

SUSTAINABILITY WEST MIDLANDS
Company Limited by Guarantee
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014
Company Registration Number 04390508

**Approved by Board July 12th 2014 and ratified by members at
November 25th 2014 Annual General Meeting**

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

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

YEAR ENDED 31 MARCH 2014

The board of directors

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

P Braithwaite
Cllr J Mckay
G Williams
A Simpson
R Elsdon
J King
W Saleem
K Budden
S Helmer
A Taylor
J Cotgreave
P Sutton
M Reeves
T Magrath (resigned November 2013)
G Marsh (resigned November 2013)
Councillor D Smith (resigned November 2013)
R Corral (appointment January 2014)
C Jones (appointment January 2014)
Cllr A Blagg (appointment March 2014)

The advisers who served on the board of directors during the year were as follows:

S Palmer
R Poulter (resigned March 2014)

Company secretary S Slater

Business address Sustainability West Midlands, Lockside
5 Scotland Street, Birmingham, B1 2RR

Registered office As above

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

Legal Advisers Anthony Collins Solicitors LLP
134 Edmund Street, Birmingham B3 2ES

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2014**

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.

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



P Braithwaite Chair of directors 12th July 2014

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

YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

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 to benefit the West Midlands.

Our geography comprises 14 unitary and county local authority areas which currently form 6 Local Enterprise Partnerships. We also work nationally and internationally when this helps our mission and brings benefits for the West Midlands.

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 in the business, public and voluntary sectors. Our role is to act as a catalyst for change through our advice to leaders, to develop practical solutions and share success through our communications.

Our Board is private sector led and has cross-sector representation; and is supported by our team of staff and associates. We are the founders of Climate UK who provide a national good practice network of similar organisations.

Our customers like our independence, our role as a hub of cross-sector good practice networks, and our clear vision to create a better West Midlands.

Our Vision:

By 2020 businesses and communities are thriving in a West Midlands that is environmentally sustainable and socially just. By 2015 our leaders are working together to make significant progress on the roadmap towards the 2020 vision.

Our Mission:

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

Our Services:

- Advice to leaders on policy
- Cross-sector working with our members and networks to develop solutions
- Sharing success through our communications

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

YEAR ENDED 31 MARCH 2014

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

Key non-financial performance indicators and reporting

The reporting of our financial performance is set out at the end of this report. We also believe it is good practice to set out our non-financial performance within our annual accounts. We publish the recent accounts on our company website.

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 on helping others deliver the 2020 vision for the West Midlands.

Annually we review progress on the 2020 roadmap priorities to achieve the vision. We do this through research, feedback from our annual conference and AGM, the annual customer survey, and programme and project reviews. This combined with our financial requirements as a not-for-private profit business helps our Board set and monitor our annual objectives and targets.

Review of business 2013-14

"Progressive business, cities and civil society will spark change, SWM is in the middle of this triangle." Jonathon Porritt, SWM Annual Conference 2013.

This has been a challenging year. We started the year in our strongest financial and mission driven position for several years. During the course of the year we dealt with internal issues of critical IT failure by a supplier, and after a previous period of stability a series of changes in staff. Externally, due to public sector cuts we lost a quarter of our secured or forecast income that was in contracting late in the year. It is a testimony to our professional governance, systems, our staff, and members that we were able to come out of this year stronger than before.

- Our turnover fell, but we maintained a surplus to reinvest in our mission, and have a strong pipeline of future work to secure.
- We have a different IT supplier in place who annually tests their disaster recovery service.
- Through the review of our HR policies and business needs we have recruited to create and develop a small but experienced and skilled staff team.

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

YEAR ENDED 31 MARCH 2014

- We have invested in the growth of the business and our ability to deliver our mission, by successfully completing the highly competitive Aston University and Goldman Sachs 10,000 small businesses growth programme. This has informed our future 3 year growth plan.
- UK Government policy is beginning to recognise the need for sub-regional bodies and sustainability again, through EU funding requirements and 'City deals'. Therefore the need for our services is increasing, together with the willingness and ability to pay. However the speed in translating this into paid contracts is still very slow within the complex and fragmented governance structures.

Despite a challenging year, the impressive performance by staff, members, and partners to help us meet our annual business plan objectives for 2013-14 is reported below.

Objective 1: As the only UK region with a vision, plan, and monitoring for a sustainable future – we will share success on progress towards a better West Midlands.

Target 1.1: Refocus our communications content around the 2020 roadmap and all 7 sustainability priorities and signpost to the tools, case studies and resources to help.

After reviewing our customer feedback we replaced our 5 year old website. We launched the new site in November 2013, to coincide with our annual conference. The site helps communicate our focus around the 2020 roadmap, our networks, projects, and highlights relevant case studies and resources. Feedback has been positive and we hope to see this translate into a continued growth and use of the site as the first port of call to find out about sustainability in the West Midlands.

During the year, along with a number of other high internet traffic climate change websites, we experienced a range of attempted disruptions. Working with our providers we were able to take preventative measures.

Target 1.2: Promote to wider audience via members, social media, working with partners as multipliers & sub-regional road shows.

We put more emphasis on strategic partnership working with other members events around the region. For example the BASE cities event, and our green business and resilience events with Birmingham Airport, Business and Environment Support Scheme for Telford (BESST), Staffordshire Environmental Business Network (sben), and Eco-Business Coventry University. This approach has paid off with us reaching an estimated 3,000 leaders and advisers from the private, public, and voluntary sector. On average our events, and those we supported scored over 80% excellent to good in their aims being achieved.

We continued to support a number of awards through judging or sponsorship. This year we supported the sustainability awards of our members Midlands Environmental Business Club, Business in the Community (BITC), and Social Enterprise West Midlands. We also profiled the resulting good practice.

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

YEAR ENDED 31 MARCH 2014

We came close to our target of 20% growth in the overall reach of our traditional communications activities such as events, website, and newsletters. Our social media measures through Twitter grew by 40%. As a result through our combined communications activities we were reaching on average over 2,000 of our target audience of local leaders and their advisers a month.

Target 1.3: Annual conference to showcase best examples of progress

We held our annual conference in November 2013, hosted by Aston University, a range of sponsors, and 150 delegates from the private, public, voluntary sectors. The topic was 'The World We Made: A Green West Midlands in 2050' and the key speaker was Jonathon Porritt. Other contributions were from our Board and members through the panel discussion and 15 good practice case study tables. We successfully piloted the use of twitter and storify. Feedback from delegates was 97% excellent to good. It was noticeable how many delegates reporting feeling encouraged and motivated to go back to their work places to continue to make a difference, despite the current challenges.

Objective 2: Creating progress towards a better West Midlands by focusing our support for three sustainability priorities each year. In 2013-14 these are: jobs, energy & environment.

Target 2.1: Low Carbon jobs and skills – continuing the support and implementation of the WM Low Carbon LEP leadership work programme.

With the constant evolving structures, responsibilities, and funding bids of LEPs (Local Enterprise Partnerships) over the period we found it difficult to produce any meaningful benchmark to help update performance against. So instead we held a good practice event with the WM LEPs, a guest speaker from the national green pathfinder, the New Anglian LEP, and an offer of funded support from Natural England. As a result several LEPs were successful in securing funding to improve their understanding of the economic benefit of their natural environmental assets.

We were asked by the West Midlands in Europe Service to chair a cross-LEP group to help identify opportunities around the emerging EU funding. As a result we produced a joint WM LEP statement on key shared priorities which went into the majority of the WM LEP bids for over £135m on low carbon funding.

We completed a two year business support programme with the Environment Agency and our business members to provide climate resilience support through workshops, good practice speakers, technical advice, awards, site visits to businesses and farms, and the use of the business resilience health check tool developed by Climate UK. As a result we saw the majority of the 100s of businesses and their supply chains we worked with move from low awareness to taking key actions. This contributed to £millions of business cost prevention, as the region continued to suffer from extreme weather events.

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

YEAR ENDED 31 MARCH 2014

Target 2.2: Decentralised Energy Infrastructure – help local authorities realise the potential of Combined Heat and Power (CHP) and energy saving schemes.

We have promoting Energy Performance Contracts (EPC's) and other invest to save funds through the Energy managers network we run. However, to our knowledge no WM local authorities have yet to take up the EPC model.

We worked with members Aston University and Birmingham City Council to host local workshops for DECC on new funding available to help with CHP development. We have also been developing a procurement guide on CHP based on local authority experience in the Midlands. As a result we have had several successful bids from WM local authorities for DECC CHP funding.

We supported members Encraft and Innovation Birmingham 'Smart Grids Conference' looking at the business and energy saving opportunities of the new regulations, technology, and growth of networked smart meters.

We worked with the Aston European Bioenergy Research Institute (EBRI) as an adviser to help promote a competition to support four local anaerobic digesters, and the business offer of the institute. Our board conducted a site visit when EBRI first successfully turned on one of its new demonstrator digesters – the first of its type in the UK.

Through our work with Climate UK and DECC we ran a workshop on local renewable energy opportunities with planners and developers. This subsequently formed part of a new national report on good practice in local renewable energy schemes.

With the opening of the new Library of Birmingham we celebrated the results of our work and that of our members Birmingham City Council, Carillion, Groundwork WM, and Cofley in commissioning, building, working with the local community, providing local jobs and skills, and connecting to a local CHP scheme, while providing a great new civic building. During the opening week we chaired the public debate in the Library with Aston University of 'sustainability searching for resilience'. Outside the Library was lit up green in our honor.

Target 2.3: Environmental Infrastructure – help Local Nature Partnerships (LNPs) sell the value of environmental infrastructure to LEPs and other investors

This target from our business plan was copied directly into UK Government policy as part of the National Adaptation Programme. We helped present local good practice at the national launch, then promptly returned to the West Midlands to begin to implement our action.

With the Environment Agency and Climate UK, we produced a guide on community green infrastructure and how this could act as a focus for joint project opportunities for LEPs and LNPs within the West Midlands. We also helped secure interest and support from several LEPs to engage with Natural England's offer on workshops to scope local natural environment and economic opportunities. Through our WM EU funding group several LEPs have built in green infrastructure programmes within their future bids.

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

YEAR ENDED 31 MARCH 2014

As part of our climate adaptation work we held good practice events on sustainable urban drainage, highways and adaptation, and a resilient built environment. Once again these helped to promote the vital role of green infrastructure.

We held the last of our current 'Sustainable Supper Series' on local food and the role of local schemes as part of community engagement within wider green infrastructure schemes.

Objective 3: Growing our role as an independent adviser and hub of good practice networks on sustainability for the West Midlands.

Target 3.1: Grow profile and impact of existing members working in our networks and partnerships.

During the year we have run or set up the following networks:

- WM Low Carbon LEPs Leadership Network
- WM Sustainable Development Officers Network
- WM Energy Managers Network
- WM Green Business Clubs Network
- WM Climate Adaptation Network
- Birmingham Science City Low Carbon working group
- WM Low Carbon and Environment EU funding group
- WM Green Communities Network – initial funding event and mapping

We have also supported others networks such as:

- Sustainable Housing Action Partnership
- WM BITC Sustainable Marketplace group
- EBRI EU bioenergy network
- Centro Green Transport Charter Network
- Smarter Working West Midlands
- Climate UK

The majority of these networks have involved the support of our members, good practice events and case studies and site visits. These formed the basis for our showcasing regional good practice at our annual conference.

Target 3.2: Levering in additional national funding and investment opportunities for our businesses and communities through offering funders access to our cross-sector networks and members.

We have helped to develop and promote WM green business support programmes Eco-Business and Green Bridge run by our members Coventry University and Birmingham City Council worth £25m.

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

YEAR ENDED 31 MARCH 2014

Working with Natural England we have helped WM LEPs secure national funding. While working with West Midlands in Europe we helped our LEPs begin to secure and shape low carbon programmes worth £135m.

With DECC we have helped several local authorities secure CHP development funding worth almost £1m.

We worked with our members Sustrans, Centro and Birmingham City Council to support a successful cycle city bid for £17m for Birmingham, which levered in an additional £8m.

Through our funding from Improvement and Efficiency West Midlands (IEWM) we were able to complete and follow up energy audits with the majority of West Midlands local authorities and help deliver around £5m of annual energy savings from no or low cost actions.

Working with Climate UK and the Environment Agency we were successful in securing an EU fund for UK regional climate adaptation support worth over £5m. Unfortunately due to Government cuts the required match funding was withdrawn. We are working with Climate UK on future bids building on the successful ideas within this one.

Our previous work on our joint LEP West Midlands Low Carbon Investment Prospectus continues to pay off. This year we presented the investment opportunities at two local low carbon Europe-China 2020 events, and then with the support of the UK Government presented with several of our members at the 3rd Low Carbon Earth Summit, in China. We feel this had helped to add to the efforts of many other regional partners resulting in one of the best years for inward investment for the West Midlands.

Target 3.3: Develop our services such as sustainability reviews, benchmarking, evidence base, training, facilitation, events, and graduate placement service.

Our annual customer survey showed a 77% satisfaction rating of the delivery of our mission, down from 82% the previous year. We believe this reflects the difficulties faced in promoting our agenda and mission within a perceived hostile national policy arena and local context of public sector cuts and fragmented governance.

Due to public sector cuts and late changes to projects in contracting we had to reprioritise to see what we could replace and secure during the last quarter. As a result we met our short-term finance targets, by securing over 85k within the year, but due to capacity issues much of this has been carried across to next financial year. This also moved our plans to continue to diversify and build longer term funding streams to support our mission into the following year.

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

YEAR ENDED 31 MARCH 2014

Over 3 years we have helped over 50 graduates gain experience and access to employment within the green sector in the West Midlands through our funding of a graduate placement service. With the graduate employment market improving we have ended the service and are now working strategically with several University Career services. We continue to offer short-term placements ourselves for suitable candidates.

Our previous work on procurement of vehicles was taken forward by the West Midlands Low Carbon Emissions Programme for vehicles. The Waste Resource Action Programme (WRAP) built on our procurement guide for facilities management and offered support in its use to public bodies for cost savings.

We continued to provide independent sustainability and resilience reviews for our members, such as Midcounties Cooperative, Centro, LEPs, and the majority of the West Midlands local authorities.

Internal Objective 4 - Running the business effectively and efficiently

The Board Activity

Our chair has worked with the Board and Executive to ensure our organisation is not only run effectively, but has a renewed focus on the growth of our impact and our business to support this. The Board has met 6 times in the year, including a site visit to EBRI and our AGM, and all the actions agreed have been delivered within the year.

As part of the annual governance review and terms of office we updated our Board membership to address the skills we needed to deliver our business plan. The Executive Director role was changed to Chief Executive. This helps maintain a clear distinction between the non-executive and voluntary role of the Board and the paid office role of the executive.

Board members have contributed to:

- The HR sub-committee that has conducted a review of our HR processes, and established a skills and competency framework for our staff recruitment, development and progression.
- The finance sub-committee that has helped advise on our budget, reducing our debtors, and our forecast and pipeline.
- The recruitment process and mentoring of our first Young Director as a training position.
- The growth task and finish group that worked with the Chief Executive during the Aston University and Goldman Sachs 10,000 small businesses growth programme to test ideas, use feedback from the last AGM and present and agree the final 3 year growth plan to the Board.

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

YEAR ENDED 31 MARCH 2014

Topics covered by the Board during the year have included:

- Transport – sustainable travel issues
- Business - LEPs and future EU funding, rural and farming issues, working with other business networks
- Energy – Bioenergy, CHP, and Local authority estates
- The Young Director training and work plan
- The 3 year growth plan and progress on business plan and updates to risk register
- Review of membership offer and approval of new members

Our Young Director – training future leaders

We have set out a target to create a young director role on our Board for several years. This year we succeed. After designing the role as a training position with a job description and mentor in place, we advertised and ran a selection centre for a shortlist of very strong candidates. We were delighted to be able to appoint Ruth Corral, with the support of her employer Worcester City Council. This pilot is already providing value to Ruth and SWM, and many of our members are interested in the final pilot evaluation and recommendations next year.

Our Members

We maintained an active membership of around 100 organisations as SWM members. These are businesses, public sector organisations, and communities that are committed to supporting us in our vision and mission. They provided case studies, speakers, hosted events, led or funded projects and engaged with senior leaders and executives. Activity levels by members are reviewed over a two year period to ensure they are still contributing to our mission, or need to re-engage, or be removed.

New members reviewed by the Board and approved at the November 2013 AGM included:

- Sustrans
- Innovation Birmingham Ltd
- Organic Resource Agency Ltd,
- Wilmot Dixon Construction Ltd
- Caplor Farm
- West Midlands Museum Development Officers Network.
- NEC Group
- Whittington and Fisherwick Environment Group
- Southern Staffordshire Community Energy.
- Wolverhampton University - Built Environment Climate Change Innovations programme
- Aston Villa Football Club

The Board thanks our new and existing members and 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 2014

Forward look for 2014-17

Our vision for our business.

By April 2017 SWM is recognised by leaders in government, our local authorities, universities, the health service, businesses and communities as the go to organisation for sustainability solutions and inspiration – to create jobs, save costs and improve lives. We use our 2020 roadmap, independence, good practice networks, cross-sector corporate members and award winning tools to support leadership in strategy, delivery and innovation. We are now a £600,000 turnover organisation, based in Birmingham, led by a management team, employing eight valued and skilled staff and utilising our volunteers and associates

We will deliver this vision through eight business growth plan objectives and supporting targets.

Our external mission objectives – as sustainability advisers to leaders of the West Midlands

1. **West Midlands 2020 Roadmap to a Sustainable Future** - Aligning others activities to deliver the sustainability priorities and outcomes of improved productivity, reduced carbon, and improved health.
2. **West Midland Funding** – Levering in funding to help others deliver the sustainability priorities of jobs, procurement, waste, buildings, transport, energy, environment and leadership.
3. **West Midlands Case Studies** – Inspiring others through examples of individuals and organisations working on one or more of the sustainability priorities that have created jobs, saved costs and improved lives.
4. **Supporting Leadership in Strategy, Delivery and Innovation** – Paid solutions for organisations, sectors, and cross-sectors to deliver their own business and sustainability requirements while contributing to our sustainability priorities.

Our internal business objectives – through our values of being business led and business like, creative and positive, and respectful

5. **People** – Establish a management team, continue to develop staff following investors in people criteria, and explore options for adding to the senior skill set needed to grow the organisation.
6. **Sales** - Grow our existing market share in our delivery services of running public sector sustainability support programmes while developing new private sector and charity funding markets for our strategy and innovation services.
7. **Operations** – Improve our internal efficiencies and utilisation of staff, board, members, volunteers and associates to deliver our mission and business objectives.
8. **Financial** - Grow our customer base and the financial performance of the business.

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Turnover		196,209	245,007
Cost of sales		(14,762)	(65,438)
Gross Profit		<u>181,447</u>	<u>179,569</u>
Administrative expenses		(176,844)	(172,484)
Operating profit/(loss)	2	<u>4,603</u>	<u>7,085</u>
Interest receivable		201	208
Profit/(loss) on ordinary activities before taxation		<u>4,804</u>	<u>7,293</u>
Tax on profit/(loss) on ordinary activities	4	(989)	(1,523)
Profit/(loss) for the financial year		<u><u>3,814</u></u>	<u><u>5,770</u></u>

The notes on pages 17 to 22 form part of these statements

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

Registered Number 04390508

YEAR ENDED 31 MARCH 2014

	Note	2014 £	£	2013 £	£
Current Assets					
Debtors	5	29,019		27,488	
Cash at bank		116,541		119,850	
		<u>145,560</u>		<u>147,338</u>	
Creditors: Amounts falling due within one year					
	6	<u>(97,158)</u>		<u>(102,749)</u>	
Net current assets			<u>48,402</u>		<u>44,589</u>
Reserves					
Profit and loss account	10		48,403		44,589
Members' funds			<u>48,403</u>		<u>44,589</u>

For the year ending 31 December 2012 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the directors and authorised for issue on 12th July 2014 and are signed for on their behalf by:



.....
P Braithwaite
Chair of directors



.....
J Cotgreave
Director and chair of Finance Sub-Committee

The notes on pages 17 to 22 form part of these statements

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

YEAR ENDED 31 MARCH 2014

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 contribution pension 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 independently administered funds.

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

YEAR ENDED 31 MARCH 2013

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

Operating profit of £4,603 is stated after charging:

	2014	2013
	£	£
Staff pension contributions	10,776	11,407
Auditors' remuneration	<u>0</u>	<u>0</u>

3. Directors' remuneration

At the end of the previous financial year, the Executive Director resigned from the board and assumed the role of Chief Executive.

The directors' aggregate remuneration in respect of qualifying services were therefore:

	2014	2013
	£	£
Aggregate remuneration	<u>0</u>	<u>59,182</u>

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

YEAR ENDED 31 MARCH 2014

4. Taxation on ordinary activities

Analysis of charge in the year

	2014	2013
	£	£
In respect of the year:		
UK Corporation tax	989	1,523
Over/under provision in prior year	<u>0</u>	<u>0</u>
	989	1,523

5. Debtors

Trade debtors	23,404	26,340
Other debtors	<u>5,615</u>	<u>1,148</u>
	<u>29,019</u>	<u>27,488</u>

6. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	2,533	4,822
Corporation tax	989	1,523
Other taxation and social security	24,657	11,978
Other creditors	<u>68,979</u>	<u>84,425</u>
	<u>97,158</u>	<u>102,749</u>

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

YEAR ENDED 31 MARCH 2014

7. 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 £10,776 (2013: £11,407).

8. 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.

9. 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

10. Profit and loss account

	2014	2013
	£	£
Balance brought forward	44,589	38,819
Profit/(loss) for the financial year	3,814	5,770
Balance carried forward	<u>48,403</u>	<u>44,589</u>

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

YEAR ENDED 31 MARCH 2014

	2014		2013	
	£	£	£	£
Turnover		196,209		245,007
Cost of sales				
Purchases	9,032		17,649	
Design, Printing and Website	3,948		6,303	
Consultancy	1,782		41,485	
		(14,762)		(65,438)
Gross Profit		181,447		179,569
Overheads				
Administrative expenses		(176,844)		(172,484)
Operating profit/(loss)		4,603		7,085
Bank interest receivable		201		208
Profit/(loss) on ordinary activities		4,804		7,293

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

YEAR ENDED 31 MARCH 2014

	2014		2013	
	£	£	£	£
Administrative expenses				
Personnel costs				
Directors' salaries	0		52,620	
Directors' pensions	0		3,350	
Wages and salaries	128,333		76,129	
Staff pension contributions	<u>10,776</u>		<u>8,057</u>	
		139,109		140,157
Establishment expenses				
Rent, rates and water	12,375		15,570	
Insurance	<u>823</u>		<u>482</u>	
		13,198		16,052
General expenses				
Travel and subsistence	4,293		1,780	
Printing, stationery and postage	319		324	
Other office administrative expenses	7,159		1,999	
Staff training	705		799	
Recruitment costs	325		407	
Sundry expenses	38		24	
Donations	0		0	
Entertaining	143		323	
Membership fees	0		0	
Legal and professional fees	300		415	
Consultancy fees	0		83	
Finance and Management Support	9,499		9,120	
Year End Financial Accounts	1,020		1,000	
Fines	376		0	
Bad debt write off	<u>360</u>		<u>1</u>	
		24,537		16,276
Financial costs				
Bank charges		<u>0</u>		<u>0</u>
		<u>176,844</u>		<u>172,484</u>
Interest receivable				
Bank interest receivable		<u>201</u>		<u>208</u>