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 Houses of Parliament Shop
12 Bridge Street, Parliament Square
London SW1A 2JX
Telephone orders: 020 7219 3890/General enquiries: 020 7219 3890
Fax orders: 020 7219 3866
Email: shop@parliament.uk
Internet: http://www.shop.parliament.uk

TSO@Blackwell and other accredited agents

ISBN 978-0-10-298709-6
9 780102 987096