

**CHAIRPERSON'S STATEMENT, REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
FOR
BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE**

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

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FOR THE YEAR ENDED 31 MARCH 2016**

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BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

**SOCIETY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016**

DIRECTORS:

Ms K Ente
A Hunt
O Pendered
Ms D Smith
Ms R Espinosa
J Nugent

REGISTERED OFFICE:

The Old Casino
28 Fourth Avenue
Hove
East Sussex
BN3 2PJ

REGISTERED NUMBER:

IP032097 (England and Wales)

ACCOUNTANTS:

Cardens Accountants LLP
The Old Casino
28 Fourth Avenue
Hove
East Sussex
BN3 2PJ

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

CHAIRPERSON'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

Auditors

There was no auditor required for the year ending 31 March 2016. The position will be kept under review by the board.

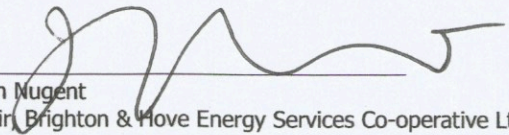
Summary of financial position

BHESCo grew at an unprecedented rate in its short history, 72 members joined the Co-operative during the year, investing a total of £187,430. Of this fundraising round 65% of the funds raised had been invested in renewable energy and energy efficiency projects at various locations in Brighton and Hove and Sussex by 31 March 2016.

BHESCo had five projects under management during this financial reporting period. These projects are unique to energy co-operatives in the UK, presenting an innovative and compelling way to invest in our nation's transition from fossil fuels for our energy supply. All interest due on shareholder members' investment has been recorded as a liability in these accounts. We expect that next year will represent a surge in development of renewable energy and energy efficiency projects, while making a considerable impact on reducing fuel poverty in our community.

The Board

The Non Executive members of the Board work on a voluntary basis. The board meets at least six times each year to review the business of the Co-operative. There was no change in the membership of the Board of Directors during the year ending 31 March 2016.



John Nugent
Chair, Brighton & Hove Energy Services Co-operative Ltd

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

This report is prepared in accordance with the Best Code of Practice adopted by Co-operatives UK in 2005. The Code sets out the recommended best practice on issues of governance for the co-operative sector and performance is assessed every year.

During the year, BHESCo had two champions in the Big Energy Savings Network. We continued our project with the Hove Station Neighbourhoods forum, we won a Community Energy Action award for our work with Hanover Action for Sustainable Living and we continued our development of renewable energy and energy efficiency projects in preparation for the sales of shares to new members.

The Co-operative incurred a loss of £48,514 for the year, most of the cost was for payment of salaries and marketing costs.

PRINCIPAL ACTIVITY

The principle activity of the co-operative is the fulfilment of its mission to help its members save money on their energy bills through the generation of renewable energy and the provision of energy saving advice.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Ms K Ente
A Hunt
O Pendered
Ms D Smith
Ms R Espinosa
J Nugent

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

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

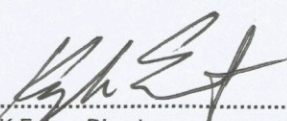
The regulations of the Co-operative require the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 society and of the profit or loss of the society 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 Co-operative will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

They are also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:


.....
Ms K Ente - Director

Date: 20 OCTOBER 2016

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
TURNOVER		46,808	24,936
Cost of sales		<u>10,034</u>	<u>488</u>
GROSS PROFIT		36,774	24,448
Administrative expenses		<u>74,968</u>	<u>39,788</u>
OPERATING LOSS	2	(38,194)	(15,340)
Interest payable and similar charges		<u>6,215</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(44,409)	(15,340)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(44,409)	(15,340)
Deficit brought forward		<u>(20,837)</u>	<u>(5,497)</u>
DEFICIT CARRIED FORWARD		<u>(65,246)</u>	<u>(20,837)</u>

The notes form part of these financial statements

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE (REGISTERED NUMBER: IP032097)

BALANCE SHEET
31 MARCH 2016

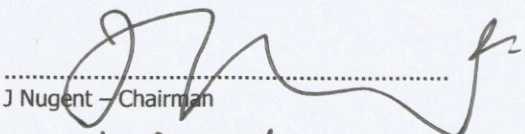
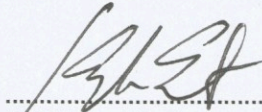

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	4	40,000	45,000
Tangible assets	5	<u>124,938</u>	<u>7,133</u>
		164,938	52,133
CURRENT ASSETS			
Debtors	6	16,690	11,219
Cash at bank		<u>52,149</u>	<u>1,981</u>
		68,839	13,200
CREDITORS			
Amounts falling due within one year	7	<u>40,485</u>	<u>34,435</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>28,354</u>	<u>(21,235)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		193,292	30,898
CREDITORS			
Amounts falling due after more than one year	8	<u>71,108</u>	<u>51,675</u>
NET ASSETS/(LIABILITIES)		<u>122,184</u>	<u>(20,777)</u>
CAPITAL AND RESERVES			
Called up share capital	9	187,430	60
Profit and loss account		<u>(65,246)</u>	<u>(20,837)</u>
SHAREHOLDERS' FUNDS		<u>122,184</u>	<u>(20,777)</u>

In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014 a reporting accountant has been appointed as the members voted a resolution to disapply section 83 of the Act.

The director acknowledges her responsibilities for:

- ensuring that the society keeps accounting records which comply with Sections 131 of the Co-operative and Community Benefit Societies Act
- preparing financial statements which give a true and fair view of the state of affairs of the society as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 80 and which otherwise comply with the requirements of the Co-operative and Community Benefit Societies Act 2014 relating to financial statements, so far as applicable to the society.

The financial statements were approved by the directors on 20 October 2016 and were signed by:

 J Nugent – Chairman	 Ms K Ente – Director
 Ms D Smith – Director	

The notes form part of these financial statements

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

Turnover represents sales of services net of VAT. Turnover is recognised at the point the customer is entitled to consideration.

Intangible fixed assets

BHESCo acquired the intellectual property held in the merger with BHESCo Ltd. The intellectual property values were accumulated in the two years that BHESCo Ltd traded. The assets include network, including Community Energy South, the financial model, logo and marketing materials and the business model and business plan. The assets are being amortised over ten (10) years.

Tangible fixed assets

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

Computer equipment - 33%

Plant and machinery - at varying rates on cost

Improvements to property - 10%

2. OPERATING LOSS

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	6,011	799
Patents and licences amortisation	<u>5,000</u>	<u>5,000</u>
Directors' remuneration	<u>13,615</u>	<u>10,000</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2016 nor for the year ended 31 March 2015.

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

4. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2015 and 31 March 2016	<u>50,000</u>
AMORTISATION	
At 1 April 2015	5,000
Amortisation for year	<u>5,000</u>
At 31 March 2016	<u>10,000</u>
NET BOOK VALUE	
At 31 March 2016	<u>40,000</u>
At 31 March 2015	<u>45,000</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2015	2,990	3,538	1,564	8,092
Additions	122,798	-	2,917	125,715
Disposals	(1,495)	(458)	(92)	(2,045)
Reclassification/transfer	<u>3,080</u>	<u>(3,080)</u>	<u>-</u>	<u>-</u>
At 31 March 2016	<u>127,373</u>	<u>-</u>	<u>4,389</u>	<u>131,762</u>
DEPRECIATION				
At 1 April 2015	100	207	652	959
Charge for year	5,386	-	625	6,011
Eliminated on disposal	(50)	(53)	(43)	(146)
Reclassification/transfer	<u>154</u>	<u>(154)</u>	<u>-</u>	<u>-</u>
At 31 March 2016	<u>5,590</u>	<u>-</u>	<u>1,234</u>	<u>6,824</u>
NET BOOK VALUE				
At 31 March 2016	<u>121,783</u>	<u>-</u>	<u>3,155</u>	<u>124,938</u>
At 31 March 2015	<u>2,890</u>	<u>3,331</u>	<u>912</u>	<u>7,133</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	1,322	-
Other debtors	-	60
Deposits held	250	150
VAT	9,986	11,009
Deferred project costs	3,845	-
Prepayments	<u>1,287</u>	<u>-</u>
	<u>16,690</u>	<u>11,219</u>

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	-	100
Trade creditors	-	1,773
Social security and other taxes	3,794	963
Other creditors	11,379	11,009
Directors' loan accounts	17,998	19,296
Accrued expenses	<u>7,314</u>	<u>1,294</u>
	<u>40,485</u>	<u>34,435</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Other creditors	<u>71,108</u>	<u>51,675</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
18,743	Ordinary A Shares	10	<u>187,430</u>	<u>60</u>

Transactions during year

May 2015 - Issue of 3,215 shares to new members

June 2015 - Issue of 3,000 shares to new members

July 2015 - Issue of 7,780 shares to new members

August 2015 - Issue of 500 shares to new member

September 2015 - Issue of 7 shares to new members

November 2015 - Issue of 3,700 shares to new members

February 2016 - Issue of 500 shares to new members

March 2016 - Issue of 25 shares to new member

The share capital consists of 18,743 class A shares

10. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

During the year, Ms K Ente decreased her loan to the society. As at 31 March 2016, the society owed her £17,998 (2015: £19,295).

11. RELATED PARTY DISCLOSURES

Ente Consulting Limited

A company under the control of Ms K Ente

The balance relates to intellectual property and business plans purchased from Ente Consulting Limited. The outstanding balance is interest free and repayment is due in June 2020.

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>52,487</u>	<u>52,487</u>

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

12. POST BALANCE SHEET ACTIVITY

During its second fundraising drive, BHESCo gained 8 new members investing £29,060. BHESCo's directors invested £18,700.

BRIGHTON & HOVE ENERGY SERVICES CO-OPERATIVE

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016		2015	
	£	£	£	£
Turnover				
Sales	7,358		12,670	
Grant income	33,560		12,266	
Lease income	<u>5,890</u>		<u>-</u>	
		46,808		24,936
Cost of sales				
Purchases	967		25	
Fuel costs	6,114		-	
Warranty costs	600		-	
Other direct costs	1,393		-	
Sub contractors	<u>960</u>		<u>463</u>	
		<u>10,034</u>		<u>488</u>
GROSS PROFIT		36,774		24,448
Expenditure				
Rent	2,480		1,683	
Insurance	457		612	
Directors' salaries	13,615		10,000	
Wages	21,519		13,021	
Social security	2,301		-	
Hire of plant and machinery	21		51	
Meetings and conferences	1,376		349	
Telephone	513		140	
Post and stationery	1,231		1,043	
Advertising	8,909		839	
Travelling & Subsistence	1,225		1,042	
Motor expenses	20		104	
Repairs and renewals	1,915		187	
Computer consumerables	1,224		1,726	
Household and cleaning	41		-	
Subscriptions	587		188	
Sundry expenses	180		1	
Uniform costs	152		-	
Accountancy	1,112		1,348	
Fundraising costs	4,848		-	
Consulting	40		1,391	
Donations	-		10	
Entertainment	<u>106</u>		<u>46</u>	
		<u>63,872</u>		<u>33,781</u>
		(27,098)		(9,333)
Finance costs				
Bank charges	69		82	
Credit card	17		126	
Interest payable	<u>6,215</u>		<u>-</u>	
		<u>6,301</u>		<u>208</u>
Carried forward		(33,399)		(9,541)

This page does not form part of the statutory financial statements

BRIGHTON & HOVE ENERGY SERVICES CO-OP**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016		2015	
	£	£	£	£
Brought forward		(33,399)		(9,541)
Depreciation				
Patents and licences	5,000		5,000	
Plant and machinery	5,386		100	
Fixtures and fittings	-		207	
Computer equipment	<u>624</u>		<u>492</u>	
		<u>11,010</u>		<u>5,799</u>
NET LOSS		<u>(44,409)</u>		<u>(15,340)</u>

This page does not form part of the statutory financial statements