

SUSTAINABILITY WEST MIDLANDS
Company Limited by Guarantee
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012
Company Registration Number 04390508

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

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**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
OFFICERS AND PROFESSIONAL ADVISERS**

YEAR ENDED 31 MARCH 2012

The board of directors

G R Marsh
W Briggs
R G Elsdon
M Kinghan
D M Pearce
M H Sitton-Kent
A Passmore
S Slater
J King
W Saleem
Councillor P Tilsley
A Taylor
J Cotgreave
Councillor D Stratford Smith
P A Sutton
M Reeves
T Magrath

Company secretary S Slater

Business address Lockside
5 Scotland Street
Birmingham
B1 2RR

Registered office As above

Accountants Buckman Finance Associates Ltd
98 Arden Road
Smethwick
Birmingham
B67 6EW

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2012**

The directors present their report and the financial statements of the company for the year ended 31 March 2012

Principal activities and business review

The principal activity of the company is as a 'not for profit' organisation to communicate, promote, educate and advocate sustainable development in all its forms.

Review of business

Introduction

Sustainability West Midlands is the sustainability adviser for the leaders of the West Midlands. We are a not-for-profit company that works with its members, who are leading individuals and organisations in the business, public, and voluntary sectors. Our Board is private sector led and has cross-sector representation; it is supported by our team of staff and associates.

We play our part by acting as a catalyst for change through our advice to leaders, developing practical solutions with our members, and sharing success through our communications.

Our Vision:

By 2020 businesses and communities are thriving in a West Midlands that is environmentally sustainable and socially just. By 2012 our leaders are clear on what this looks like, have set clear milestones and their organisations are making strong progress.

Our Mission:

To become the first choice in "Providing sustainability advice to the leaders of the West Midlands".

Our Values:

Business led and business like – we seek and expect others to maintain personal and professional standards.

Creative and positive – we are always learning and looking for better ways of working with others.

Respectful - we respect nature's limits and the needs of future generations, we respect each other and celebrate our diversity so that everyone can give their best.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

Our Products and Services:

We focus our products and services on three main areas of activity for our customers who are leaders in the West Midlands. These are:

- **Roadmap for a sustainable West Midlands in 2020** – developing ideas, milestones, and tools of how the West Midlands could become a place when businesses and communities are thriving in a way that is environmentally sustainable and socially just.
- **Lower carbon economy for business**– developing ideas, tools, and networks to improve the impact of carbon reduction policy and to create new business opportunities within a low carbon economy
- **Improved well being for communities**– developing ideas, tools and networks to improve the overall impact of environmental, economic and social policy on people

Within these focus areas of activity we deliver our products and services of advice to leaders on policy, cross-sector working with our members to develop solutions and sharing success through our communications.

Progress during 2011-12

We evaluate our impact through a number of measures related to our objectives and products and services:

- strategic added value - feedback from our policy advice and developing cross-sector solutions with our members
- sharing good practice - feedback from the use of our case studies service, newsletter, and website
- organisational and financial - performance against organisational targets and annual accounts

Over this period we had our most successful year to date in terms of strategic impact for sustainability within the region. This was despite uncertain times for the economy and the collective governance of the West Midlands. Some highlights under the above headings are described next.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

Strategic Added Value – policy advice and developing cross-sector solutions with our members

In September 2011 we held our *first annual conference* which launched our *low carbon roadmap 2020*. This set out our sustainability priorities for the region to deliver green jobs, reduce carbon, and improve our quality of life. Over 140 delegates from all sectors heard speakers on leadership and good practice from these different priorities. The positive feedback confirmed the continued support for Sustainability West Midlands to help encourage and share good practice and joint working on these areas.

We ran our second *green leaders competition* which helped identify another 34 key individuals with a track record of achievement in sustainability from the private, public, and voluntary sector. The winners were presented their certificates at a celebration event after our annual conference with Sara Parkin from Forum for the Future. These awards generated extensive local media coverage.

We held a series of discussions around our sustainability priorities for the West Midlands to help inform our policy advice and action. These were called '*sustainable suppers*' and included Jerry Blackett, Birmingham Chamber on Local Enterprise Partnerships and the Green Economy, Matthew Rhodes, Encraft, on Local Authorities and decentralised energy, Jon Cotgreave, Groundwork West Midlands, on the Big Green Society, and George Martin, Willmott Dixon on Skills for the Green Economy. Wade Lyn, from Island Delights and the Greater Birmingham and Solihull Enterprise Partnership also led a session on sustainability in business at our Annual General Meeting.

We worked with our partners Friends of the Earth to hold a public debate on *High Speed 2* to help inform the consultation process which was attended by over 300 people.

We grew our *west midlands leaders update* for over 250 leaders in the West Midlands from the private, public, and voluntary sectors. This included highlighting the 'green leaders' and award winning good practice and case studies in their geographical or sector areas. This has generated positive feedback from many MPs.

We continued with *business futures*, a successful good practice network between large companies and existing business networks to improve the coordination and uptake of sustainability support. This included help to set up green business clubs, share good practice between the emerging Local Enterprise Partnerships (LEPs), and a '*green checklist for LEPs*'. Other work included a business survey and workshops around *business resilience and continuity plans* as part of our climate adaptation work and the first West Midlands business resilience awards.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

We completed the delivery of the ***local authority low carbon economy programme*** which ended with a legacy event in March 2012. By then we had commissioned training programmes for over 500 individuals on planning, finance, procurement, renewable energy, and adaptation. The evaluation showed we had contributed to about a 20% improvement in the corporate performance of local authorities in the region on climate change and helped achieve £1 million worth of energy savings. We were also able to ***secure 25% of the Carbon Trust national schools support funding for the West Midlands*** due to our active local authority support.

We acted as independent advisers for the ***Birmingham environment partnership*** and monitored progress on the Birmingham Climate Action Plan and identifying and promoted good practice. The partnership also continued the expansion of Birmingham Energy Savers – the largest housing energy efficient retrofit to date in any local authority within the UK.

We coordinated the ***voluntary and community sector leadership group*** who have advised and secured funding for a range of activities such as community renewables. This programme successfully helped twelve communities install and share their experiences on community energy while creating a annual revenue stream of £24,000 back to their communities.

We helped set up ***Climate UK*** which is a Community Interest Company supported by our sister organisations across the UK. The Government then contracted with Climate UK to help deliver the new adaptation programme with the Environment Agency. Part of this included us re-establishing the ***West Midlands Climate Adaptation Partnership*** and producing regional versions of the national ***Climate Change Risk Assessment*** launched in January 2012.

Sharing good practice - feedback from the use of our case studies service, newsletter, and website

We continued a ***regional awards service*** where we write up and publicise sustainability award winners within the West Midlands and encourage others to enter regional and national awards. After the third year we have over 150 case studies of good practice within the region, including national award winners in housing, business, education and communities. The Government has informed us that our website continues to be the first port of call in seeking sustainability good practice examples within the West Midlands.

We produced our ***monthly e-newsletter*** updating our members and stakeholders about key regional sustainability issues, events, resources and SWM project updates. This year it has grown from 800 to around 1500 subscribers.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

We regularly updated our **website**, and twitter and other social media channels, setting out information about ourselves, our projects, resources, and signposting to relevant support agencies. The signposting information we have developed is now regularly used by other organisations. The unique monthly website visitors have grown from 1200 to 2000 while satisfaction rates have increased from about 71% to 83%.

In total over this period we have run or supported over 30 events reaching an audience of over 2000 people from our target audience of leaders and advisers drawn from the private, public and voluntary sector. We have also been asked to share our experience of developing a low carbon economy internationally, including China, America and the Netherlands.

Organisational and financial performance - annual audited accounts and targets

Considering this was our first year without our start up grant in the middle of a recession we have experienced a good year. This has included a turnover of over £305,000, of which around £190,000 covers our basic infrastructure –office, staff, website, and events to deliver many of our business plan priorities. The contribution from projects to our **core funding has helped us to lever in match funding** to deliver the remainder of our business plan.

We have continued with our core team but restructured in January 2012 to reflect the needs of the organisation becoming more project based supported by a range of investors. As a result we now have an Executive Director, a Head of Programmes and Operations and two project managers and an intern. We have continued to use our panel of associates to deliver a range of our project work in partnership with our members. This **organisational structure is continuing to prove an effective model** of core staff and infrastructure to help retain knowledge, lever in resources and support our members while having the flexibility to expand or contract to reflect the requirements of additional work.

Our support and advice to our landlord Groundwork UK, helped them with their reaccreditation of their environmental management system and continued progress on waste and energy targets.

We are committed to **staff development** and follow the good practice principals set out by Investors in People. We have also provided placements for four **graduate interns** and brokered a further 8 through our graduate careers service resulting in twelve graduates finding work within the sustainability sector in the West Midlands and UK.

The overall review of our business plan for 2011-12 by our Board revealed that of the 47 areas of activity, 40 were on target, 2 required more action, and 5 areas had failed to achieve their targets. This information has helped to inform this year's business plan.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

The second year of our annual customer survey revealed that our customers rated us **82% excellent to good in the delivery of our mission** and similar scores against our values. This represents an average improvement of about 20% on last year.

Forward look for 2012-13

We have finished our three year business plan and have develop a new annual business plan with our partners and which continues to concentrate on our key areas.

The plan includes a refocusing of our website and communications around the key sustainability priorities emerging from vision 2020, becoming more of a hub for good practice networks – including a potential new health network, and continuing to implement the good practice developed from the previous local authority and local enterprise partnership support programmes.

The demand for our services has never been higher. The challenge remains to continue to broaden and grow our customer base to enable us to deliver our mission.

Key performance indicators

The nature of our organisation means that the performance we seek to measure is the influence and impact of our services such as policy advice, events, and communications. These measures include the reach and use of our communications, evaluation of individual projects, and our annual customer survey. These are incorporated into our business processes through the monitoring of the delivery of our annual business plan and reported to the Board and members to help inform our future business plan.

Advisers

The business model for the delivery of our core objectives involves the very helpful input and contribution from our Board of directors, deputies and the wider membership and partnership of local organisations as advisors to the Board. This year these have included Rose Poulter (West Midlands Councils) and Peter Whitehead (RSM Tenon)

The Board also thanks the many partner organisations of “SWM” for their enthusiastic and constructive involvement over the past year.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

Directors

The directors who served the company during the year were as follows:

G R Marsh
W Briggs
R G Elsdon
M Kinghan
D M Pearce
M H Sitton-Kent
A Passmore
S Slater
J King
W Saleem
Councillor P Tilsley
A Taylor
J Cotgreave
Councillor D Stratford Smith
P A Sutton
M Reeves (appointed 20 January 2012)

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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 Standards 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 the affairs of the company and of the profit or 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.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT *(continued)***

YEAR ENDED 31 MARCH 2012

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware:

- there is no relevant information of which the company's accountant is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the accountant is aware of that information.

Small company provision

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

Signed on behalf of the directors



A handwritten signature in black ink that reads "George Marsh". The signature is written in a cursive style and is positioned above a horizontal line.

GR Marsh

Director

Approved by the directors 20th July 2012

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Turnover		305,027	396,102
Cost of sales		(106,695)	(171,884)
Gross Profit		198,331	224,218
Administrative expenses		(183,104)	(191,044)
Operating profit/(loss)	2	15,227	33,174
Interest receivable		140	197
Profit/(loss) on ordinary activities before taxation		15,368	33,371
Tax on profit/(loss) on ordinary activities	4	(2,599)	(7,823)
Profit/(loss) for the financial year		12,768	25,548

The notes on pages 14 to 18 form part of these statements

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

Registered Number 04390508

YEAR ENDED 31 MARCH 2012

	Note	2012 £	£	2011 £	£
Current Assets					
Debtors	5	10,840		64,945	
Cash at bank		143,758		90,222	
		154,599		155,167	
Creditors: Amounts falling due within one year					
	7	(115,779)		(129,116)	
Net current assets			38,819		26,051
Reserves					
Profit and loss account	11		38,819		26,051
Members' funds			38,819		26,051

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

These financial statements were approved by the directors and authorised for issue on 20th July 2012 and are signed for on their behalf by:



.....
G R Marsh
Director

.....
S Slater
Director

The notes on pages 14 to 18 form part of these statements

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

1. Accounting policies

Basis of accounting

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

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Going concern

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the future revenue of the company.

The company has now demonstrated its ability of attract the revenue necessary to meet its costs and the directors are confident that the company will continue to attract all of the funding that it requires over the next twelve months or will take the necessary steps to ensure that it can continue to trade with available resources and it is therefore appropriate to prepare financial statements on a going concern basis.

Turnover

Turnover represents income, including grants and donations received in respect of the principal activities of the company. Income recognised as follows:

- a) Funding which is specifically attributable to a project is recognised in the period in which the relevant expenditure relating to that project is incurred.
- b) General core funding, which is not specifically attributable to a project, is recognised in the period in which it is received

Pension costs

The company operates a defined pension contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

Accounting policies (continued)

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRSSE

Non-cash donations

Where the company receives non-cash donations, such as time spent or services provided by employees of partner organisations, there are recognised at the value to the company only where this can be quantified.

2. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2012	2011
	£	£
Staff pension contributions	13,843	3,798
Auditors' remuneration	<u>0</u>	<u>2,025</u>

3. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Aggregate remuneration	<u>65,047</u>	<u>64,091</u>

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2012

4. Taxation on ordinary activities

Analysis of charge in the year

	2012	2011
	£	£
In respect of the year:		
UK Corporation tax	3,101	7,000
Over/under provision in prior year	(502)	(77)
	<u>2,599</u>	<u>6,923</u>
Deferred tax		
Origination and reversal of timing differences		900
Tax on profit/(loss) on ordinary activities	<u><u>2,599</u></u>	<u><u>7,823</u></u>

5. Debtors

Trade debtors	10,565	62,493
Other debtors	275	2,452
Deferred taxation (note 6)	<u>0</u>	<u>0</u>
	<u><u>10,840</u></u>	<u><u>64,945</u></u>

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2012

6. Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2012	2011
	£	£
Included in debtors (note 5)	<u>0</u>	<u>0</u>

The movement in the deferred taxation account during the year was:

	2012	2011
	£	£
At 1 April 2010		900
Profit and loss account movement arising during the year	<u> </u>	<u>(900)</u>
At 31 March 2011	<u> </u>	<u>0</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of excess of depreciation over taxation allowances

7. Creditors: Amounts falling due within 1 year

	2012	2011
	£	£
Trade creditors	27,687	22,543
Corporation tax	3,101	7,000
Other taxation and social security	7,587	7,630
Other creditors	<u>77,404</u>	<u>91,943</u>
	<u>115,779</u>	<u>129,116</u>

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2012

8. Pensions

Defined contribution pension scheme

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 £13,843 (2011: £7,426).

9. Related party transactions

The board agreed on 10 July 2009, that with an associate framework in place, non-executive directors could no longer receive financial benefit from Sustainability West Midlands activities and therefore no related party transactions arose this year.

10. Company limited by guarantee

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation

11. Profit and loss account

	2012	2011
	£	£
Balance brought forward	26,051	503
Profit/(loss for the financial year)	12,768	25,548
Balance carried forward	<u>38,819</u>	<u>26,051</u>

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
DETAILED PROFIT AND LOSS ACCOUNT**

YEAR ENDED 31 MARCH 2012

	2012		2011	
	£	£	£	£
Turnover		305,027		396,102
Cost of sales				
Purchases	20,240		12,042	
Design, Printing and Website	6,551		3,618	
Consultancy	79,905		156,224	
		(106,695)		(171,884)
Gross Profit		198,331		224,218
Overheads				
Administrative expenses		(183,104)		(191,044)
Operating profit/(loss)		15,227		33,174
Bank interest receivable		140		197
Profit/(loss) on ordinary activities		15,368		33,371

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**

YEAR ENDED 31 MARCH 2012

	2012		2011	
	£	£	£	£
Administrative expenses				
Personnel costs				
Directors' salaries	61,365		60,463	
Directors' pensions	3,682		3,628	
Wages and salaries	76,823		66,130	
Staff pension contributions	<u>10,161</u>		<u>3,798</u>	
		152,031		134,019
Establishment expenses				
Rent, rates and water	13,850		24,834	
Insurance	1,219		<u>448</u>	
		15,069		25,282
General expenses				
Travel and subsistence	3,514		2,318	
Printing, stationery and postage	193		307	
Other office administrative expenses	4,235		1,399	
Staff training	1,875		644	
Recruitment costs			0	
Sundry expenses	25		276	
Donations	0		0	
VAT Irrecoverable/(refund)	387		15,292	
Entertaining	483		398	
Membership fees			0	
Legal and professional fees	84		315	
Consultancy fees	0		0	
Accountancy fees	5,208		8,734	
Auditors' remuneration	0		<u>2,025</u>	
		16,003		31,708
Financial costs				
Bank charges		<u>0</u>		<u>35</u>
		<u>183,104</u>		<u>191,044</u>
Interest receivable				
Bank interest receivable		<u>140</u>		<u>197</u>