



**Co-Cars Limited**

**Annual Report  
Year Ended 31 March 2020**

**Registration Number 31432R**

# Co-Cars Limited

## Financial Statements

Year Ended 31 March 2020

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# Co-Cars Limited

## Report of the Directors

Year Ended 31 March 2020

The directors present their report and the financial statements of the society for the year ended 31 March 2020.

### Principal Activities and Results for the Year

The principal activity of the society during the year was that of a car and e-bike club that provides customers with the freedom to move sustainably.

The results for the year are as set out in the income and expenditure account on page 5. The directors consider the state of affairs of the organisation to be adequate.

### Directors

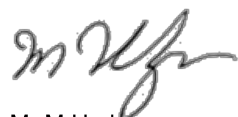
The directors who served the organisation during the year were as follows:

Ms E Rodger	
Mr M Hodgson	Chief Executive
Mr A B Goehl	Secretary
Ms S Peters	
Mr D Hannon	Chairman
Ms J J Ryding	
Mr S D Noakes	
Mr J L Butt	

### Status

The organisation is registered under the Co-operative and Community Benefit Societies Act 2014 (No 31432R).

Signed on behalf of the Board



Mr M Hodgson  
Director

Approved on 6 January 2021

# **Co-Cars Limited**

## **Responsibilities of the Directors**

### **Year Ended 31 March 2020**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The directors are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the society and of its excess or deficit of income over expenditure 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Co-Cars Limited**

## **Independent Auditor's Report to the Members of Co-cars Limited**

**Year Ended 31 March 2020**

### **Opinion**

We have audited the financial statements of Co-Cars Limited (the "society") for the year ended 31 March 2020 which comprise the income and expenditure account, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2020 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other matter**

The corresponding figures for the year ended 31 March 2019 are unaudited.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# Co-Cars Limited

## Independent Auditor's Report to the Members of Co-cars Limited

Year Ended 31 March 2020

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [\[www.frc.org.uk/auditorsresponsibilities\]](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's 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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**PKF FRANCIS CLARK**

Chartered Accountants

Sigma House

Oak View Close

Edginswell Park

Torquay

TQ2 7FF

*PhF Francis Clark*

6 January 2021

# Co-Cars Limited

## Income and Expenditure Account

Year Ended 31 March 2020

Year Ended 31 March 2020			(restated)
	Note	2020 £	2019 £
Turnover		203,011	146,679
Cost of sales		(148,328)	(120,149)
Gross Surplus		54,783	26,530
Administrative expenses		(341,835)	(239,072)
Other operating income		199,549	198,499
Operating (Deficit)/Surplus		(87,503)	(14,043)
Interest receivable		-	4
Interest payable and similar charges		(3,205)	2,477
Deficit Before Taxation		(90,708)	(11,562)
Taxation		-	-
Deficit for the Financial Year		(90,708)	(11,562)

The notes on pages 7 to 12 form part of these financial statements.

# Co-Cars Limited

## Balance Sheet

31 March 2020

			(restated)
	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible assets	3	375,416	467,185
Investments	4	31,245	4,000
		<u>406,661</u>	<u>471,185</u>
<b>Current Assets</b>			
Debtors	5	120,174	39,680
Cash at bank		40,030	107,149
		<u>160,204</u>	<u>146,829</u>
<b>Creditors: Amounts falling due within one year</b>	6	(269,805)	(148,281)
<b>Net Current Assets/(Liabilities)</b>		<u>(109,601)</u>	<u>(1,452)</u>
<b>Total Assets Less Current Liabilities</b>		<u>297,060</u>	<u>469,733</u>
<b>Creditors: Amounts falling due after more than one year</b>	6	-	(6,215)
<b>Deferred Income</b>		(334,792)	(410,542)
		<u>(37,732)</u>	<u>52,976</u>
<b>Capital and Reserves</b>			
Called-up equity share capital	9	5,012	5,012
Income and expenditure account	10	(42,744)	47,964
<b>Shareholders' Funds</b>		<u>(37,732)</u>	<u>52,976</u>

These financial statements were approved by the board and authorised for issue on 6 January 2021 and are signed on their behalf by:

Mr M Hodgson  
Director



Ms E Rodger  
Director



The notes on pages 7 to 12 form part of these financial statements.

# Co-Cars Limited

## Notes and Accounting Policies

Year Ended 31 March 2020

### 1. Accounting Policies

#### (a) Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP), Financial Reporting Standard 102 (Section 1A) "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 historical cost convention and are presented in sterling £.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

The financial statements have been prepared on a basis consistent with earlier periods except as follows:-

- the accounting policy for government grants has been changed to the accruals method from the performance method (see note 11);
- revenue grants have been included in other operating income and not turnover (see note 11); and
- the depreciation rate for electric bikes has been revised to a 20% straight line basis from a 15% reducing balance basis (see key management judgements).

#### (b) Group accounts

The society has applied to the Financial Conduct Authority for an exemption from the requirement to prepare group accounts on the basis that it would be of no real value to the society's members in view of the amounts involved.

#### (c) Turnover

Turnover represents the fair value of consideration receivable, excluding Value Added Tax, receivable by the organisation in respect of hire charges, car club and contract income. Hire charges, car club and contract income are recognised in the period to which they relate.

#### (d) Fixed assets

All fixed assets are initially recorded at cost.

#### (e) Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Furniture, fittings and equipment	-	15% reducing balance
Electric bikes	-	20% straight line (see key management judgements)
Other plant and equipment	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

#### (f) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

#### (g) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the organisation after deducting its liabilities.

#### (h) Pension costs

The organisation operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the organisation. The annual contributions payable are charged to the income and expenditure account.

# Co-Cars Limited

## Notes and Accounting Policies

Year Ended 31 March 2020

### 1. Accounting Policies (continued)

#### (i) Going concern

At 31 March 2020, the Society had net liabilities of £37k and net current liabilities of £110k. Since the year end the Society has undertaken a successful fund raise, which has generated £650k in equity funding and £100k in additional loan finance. As a result, the organisation is now operating with cash reserves of £465,000 and has returned to net current assets.

The net liabilities position reflected the change in grant accounting policy as set out in 11. Although this change in policy impacted the net asset position, the prior year adjustment did not affect the cash position of the Society which has been managed carefully throughout.

Covid-19 has had a short term impact in two ways: a reduction in car hire revenue coupled with delayed new electric car and e-bike projects. Covid-19 has also had a positive effect, with the Board predicting that the organisation will ultimately benefit from the renewed focus on the build back greener agenda as a driver for economic recovery. This prediction is supported by Government policy focussing on a shift to net zero, electrification of vehicles and the reduction of congestion and pollution in towns and cities. At a regional level, Devon benefits from local authority backed initiatives such as Devon Climate Emergency and Exeter City Futures and their policy commitment to reduce private car use whilst increasing the availability of shared electric cars and e-bikes.

The organisation has future confirmed orders worth over £460,000 with a further pipeline worth over £672,000, aligned to ongoing increased interest in our services.

In our forecast we have assumed Covid-19 impacts will have largely receded by summer 2021. This means that, on the basis of the current 3 year forecasts, growth is anticipated to generate an income of £1.5m by 2024. These forecasts show sufficient funding headroom for the society to maintain day to day operations as planned despite the impact of Covid on current operations, as well as allowing for the project investments required in order for the society's objectives to be achieved.

Given the above, the directors have a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future and hence they continue to adopt the going concern basis of preparation in preparing the financial statements.

#### (j) Grants

Grant income is accounted for using the accruals method. Revenue grants are recognised on a systematic basis over the periods to which the costs to which the grants relate are recognised. Capital grants are recognised over the useful life of the related asset on the same basis as depreciation is charged.

#### (k) General information

Co-cars Limited is a society registered in the UK under the Co-operative and Community Benefit Societies Act 2014 with a registration number of (31432R) The society's registered office is:-

46 Majorfield Road  
Topsham  
Exeter  
EX3 0ES

#### (l) Key management judgements

The directors have reviewed the depreciation policy in relation to electric bikes and concluded that a rate of 20% straight line, writing the cost of the bike off in equal instalments over 5 years, more accurately reflects the useful economic life of the bikes when compared to the previous policy of depreciating bikes at 15% on a reducing balance basis. The new rate has been applied in the year ended 31 March 2020 and has resulted in an additional depreciation charge of £4,991.

### 2. Staff Numbers

The average number of persons employed by the company during the year was 20 (2019 – 12).

# Co-Cars Limited

## Notes and Accounting Policies

Year Ended 31 March 2020

### 3. Tangible Fixed Assets

	Furniture, fittings and equipment £	Motor Vehicles £	Other property, plant and equipment £	Total £
<b>Cost or Valuation</b>				
At 1 April 2019	5,781	332,524	333,762	<b>672,067</b>
Additions	1,271	-	734	<b>2,005</b>
Disposals	-	(13,283)	(8,234)	<b>(21,517)</b>
<b>At 31 March 2020</b>	<b>7,052</b>	<b>319,241</b>	<b>326,262</b>	<b>652,555</b>
<b>Depreciation</b>				
At 1 April 2019	2,056	151,794	51,032	<b>204,882</b>
Charge for the year	750	44,131	36,456	<b>81,337</b>
Eliminated on disposal	-	(9,080)	-	<b>(9,080)</b>
<b>At 31 March 2020</b>	<b>2,806</b>	<b>186,845</b>	<b>87,488</b>	<b>277,139</b>
<b>Net Book Value</b>				
<b>At 31 March 2020</b>	<b>4,246</b>	<b>132,396</b>	<b>238,774</b>	<b>375,416</b>
At 31 March 2019	3,725	180,730	282,730	467,185

### 4. Investments

	Note	2020 £	2019 £
Shares in group undertakings and participating interests		<b>6,245</b>	4,000
Other investments		<b>25,000</b>	-
		<b>31,245</b>	4,000

#### Shares in group undertakings and participating interests

	£
<b>Cost</b>	
At 1 April 2019	4,000
Additions	2,245
<b>At 31 March 2020</b>	<b>6,245</b>
<b>Carrying amount</b>	
<b>At 31 March 2020</b>	<b>6,245</b>
At 31 March 2019	4,000

# Co-Cars Limited

## Notes and Accounting Policies

Year Ended 31 March 2020

### Other investments

	£
<b>Cost</b>	
Additions	25,000
<b>At 31 March 2020</b>	<b><u>25,000</u></b>
<b>Carrying amount</b>	
<b>At 31 March 2020</b>	<b><u>25,000</u></b>
At 31 March 2019	<u>-</u>

The society holds 6,245 Ordinary 1 shares (51% of the issued shares) in Co Delivery Ltd, a company registered in England and Wales.

### 5. Debtors

	Note	2020 £	2019 £
Trade debtors		91,205	30,941
Other debtors		24,959	7,402
Prepayments and accrued income		4,010	1,337
		<b><u>120,174</u></b>	<b><u>39,680</u></b>

# Co-Cars Limited

## Notes and Accounting Policies

Year Ended 31 March 2020

### 6. Creditors

			(as restated)
	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	7	38,269	24,754
Trade creditors		42,050	90,892
Taxation and social security		19,387	183
Accruals		16,201	1,200
Other creditors		153,898	31,252
		<u>269,805</u>	<u>148,281</u>

			(as restated)
	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	7	-	6,215

### 7. Loans and Borrowings

		2020 £	2019 £
<b>Non – current loans and borrowings</b>			
Hire purchase liabilities		-	6,215
<b>Current loans and borrowings</b>			
Hire purchase liabilities		6,269	2,754
Other borrowings		32,000	22,000
		<u>38,269</u>	<u>24,754</u>

Hire purchase liabilities are secured on the assets financed.

### 8. Commitments under Operating Leases

At 31 March 2020 the society had aggregate annual commitments under non-cancellable operating leases totalling £30,818.

### 9. Share Capital

Allotted, called up and fully paid:

	2020 No	£	2019 No	£
Ordinary shares of £1 each	<u>5,012</u>	<u>5,012</u>	<u>5,012</u>	<u>5,012</u>

# Co-Cars Limited

## Notes and Accounting Policies

Year Ended 31 March 2020

### 10. Income and Expenditure Account

	(as restated)	
	2020	2019
	£	£
Balance brought forward – as previously reported	468,129	59,562
Prior period adjustment (see note 11)	(420,165)	-
Deficit for the financial year	(90,708)	(11,562)
Balance carried forward	<u>(42,744)</u>	<u>47,964</u>

### 11. Prior Year Adjustments

In previous years, both revenue and capital grants have been recognised using the performance method. The directors have reviewed the appropriateness of this accounting policy in light of the additional information available now the society has been operating for a number of years and decided that the accruals method would more accurately present the society's financial performance as this method matches the recognition of capital grant income with the depreciation charged on the related assets and the recognition of revenue grant income with the related costs. Hence the directors have changed their accounting policy to this method. Accordingly, the figures for the year ended 31 March 2019 have been restated. The result of these changes is to increase deferred income by £410,542 at 31 March 2019.

In addition, a further wages accrual of £9,623 was identified as being required as at 31 March 2019.

Overall, net assets at 31 March 2019 were reduced by £420,165 and the surplus for the year ended 31 March 2019 was reduced by £235,365.

The directors also noted that previously revenue grants had been included within turnover however to ensure compliance with generally accepted accounting principles these have been re-classified to other operating income. As this is a change in presentation, the figures for the year ended 31 March 2019 have been restated to reflect this amendment, turnover being reduced by £127,625 and other operating income increasing by £127,625. There is no impact on net assets or the surplus for the year.

### 12. Related Party Transactions

During the year directors made loans to the Society of £10,000 (2019: £20,000). The balance due to directors at the year end was £32,000 (2019: £22,000). These loans are interest free and repayable on demand.

### 13. Post Balance Sheet Event

Subsequent to the year end the society has raised an additional £650,000 of share capital and £100,000 of loan finance.

# **Co-Cars Limited**

Management Information

Year Ended 31 March 2020

**The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 3 to 4.**

# Co-Cars Limited

## Detailed Income and Expenditure Account

Year Ended 31 March 2020

	2020 £	2019 £
<b>Turnover</b>	<b>203,011</b>	146,679
<b>Cost of Sales</b>	<b>(148,328)</b>	(120,149)
<b>Gross Surplus</b>	<u><b>54,783</b></u>	<u>26,530</u>
<b>Gross Surplus Percentage</b>	<u><b>26.99%</b></u>	<u>18.09%</u>
<b>Overheads</b>		
Administrative expenses	<u><b>(341,835)</b></u>	<u>(239,072)</u>
<b>Other Operating Income</b>	<u><b>199,549</b></u>	<u>198,499</u>
<b>Operating (Deficit)/Surplus</b>	<u><b>(87,503)</b></u>	<u>(14,043)</u>
Deposit account interest receivable	-	4
Interest payable and similar charges	<u><b>(3,205)</b></u>	<u>2,477</u>
<b>Deficit on Ordinary Activities</b>	<u><u><b>(90,708)</b></u></u>	<u><u>(11,562)</u></u>

# Co-Cars Limited

## Notes to the Detailed Income and Expenditure Account

Year Ended 31 March 2020

	2020 £	2019 £
<b>Administrative Expenses</b>		
<b>Personnel costs</b>		
Wages and salaries	159,895	84,044
Staff pension contributions	3,893	1,917
Commission payable	1,163	2,212
Training costs	-	700
	<u>164,951</u>	<u>88,873</u>
<b>Establishment Expenses</b>		
Rent and rates	14,421	9,629
Insurance	2,687	2,224
Property repairs	1,031	1,933
	<u>18,139</u>	<u>13,786</u>
<b>General Expenses</b>		
Travel and subsistence	10,230	5,217
Advertising	15,822	15,790
Website	3,554	3,674
Telephone	2,863	2,362
Hire of plant and machinery (spot hire)	40	-
Printing, stationery and postage	1,140	1,517
Sundry expenses	86	60
Subscriptions	6,997	3,435
Legal fees	13,223	124
Accountancy fees	5,656	2,909
Auditors remuneration	5,500	-
Consultancy fees	6,719	24,169
Bad debt written off	1,210	1,629
Staff entertaining	958	869
Customer entertaining	100	-
Depreciation of plant and machinery	36,456	28,661
Depreciation of motor vehicles	44,131	44,050
Depreciation of office equipment	750	658
(Profit)/loss on disposal of tangible fixed assets	(2,297)	-
	<u>153,138</u>	<u>135,124</u>
<b>Financial Costs</b>		
Bank charges	33	448
Other charges	5,574	841
	<u>5,607</u>	<u>1,289</u>
<b>Total</b>	<u><u>341,835</u></u>	<u><u>239,072</u></u>

## Co-Cars Limited

### Notes to the Detailed Income and Expenditure Account

Year Ended 31 March 2020

	2020 £	2019 £
<b>Other Operating Income</b>		
Capital grants	75,750	70,874
Revenue grants	102,966	127,625
Other income	20,833	-
	<u>199,549</u>	<u>198,499</u>
<b>Interest payable and similar expenses</b>		
Hire purchase interest	560	594
Other loan interest	1	-
Foreign currency (gains) losses	2,644	(3,071)
	<u>3,205</u>	<u>(2,477)</u>