

SUSTAINABILITY WEST MIDLANDS
Company Limited by Guarantee
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018
Company Registration Number 04390508

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

YEAR ENDED 31 MARCH 2018

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

YEAR ENDED 31 MARCH 2018

The board of directors

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

T Haywood	Chair (appointed 20 November 2017)
J Cotgreave	Chair of Finance Sub-Committee
M Beveridge	(appointed 6 July 2017)
K Budden	
K Fuller	
Cllr L Trickett	
S Palmer	
R Cotterell	
N Liddell-Young	
P Fisher	
M Rhodes	
S Thompson	
I Vazaios	
P Braithwaite	Chair (resigned 28 November 2017)
A Taylor	Vice Chair and Chair of HR Sub-Committee (resigned 24 January 2018)
Cllr A Blagg	(resigned 4 May 2017)
L Shoaf	(resigned 19 October 2017)

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

S Ward

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

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

YEAR ENDED 31 MARCH 2018

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



T Haywood Chair of directors 16th October 2018

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

YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

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 six Local Enterprise Partnerships (LEPs) and includes the West Midlands Combined Authority. 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 our members in the private, public and third 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.

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 for the West Midlands

By 2020 businesses and communities are thriving in a West Midlands that is environmentally sustainable and socially just.

Thriving business means that the West Midlands is a hub for low-carbon technology innovation and an international supplier, increasing productivity by 30%. Socially just communities means that the life expectancy gap between the worst and best areas has fallen to six years as a result of employment, less pollution and healthier lifestyles. Environmentally sustainable means that regional direct carbon emissions are reduced by around 30% from energy efficiency actions and 20% of electricity from renewable sources.

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

YEAR ENDED 31 MARCH 2018

Our Roadmap identifies priority actions where working together will produce the most progress. These are around the areas of jobs, procurement, waste, buildings, energy, transport, environment, leadership and perception change. We are measuring progress on this journey through a range of measures such as our annual customer survey, research, and case studies which we report back at our annual conference.

Our Vision for our Business

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

Our Mission

SWM is recognised by leaders in government, businesses, the public sector and third sector as the best organisation to go to for sustainability solutions and inspiration – to create new jobs, cut costs and harmful emissions, and improve health and wellbeing.

We use our Roadmap, members, independence, good practice networks, communications, and award winning tools to support leadership in strategy, delivery and innovation.

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.

Our Services

Leadership in strategy - we help organisations prepare for the future. We provide independent sustainability and resilience reviews, benchmarking, monitoring, and advice to our members' boards and management teams.

Leadership in delivery - we help sectors share and apply good practice. We provide a network of networks for research, training, funding, case studies and technical help from our members and associates.

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

YEAR ENDED 31 MARCH 2018

Leadership in innovation - we help cross-sectors develop new solutions. We provide opportunities to work together on sustainability priorities for the region and your area, test ideas, and influence policy.

Review of business 2017-18

This has been a successful year for SWM where we increased our turnover by 14% on the previous year and made a surplus of £4,191. We implemented many positive changes in the running of our business including the recruitment of a new Chair, Office Administrator and Volunteer Communications Officer. We have diversified our customer base and membership working with key organisations both within and outside the West Midlands. In response to feedback from our customers we have continued to improve our website and the way we present our organisation externally. Our communications have gone from strength to strength and are recognised nationally for their content and reach. We retained over 85% of our existing members and have attracted a variety of new and exciting members. We have developed a strong pipeline of future projects, working with both existing and new customers.

Having worked hard to position ourselves well with the West Midlands Combined Authority we continue to provide advice as their Sustainability Delivery Partner feeding into the monitoring of their Strategic Economic Plan and working with key partners such as Energy Capital. We have supported all six West Midlands LEPs in the development of their energy strategies through stakeholder engagement and delivered a wide range of other support to regional organisations. As well as delivering regional activity we have been commissioned to provide research on a national basis providing support to the Department for Business, Energy and Industrial Strategy (BEIS) and the Heritage Lottery Fund.

Our Members

We maintained an active membership of around 50 organisations. These are businesses, public sector and third sector organisations 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.

Forward look for 2018-19 - We will refresh our evidence-based Roadmap and priorities beyond 2020 and will work with stakeholders to make progress towards our Vision. We will continue to provide support to the West Midlands Combined Authority, LEPs, the Innovation Alliance for the West Midlands and Warwick District Council and will identify other project opportunities in our pipeline from a variety of sources. We will support and increase our membership. We will continue to coordinate nine good practice networks and grow their membership. We will grow our organisation by recruiting a new Sustainability Adviser, filling the Senior Sustainability Adviser role, and providing placement opportunities for students and recent graduates.

**SUSTAINABILITY WEST MIDLANDS
PROFIT AND LOSS ACCOUNT**

YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover		149,625	130,806
Cost of sales		(29,659)	(14,300)
Gross Profit		119,966	116,506
Administrative expenses		(115,772)	(112,621)
Operating profit	2	4,194	3,885
Interest receivable		0	17
Profit on sale of fixed asset		0	375
Profit on ordinary activities before taxation		4,194	4,277
Tax on profit / (loss) on ordinary activities	4	(3)	970
Profit for the financial year		4,191	5,247

The notes on pages 11 to 14 form part of these statements

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

Registered Number 04390508

YEAR ENDED 31 MARCH 2018

	Note	2018		2017	
		£	£	£	£
Current Assets					
Debtors	5	108,483		40,721	
Cash at bank		13,506		29,996	
		121,989		70,717	
Creditors: Amounts falling due within one year					
	6	(84,303)		(37,222)	
Net current assets			37,686		33,495
Reserves					
Profit and loss account	10		37,686		33,495
Members' funds			37,686		33,495

The balance sheet continues on the following page:

The notes on pages 11 to 14 form part of these statements

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET (continued)**

Registered Number 04390508

YEAR ENDED 31 MARCH 2018

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Small Entities (effective January 2015)

These financial statements were approved by the directors and authorised for issue on 16th October 2018 and are signed for and on their behalf by:



.....
T Haywood
Chair of directors



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

The notes on pages 11 to 14 form part of these statements

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

1. Statutory information

Sustainability West Midlands is a private Company Limited by Guarantee, registered in England and Wales. The company's registered number and registered office can be found on the Company Information page.

2. Accounting policies:

Basis of accounting

These financial statements have been prepared in accordance with the provisions of Section 1 A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historic cost convention.

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 to 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 2018

Accounting policies (continued)

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Non-cash donations

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

2. Employees and Directors

The average number of employees during the year, calculated on the basis of full time equivalents, were:

2018	2017
<u>2.3</u>	<u>2.3</u>

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

YEAR ENDED 31 MARCH 2018

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2018	2017
	£	£
Staff pension contributions	<u>6,362</u>	<u>6,495</u>

4. Taxation on ordinary activities

Analysis of charge in the year

	2018	2017
	£	£
In respect of the year:		
UK Corporation tax	0	0
Repayment from previous financial year	0	(970)
Over/under provision in prior year	<u>3</u>	<u>0</u>
	<u>3</u>	<u>(970)</u>

5. Debtors

	2018	2017
	£	£
Trade debtors	98,247	29,572
Other debtors	<u>10,236</u>	<u>11,149</u>
	<u>108,483</u>	<u>40,721</u>

6. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	7,979	5,112
Corporation tax	0	0
Other taxation and social security	20,887	5,601
Other creditors	<u>55,437</u>	<u>26,509</u>
	<u>84,303</u>	<u>37,222</u>

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2018**

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 £6,362 (2017: £6,495).

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. Reserves

	Retained Earnings
	£
Balance brought forward	33,495
Profit/(loss) for the financial year	4,191
	<hr/>
Balance carried forward	<u>37,686</u>

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

YEAR ENDED 31 MARCH 2018

	2018		2017	
	£	£	£	£
Turnover		149,625		130,806
Cost of sales				
Purchases	4,990		3,813	
Design, Printing and Website	40		777	
Consultancy	<u>24,629</u>		<u>9,710</u>	
		<u>(29,659)</u>		<u>(14,300)</u>
Gross Profit		119,966		116,506
Overheads				
Administrative expenses		<u>(115,772)</u>		<u>(112,621)</u>
Operating profit		<u>4,194</u>		<u>3,885</u>
Bank interest receivable		0		17
Profit / (Loss) on sale of fixed asset		0		375
Profit on ordinary activities		<u><u>4,194</u></u>		<u><u>4,277</u></u>

**SUSTAINABILITY WEST MIDLANDS
COMPANY LIMITED BY GUARANTEE
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2018**

	2017-18		2016-17	
	£	£	£	£
Administrative expenses				
Personnel costs				
Directors' salaries	0		0	
Directors' pensions	0		0	
Wages and salaries	76,729		74,115	
Staff pension contributions	<u>6,362</u>		<u>6,495</u>	
		83,091		80,610
Establishment expenses				
Rent, rates and water	13,560		14,541	
Insurance	<u>1,068</u>		<u>896</u>	
		14,628		15,437
General expenses				
Travel and subsistence	3,312		1,849	
Printing, stationery and postage	29		14	
Other office administrative expenses	2,460		2,643	
Staff training	953		60	
Recruitment Costs	49		45	
Sundry expenses	396		476	
Entertaining	178		200	
Membership fees	180		449	
Legal and professional fees	88		488	
Accountancy fees	1,178		1,020	
Finance Director support	9,180		9,180	
Fines	0		150	
Bad debt write off	<u>50</u>		<u>0</u>	
		18,053		16,574
Financial costs				
Bank charges		<u>0</u>		<u>0</u>
		<u>115,772</u>		<u>112,621</u>
Interest receivable				
Bank interest receivable		<u>0</u>		<u>17</u>