

**CO2SENSE LIMITED**

**(Formerly The Yorkshire & Humber Sustainable Futures  
Company Limited)**

**Report and Financial Statements**

**For the year ended 31 March 2010**



# CO2Sense Limited

## Annual Report and Accounts 2009-10

These Accounts are presented to the House of Commons in accordance with Paragraph 6, subsection (2)(b) of the Government Resources and Accounts Act 2000 (Audit of Non-profit-making companies) Order 2009 (SI 2009 no 476).

Ordered by the House of Commons to be printed on 19<sup>th</sup> July 2010

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## **COMPANY INFORMATION**

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<b>DIRECTORS</b>	B J Dodd J M Pollard J Bradbury T Brown K Eddington
<b>SECRETARY</b>	A P King
<b>COMPANY NUMBER</b>	05383346
<b>REGISTERED OFFICE</b>	Victoria House 2 Victoria Place Leeds LS11 5AE
<b>AUDITORS</b>	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
<b>BUSINESS ADDRESS</b>	Victoria House 2 Victoria Place Leeds LS11 5AE
<b>BANKERS</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP

## **DIRECTORS' REPORT**

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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 31<sup>st</sup> March 2010.

### **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 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 2010 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	
T Shaw	(resigned 4 August 2009)
J Bradbury	(appointed 4 August 2009)
T Brown	(appointed 10 May 2010)
K Eddington	(appointed 10 May 2010)

### **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 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**

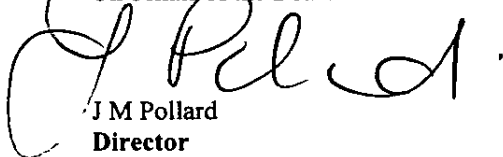
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### **STATEMENT OF DISCLOSURE TO AUDITORS**

- (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  
**Director**  
9 July 2010

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

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I certify that I have audited the financial statements of CO2Sense Limited for the year ended 31 March 2010 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **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 the financial statements in accordance with applicable law and 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 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 CO2Sense Limited's affairs as at 31 March 2010 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, and
- the financial statements 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 12 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 CO2 Sense Limited), along with the other Regional Development Agencies, and replace it with a Local Enterprise Partnership. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the ability of CO2 Sense Limited to continue as a going concern. The financial statements do not include the adjustments that would result if CO2 Sense was unable to continue as a going concern.



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

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**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

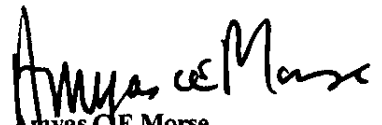
**Matters on which I am required to report by exception**

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

  
Anyas CE Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

12<sup>th</sup> July 2010

**CO2SENSE LIMITED**  
(Formerly The Yorkshire & Humber Sustainable Futures Company Limited)

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2010**

	Note	2010 £	2009 £
<b>Turnover</b>		154,320	243,212
Administrative expenses		(11,209,196)	(4,251,718)
Other operating income		11,040,915	4,225,640
<b>Operating (Loss) / Profit</b>	2	(13,961)	217,134
Other interest receivable and similar income	3	14,029	4,058
<b>Profit on ordinary activities before taxation</b>		68	221,192
Tax on profit on ordinary activities	4	-	(54,603)
<b>Profit for the year</b>	8	68	166,589

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.


**CO2SENSE LIMITED**  
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**BALANCE SHEET**  
**31 March 2010**

	Note	2010 £	2009 £
<b>Fixed Assets</b>			
Tangible assets	5	576,052	164,823
<b>Current Assets</b>			
Debtors	6	708,957	1,075,553
Cash at bank and in hand		18,972	199,457
		<u>727,929</u>	<u>1,275,010</u>
<b>Creditors: amounts falling due within one year</b>	7	(1,043,849)	(1,179,769)
<b>Net Current (Liabilities)/Assets</b>		(315,920)	95,241
<b>Total Assets less Current Liabilities</b>		<u>260,132</u>	<u>260,064</u>
<b>Capital and Reserves</b>			
Profit and loss account	8	260,132	260,064
<b>Member's Funds</b>		<u>260,132</u>	<u>260,064</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 Standards for Smaller Entities (effective April 2008)

Approved by the Board for issue on 9 July 2010

  
J M Pollard  
Director

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

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### 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 Standards 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

### 2. OPERATING PROFIT

	2010 £	2009 £
Operating profit is stated after charging/(crediting)		
Depreciation of tangible assets	78,553	75,107
Auditor's remuneration – statutory audit work	7,350	5,200
Auditor's remuneration – non statutory audit work	2,350	-
Directors' emoluments	118,602	35,083
Pension contributions paid on behalf of directors	7,105	1,750
Government grants	<u>(11,040,915)</u>	<u>(4,225,640)</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 £75,145 (2009 £51,800). The number of directors accruing retirement benefits under the scheme is one (2009 one).

### 3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Bank interest receivable	101	4,058
Other interest receivable	<u>13,928</u>	<u>-</u>
	<u>14,029</u>	<u>4,058</u>

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
Domestic current year tax		
UK corporation tax	-	54,789
Adjustment for prior years	<u>-</u>	<u>(186)</u>
	<u>-</u>	<u>54,603</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

### 5. TANGIBLE FIXED ASSETS

	Leasehold building improvements £	Fixtures and fittings £	Plant and machinery £	Office and computer equipment £	Total £
<b>Cost</b>					
Beginning of year	33,190	50,707	-	204,991	288,888
Additions	-	42,266	308,355	161,098	511,719
Disposals	-	(2,877)	-	(63,850)	(66,727)
End of year	33,190	90,096	308,355	302,239	733,880
<b>Depreciation</b>					
Beginning of year	480	10,959	-	112,626	124,065
Charge for the year	10,953	10,485	2,788	54,327	78,553
Disposals	-	(2,877)	-	(41,913)	(44,790)
End of year	11,433	18,567	2,788	125,040	157,828
<b>Net book value</b>					
End of year	21,757	71,529	305,567	177,199	576,052
Beginning of year	32,710	39,748	-	92,365	164,823

### 6. DEBTORS

Amounts falling due within one year:

	2010 £	2009 £
Trade debtors	374,115	25,394
Other debtors	334,842	1,050,159
	<u>708,957</u>	<u>1,075,553</u>

Other debtors includes grants receivable amounting to £nil (2009 £974,229)

**CO2SENSE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2010**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	293,205	735,294
Taxation and social security	868	56,158
Other creditors	749,776	388,317
	<u>1,043,849</u>	<u>1,179,769</u>

Other creditors includes deferred income amounting to £556,828 (2009 £379,648)

**8. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT**

	2010 £	2009 £
At beginning of year	260,064	93,475
Retained profit for the year	68	166,589
	<u>260,132</u>	<u>260,064</u>

**9. FINANCIAL COMMITMENTS**

At 31 March 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2011

	2010 £	2009 £
Operating leases which expire		
Within one year	-	-
Between two and five years	1,368	1,340
	<u>1,368</u>	<u>1,340</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2010

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### 10. CONTROL

The company is limited by guarantee from its members. Each member of the company undertakes to contribute such amount as may be 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 2010 was one (2009: one).

### 11. RELATED PARTY TRANSACTIONS

At the balance sheet date the company was owed £504,878 (2009: £946,589) by Yorkshire Forward, the sole guarantor of the company.

During the year the company claimed grant funding amounting to £11,048,315 (2009: £4,332,536) from Yorkshire Forward.

During the year Yorkshire Forward was invoiced by the company for services amounting to £26,699 (2009: £30,732) and invoiced the company £311,240 (2009: £nil) for services it provided.

### 12. POST BALANCE SHEET EVENTS

Yorkshire Forward, the Regional Development Agency for the Yorkshire and Humber region, is the Company's parent organisation. It is also currently the provider and funder of the majority of the Company's contracts.

Following the general election on 6 May 2010, the new 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. The June 2010 budget confirmed that the Government intends to abolish Regional Development Agencies through the Public Bodies Bill, and that it will issue a White Paper in summer 2010, which will set out details of these proposals. In light of this event the directors have reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis.

The Company notes that Parliament will need to enact the legislation necessary to abolish Regional Development Agencies, and that the timing and eventual decision of Parliament on this matter is currently uncertain. 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 for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.