

ReZolve Kernow Limited

(Limited by Guarantee)

Directors' report and financial statements

For the period ended 30 April 2012

Company registration number 04004464

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ReZolve Kernow Limited
(Limited by Guarantee)
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ReZolve Kernow Limited

(Limited by Guarantee)

Directors' report

For the period ended 30 April 2012

The directors present their report and financial statements for the period ended 30 April 2012

Principal activities and business review

The principal activity of the company continued to be to develop and deliver projects associated with waste awareness and minimisation and market development for recyclers

The year 2011/12 saw a step change in the company's activities and strategic direction as it first negotiated and, after the year end on 1 May 2012, concluded an investment agreement with Addaction

Addaction has managed the transition of the company and has acknowledged the change in the financial circumstances prior to the investment agreement. There has been a shift in funding emphasis and this is reflected in the figures for 2011/12. Although the income for the company is significantly less than the previous year, the company is now positioned, as a wholly owned subsidiary of Addaction Social Enterprises Limited to provide employment and employability facilities to people in Cornwall. The company is working closely with the Cornish Authorities and with the major Agencies and Employers in the County to make a positive social impact in the Community.

Directors

The following directors have held office since 1 April 2011

DM Roe	(Resigned 1 May 2012)
GW Boyd	(Resigned 26 September 2011)
PK Rees	(Resigned 1 May 2012)
DJ Clark	(Resigned 1 May 2012)
J Rolls	(Resigned 1 May 2012)
JP Olosunde	(Resigned 1 May 2012)
PA Lamble	(Resigned 1 May 2012)
J May	(Resigned 1 May 2012)
P Ward	(Appointed 26 May 2011 and resigned 1 May 2012)
JA Proctor	(Appointed 26 September 2011 and resigned 1 May 2012)
G McGrath	(Appointed 1 May 2012)
G Pink	(Appointed 1 May 2012)
S Antrobus	(Appointed 1 May 2012)
D Kingsmill	(Appointed 1 May 2012)

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Robinson Reed Layton be reappointed as auditors of the company will be put to the Annual General Meeting

ReZolve Kernow Limited

(Limited by Guarantee)

Directors' report

For the period ended 30 April 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 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.


Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the Board

RE SOURCE Centre, Bodmin Business Park
Launceston Road
Bodmin
Cornwall
PL31 2RJ



9/11/12

S Antrobus
Director

ReZolve Kernow Limited

(Limited by Guarantee)

Independent auditor's report

to the members of ReZolve Kernow Limited

We have audited the financial statements of ReZolve Kernow Limited for the period ended 30 April 2012 set out on pages 5 to 14. 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 an auditors' report 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 Directors' Report 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 30 April 2012 and of its loss for the period 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.

ReZolve Kernow Limited
(Limited by Guarantee)

Independent auditor's report
to the members of ReZolve Kernow Limited

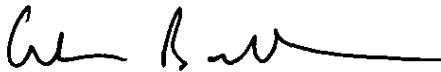
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

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



Graham D Boulton FCA (Senior Statutory Auditor)
for and on behalf of Robinson Reed Layton

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

14 November 2012

ReZolve Kernow Limited
(Limited by Guarantee)
Income and expenditure account
For the period ended 30 April 2012

		Period ended 30 April 2012 £	Year ended 31 March 2011 £
	<i>Notes</i>		
Turnover		896,090	1,677,085
Cost of sales		(351,353)	(834,992)
Gross profit		544,737	842,093
Administrative expenses		(746,893)	(651,992)
Other operating income		36,296	33,504
Operating (loss)/profit	2	(165,860)	223,605
Interest payable and similar charges	3	(60)	(910)
(Loss)/profit on ordinary activities before taxation		(165,920)	222,695
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit for the period		(165,920)	222,695

The income and expenditure account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

ReZolve Kernow Limited

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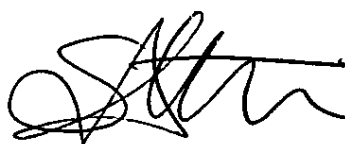
Balance sheet

As at 30 April 2012

	Notes	£	30 April 2012 £	£	31 March 2011 £
Fixed assets					
Tangible assets	5		561,334		625,053
Investments	6		-		-
			<u>561,334</u>		<u>625,053</u>
Current assets					
Stocks		-		22,939	
Debtors	7	47,905		233,509	
Cash at bank and in hand		167,826		195,626	
			<u>215,731</u>	<u>452,074</u>	
Creditors: amounts falling due within one year	8	(197,688)		(295,534)	
Net current assets			<u>18,043</u>		<u>156,540</u>
Total assets less current liabilities			<u>579,377</u>		<u>781,593</u>
Accruals and deferred income	9		(474,639)		(510,935)
			<u>104,738</u>		<u>270,658</u>
Capital and reserves					
Income and expenditure account	12,13		<u>104,738</u>		<u>270,658</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 9th Nov 2012



S Antrobus
Director

Company Registration No 04004464

ReZolve Kernow Limited

(Limited by Guarantee)

Notes

(forming part of the financial statements)

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents revenue recognised in the financial statements. Revenue is recognised when the company fulfils its contractual obligations to customers by supplying goods and services and excludes value added tax

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Short term leasehold property	20 years straight line
Plant and machinery	25% straight line
Fixtures, fittings & equipment	10-33% straight line
Motor vehicles	25% straight line

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable

ReZolve Kernow Limited

(Limited by Guarantee)

Notes

(forming part of the financial statements)

18 *Deferred taxation*

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

19 *Government grants*

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 **Operating (loss)/profit**

	Period ended 30 April 2012 £	Year ended 31 March 2011 £
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	65,563	55,990
Operating lease rentals	27,003	24,800
Auditors' remuneration	2,425	2,350
Directors' emoluments	128,495	85,213
and after crediting		
Government grants	36,296	33,504
Profit on disposal of tangible assets	(1,300)	-

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2011- 1)

3 **Interest payable**

	Period ended 30 April 2012 £	Year ended 31 March 2011 £
On other loans wholly repayable within 5 years	52	624
Hire purchase interest	8	286
	60	910

ReZolve Kernow Limited

(Limited by Guarantee)

Notes

(forming part of the financial statements)

4 Taxation

	Period ended 30 April 2012 £	Year ended 31 March 2011 £
Domestic current year tax		
U K corporation tax	-	-
Current tax charge	-	-
	-	-
Factors affecting the tax charge for the period		
(Loss)/profit on ordinary activities before taxation	(165,920)	222,695
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2011: 0.00%)	-	-
Current tax charge	-	-

The company has estimated losses of £535,000 (2011: £290,000) available for carry forward against future trading profits

ReZolve Kernow Limited

(Limited by Guarantee)

Notes

(forming part of the financial statements)

5 Tangible fixed assets

	Short term leasehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2011	670,079	22,999	150,272	21,775	865,125
Additions	-	-	1,844	-	1,844
Disposals	-	(14,852)	-	-	(14,852)
At 30 April 2012	670,079	8,147	152,116	21,775	852,117
Depreciation					
At 1 April 2011	125,640	22,884	73,562	17,986	240,072
On disposals	-	(14,852)	-	-	(14,852)
Charge for the period	36,296	115	27,258	1,894	65,563
At 30 April 2012	161,936	8,147	100,820	19,880	290,783
Net book value					
At 30 April 2012	508,143	-	51,296	1,895	561,334
At 31 March 2011	544,439	115	76,710	3,789	625,053

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 30 April 2012	-
At 31 March 2011	3,789
Depreciation charge for the period	
At 30 April 2012	-
At 31 March 2011	1,749

ReZolve Kernow Limited

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Notes

(forming part of the financial statements)

6 Fixed asset investments

<i>Cost</i>	£
At 1 April 2011 & at 30 April 2012	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held	%
Participating interests				
Environmental Skills Network Limited	England and Wales	Ordinary		50.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
Environmental Skills Network Limited	Principal activity Provide training and support for environmental sector business	3,967	(914)

7 Debtors

	2012 £	2011 £
Trade debtors	28,599	63,039
Other debtors	19,306	170,470
	47,905	233,509

ReZolve Kernow Limited (Limited by Guarantee)

Notes

(forming part of the financial statements)

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Other loans	1,000	46,512
Net obligations under hire purchase contracts	-	644
Trade creditors	37,486	58,666
Taxes and social security costs	22,903	26,988
Other creditors	136,299	162,724
	<u>197,688</u>	<u>295,534</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	-	644
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>644</u>

Included in other creditors above is £33,504 grants received

During the year the company received a total of £Nil (2011 £29,740) for the Starting Out Project. The breakdown of this was as follows

	Balance @ 1 April 2011 £	Income £	Expenditure £	Balance @ 30 April 2012 £
Henry Smith Charitable Trust	<u>12,882</u>	<u>-</u>	<u>(11,687)</u>	<u>1,195</u>

The remaining £1,195 has been treated as income in advance and is included in other creditors

9 Accruals and deferred income

	Government grants £
Balance at 1 April 2011	510,935
Amortisation in the period	(36,296)
Balance at 30 April 2012	<u>474,639</u>

ReZolve Kernow Limited

(Limited by Guarantee)

Notes

(forming part of the financial statements)

10 Pension costs

Defined contribution

	2012 £	2011 £
Contributions payable by the company for the period	<u>9,278</u>	<u>10,140</u>

11 Company status

The company is a private company limited by guarantee and consequently does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets and liabilities of the company in the event of liquidation. There were 9 members at 30 April 2012 (2011: 8).

12 Reserves

	Income and expenditure account £
Balance at 1 April 2011	270,658
Loss for the period	<u>(165,920)</u>
Balance at 30 April 2012	<u>104,738</u>

13 Reconciliation of movements in members' funds

	2012 £	2011 £
(Loss)/profit for the period	(165,920)	222,695
Opening shareholders' funds	<u>270,658</u>	<u>47,963</u>
Closing shareholders' funds	<u>104,738</u>	<u>270,658</u>

ReZolve Kernow Limited

(Limited by Guarantee)

Notes

(forming part of the financial statements)

14 Financial commitments

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	-	6,000	-	-
Between two and five years	-	25,000	913	913
In over five years	8,000	-	-	-
	<u>8,000</u>	<u>31,000</u>	<u>913</u>	<u>913</u>

15 Control

There was no ultimate controlling party at the year end. From 1 May 2012 the ultimate controlling party are the trustees of the charity Addaction.

16 Related party relationships and transactions

The following amounts were invoiced by the directors of ReZolve Kernow Limited for seminar and meeting costs incurred during the year

	2012	2011
	£	£
PK Rees	2,328	2,027
DM Roe	400	635
DJ Clark	1,869	1,325
P Ward	395	-
	<u>4,992</u>	<u>3,987</u>

One of the directors who served during the year is a director of Cornwall College. During the year the company purchased goods and services amounting to £9,477 and provided goods and services amounting to £108,091. At the year end the company was owed £418.

Another director of the company is a director of The Learning Partnership for Cornwall and the Isles of Scilly ("Learning Partnership"). The company received funding from the Learning Partnership for £70,175 in the year and was owed £Nil at the year end.

One of the directors is a partner at a firm of solicitors. During the year the company was charged £4,326 for services provided by this firm. No amount was outstanding at the year end.

17 Post balance sheet events

From 1 May 2012 ReZolve Kernow Limited is controlled by Addaction Social Enterprises Limited. All of the directors resigned with four directors from Addaction Social Enterprises Limited being appointed.