

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011
FOR
ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2011**

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**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2011**

DIRECTORS: J P Thorp
D J Spinks
Cllr B Hunwicks
Cllr R J Kingsbury
Dr B M Maunders

SECRETARY: Clyde Secretaries Limited

REGISTERED OFFICE: The St Botolph Building
138 Houndsditch
London
EC3A 7AR

REGISTERED NUMBER: 03835131 (England and Wales)

AUDITORS: Hamlyns LLP
Chartered Accountants & Statutory Auditors
Sundial House
High Street
Horsell
Woking
Surrey
GU21 4SU

SOLICITORS: Clyde & Co LLP
The St Botolph Building
138 Houndsditch
London
EC3A 7AR

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report with the financial statements of the company for the year ended 31 December 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of engaging in trading operations to promote energy efficiency activities notably in the renewable field.

REVIEW OF BUSINESS

During 2011 the business continued to make steady progress with a small increase in sales to £811,000 and profit the same as 2010 at £21,000.

Trading conditions remain tough but the business is continuing to generate good sales leads and along with an upgrade to its core software products there are good prospects for future profitable growth especially in Local Authority to Local Authority consulting.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

J P Thorp
D J Spinks

Other changes in directors holding office are as follows:

Cllr B Hunwicks , Cllr R J Kingsbury and Dr B M Maunders were appointed as directors after 31 December 2011 but prior to the date of this report.

R N Morgan and M Rolt ceased to be directors after 31 December 2011 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Accounting 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 affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

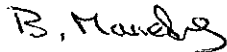
**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Dr B M Maunders - Director

8 May 2012

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

We have audited the financial statements of Energy Centre For Sustainable Communities Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us 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, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



David Cooper (Senior Statutory Auditor)
for and on behalf of Hamlyns LLP
Chartered Accountants & Statutory Auditors
Sundial House
High Street
Horsell
Woking
Surrey
GU21 4SU

8 May 2012

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
TURNOVER		810,840	801,523
Cost of sales		<u>593,718</u>	<u>565,640</u>
GROSS PROFIT		217,122	235,883
Administrative expenses		<u>196,648</u>	<u>211,475</u>
OPERATING PROFIT	3	20,474	24,408
Interest receivable and similar income		<u>346</u>	<u>222</u>
		20,820	24,630
Interest payable and similar charges	4	<u>-</u>	<u>3,136</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,820	21,494
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>20,820</u>	<u>21,494</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

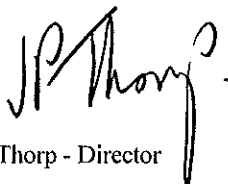
The company has no recognised gains or losses other than the profits for the current year or previous year.

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**BALANCE SHEET
31 DECEMBER 2011**

	Notes	2011 £	£	2010 £	£
FIXED ASSETS					
Intangible assets	6		55,073		71,059
Tangible assets	7		16,086		21,440
			<u>71,159</u>		<u>92,499</u>
 CURRENT ASSETS					
Debtors	8	147,596		195,054	
Cash at bank		156,398		62,161	
		<u>303,994</u>		<u>257,215</u>	
 CREDITORS					
Amounts falling due within one year	9	119,882		115,263	
			<u>184,112</u>		<u>141,952</u>
 NET CURRENT ASSETS			<u>184,112</u>		<u>141,952</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			<u>255,271</u>		<u>234,451</u>
 CAPITAL AND RESERVES					
Called up share capital	10		250,000		250,000
Profit and loss account	11		5,271		(15,549)
			<u>255,271</u>		<u>234,451</u>
 SHAREHOLDERS' FUNDS	14		<u>255,271</u>		<u>234,451</u>

The financial statements were approved by the Board of Directors on 8 May 2012 and were signed on its behalf by:



J P Thorp - Director

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	15	94,071	32,320
Returns on investments and servicing of finance	16	346	(2,914)
Capital expenditure	16	(180)	(24,277)
		<u>94,237</u>	<u>5,129</u>
Financing	16	-	(2)
Increase in cash in the period		<u>94,237</u>	<u>5,127</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	17		
Increase in cash in the period		<u>94,237</u>	<u>5,127</u>
Change in net funds resulting from cash flows		<u>94,237</u>	<u>5,127</u>
Movement in net funds in the period		94,237	5,127
Net funds at 1 January		<u>62,161</u>	<u>57,034</u>
Net funds at 31 December		<u>156,398</u>	<u>62,161</u>

The notes on pages 9 to 14 form part of these financial statements

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible fixed assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer software - 12.5% on costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 20% on reducing balance

Computer equipment - 25% on reducing balance

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	2011 £	2010 £
Wages and salaries	480,269	442,806
Social security costs	44,951	44,022
Other pension costs	23,984	17,586
	<u>549,204</u>	<u>504,414</u>

The average monthly number of employees during the year was as follows:

	2011	2010
Cost of sales	12	12
Administration	2	2
	<u>14</u>	<u>14</u>

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011	2010
	£	£
Hire of plant and machinery	3,908	4,896
Depreciation - owned assets	5,354	5,397
Computer software amortisation	16,166	15,305
Auditors' remuneration	7,500	8,400
	<u> </u>	<u> </u>
Directors' remuneration	-	-
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Other interest	-	3,136
	<u> </u>	<u> </u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010.

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2011	2010
	£	£
Profit on ordinary activities before tax	20,820	21,494
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.247% (2010 - 21%)	4,215	4,514
Effects of:		
tax purposes		
Capital allowances in excess of depreciation	4,357	4,347
Trading losses carried forward	-	(2,001)
Group relief for nil consideration	(8,572)	(6,860)
	<u> </u>	<u> </u>
Current tax charge	-	-
	<u> </u>	<u> </u>

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of timing differences relating to pre-trading expenses, accelerated capital allowances and trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £11,662 (2010: £7,614). The asset would be recovered if there were sufficient suitable taxable profits against which this expense could be offset.

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

6. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2011	129,163
Additions	180
	129,343
At 31 December 2011	129,343
AMORTISATION	
At 1 January 2011	58,104
Amortisation for year	16,166
	74,270
At 31 December 2011	74,270
NET BOOK VALUE	
At 31 December 2011	55,073
At 31 December 2010	71,059

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2011 and 31 December 2011	820	43,988	44,808
	820	43,988	44,808
DEPRECIATION			
At 1 January 2011	699	22,669	23,368
Charge for year	24	5,330	5,354
	723	27,999	28,722
At 31 December 2011	723	27,999	28,722
NET BOOK VALUE			
At 31 December 2011	97	15,989	16,086
At 31 December 2010	121	21,319	21,440

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade debtors	91,097	68,338
Other debtors	1,231	2,760
Prepayments and accrued income	55,268	123,956
	147,596	195,054

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	35,525	24,276
Social security and other taxes	12,080	13,569
VAT	21,474	16,955
Other creditors	9,663	9,657
Accruals and deferred income	41,140	50,806
	<u>119,882</u>	<u>115,263</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2011	2010
Number:	Class:	Nominal value:	£	£
250,000	Ordinary	£1	<u>250,000</u>	<u>250,000</u>

11. RESERVES

	Profit and loss account £
At 1 January 2011	(15,549)
Profit for the year	<u>20,820</u>
At 31 December 2011	<u>5,271</u>

12. ULTIMATE PARENT COMPANY

The company's immediate parent company is Thameswey Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is considered to be Woking Borough Council.

The largest group into which the company is consolidated is headed by Woking Borough Council, and the smallest group into which the company is consolidated is Thameswey Limited. Copies of both sets of group accounts are available from the Company Secretary, Clyde Secretaries Limited, The St Botolph Building, 138 Houndsditch, London, EC3A 7AR.

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

13. RELATED PARTY DISCLOSURES

The company's immediate parent company Thameswey Limited is 100% (2010: 100%) owned by Woking Borough Council. Thameswey Limited owns the share capital of the following companies:

	2011	2010
Thameswey Energy Limited	100%	90%
Woking Borough Homes Limited	100%	100%
Energy Centre for Sustainable Communities Limited	100%	100%
Thameswey Developments Limited	100%	100%
X2WP Limited	100%	100%
Thameswey Solar Limited	100%	n/a
Thameswey Maintenance Services Limited	100%	20%

Thameswey Energy Limited owns 100% (2010: 100%) of Thameswey Central Milton Keynes Limited. Woking Borough Homes Limited owns 98% (2010: 98%) of Brunswick Road (Pirbright) Residents Company Limited. Thameswey Developments Limited owns 50% (2010: 50%) of Rutland (Woking) Limited and 50% (2010: n/a) of Rutland Woking (Carthouse Lane) Limited.

Therefore, no transactions with these related parties are to be disclosed for either year under the provisions of Financial Reporting Standard number 8.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Profit for the financial year	20,820	21,494
Shares issued	-	240,000
Net addition to shareholders' funds	20,820	261,494
Opening shareholders' funds	234,451	(27,043)
Closing shareholders' funds	255,271	234,451

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	20,474	24,408
Depreciation charges	21,520	20,702
Decrease in debtors	47,458	78,826
Increase/(decrease) in creditors	4,619	(91,616)
Net cash inflow from operating activities	94,071	32,320

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2011**

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	346	222
Interest paid	-	(3,136)
	<u>346</u>	<u>(2,914)</u>
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u>346</u>	<u>(2,914)</u>
Capital expenditure		
Purchase of intangible fixed assets	(180)	(8,540)
Purchase of tangible fixed assets	-	(15,737)
	<u>(180)</u>	<u>(24,277)</u>
Net cash outflow for capital expenditure	<u>(180)</u>	<u>(24,277)</u>
Financing		
Loan repayments in year	-	(240,002)
Share issue	-	240,000
	<u>-</u>	<u>(2)</u>
Net cash outflow from financing	<u>-</u>	<u>(2)</u>

17. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.11 £	Cash flow £	At 31.12.11 £
Net cash:			
Cash at bank	62,161	94,237	156,398
	<u>62,161</u>	<u>94,237</u>	<u>156,398</u>
Total	<u>62,161</u>	<u>94,237</u>	<u>156,398</u>

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011		2010	
	£	£	£	£
Turnover				
Sales		810,840		801,523
Cost of sales				
Direct project costs	97,160		125,535	
Wages	429,662		386,012	
Social security	44,877		39,269	
Pensions	22,019		14,824	
	<u>593,718</u>		<u>565,640</u>	
GROSS PROFIT		<u>217,122</u>		<u>235,883</u>
Other income				
Deposit account interest		346		222
		<u>217,468</u>		<u>236,105</u>
Expenditure				
Rent & rates	40,530		34,745	
Rates and water	283		167	
Insurance	6,619		8,803	
Light and heat	-		119	
Wages	50,607		56,794	
Social security	74		4,753	
Pensions	1,965		2,762	
Hire of plant and machinery	3,908		4,896	
Telephone	10,542		12,612	
Administrative expenses	25,809		20,989	
Travelling	7,164		7,147	
Motor expenses	9,094		5,084	
Licences and insurance	-		270	
Repairs and renewals	3,332		6,654	
Postage and stationery	4,679		8,304	
Subscription	1,403		1,743	
Legal and professional fees	586		4,733	
Auditors' remuneration	7,500		8,400	
Bad debts	250		1,155	
Amortisation of intangible fixed assets				
Computer software	16,166		15,305	
	<u>190,511</u>		<u>205,435</u>	
		<u>26,957</u>		<u>30,670</u>
Finance costs				
Bank charges	783		643	
Other interest	-		3,136	
	<u>783</u>		<u>3,779</u>	
Carried forward		26,174		26,891

This page does not form part of the statutory financial statements

**ENERGY CENTRE FOR SUSTAINABLE
COMMUNITIES LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011		2010	
	£	£	£	£
Brought forward		26,174		26,891
Depreciation				
Plant and machinery	24		30	
Computer equipment	5,330		5,367	
		5,354		5,397
NET PROFIT		20,820		21,494

This page does not form part of the statutory financial statements