

Registered number
31107R

Brighton Energy Limited
Report and Unaudited Accounts
31 March 2012

Brighton Energy Limited
Report and accounts
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Brighton Energy Limited
Company Information

Directors

Mr W Cottrell

Mr D Tow

Mr R Gilbert

Secretary

Mr D Tow

Registered office

Ground Floor Flat

49 Montpelier Road

Brighton

East Sussex

BN1 3BA

Registered number

31107R

Brighton Energy Limited**Registered number:** 31107R**Directors' Report**

The directors present their report and accounts for the period ended 31 March 2012.

Principal activities

Brighton Energy Limited (the Co-op) was incorporated on 10 November 2010. The Co-op's principal activity is to develop the supply of renewable resources in the Brighton and Hove area. The Co-op does this for the benefit of the community - by offering the chance to part-own these renewables people get the chance to get involved in renewable energy and develop further renewable schemes.

The Co-op changed its year end from 31 January 2012 to 31 March 2012 on 10 January 2012. The Co-op changed its registered address to the current address from 27 Temple Street, Brighton, East Sussex, BN1 3BH on 20 April 2011.

Review of the business

The Co-op raised £18,500 via a first share launch in early 2011. This money allowed The Co-op to develop its first project - a substantial community-owned solar energy scheme. The second share launch was due in Autumn 2011 before being postponed because of sudden changes in the Feed in Tariff. Whilst postponed the Co-op continued in its aims to promote energy efficiency in the community, winning a £30,806 grant for home efficiency surveys, which were successfully completed by the year end.

Future developments

The Co-op intends to continue developing renewable projects designed for ultimate ownership by the community. The Co-op is in discussion for a second phase installation at Shoreham Port, and also in talks with Brighton & Hove City Council. The Co-op also has several other plans to secure new sites for solar installations, as well as working up feasibility projects for other renewable technologies for the area.

Interest

No interest on shares were paid during the period. No interest on shares recommended at year end.

Events since the balance sheet date

The first solar installations went up in the Summer 2012 after an exciting share launch. The Co-op raised £210,300 and installed 132kWp of solar PV across seven roofs in the Brighton and Hove area. These systems are now successfully generating community-owned green power.

Directors

The following persons served as directors during the period:

| | |
|---------------|---|
| Mr W Cottrell | (appointed 10 November 2010) |
| Mr D Tow | (appointed 10 November 2010) |
| Miss D Craker | (appointed 10 November 2010, resigned 31 November 2011) |
| Mr R Gilbert | (appointed 15 May 2012) |

Political and charitable donations

The Co-op made no political or charitable donations in the year.

This report was approved by the board on 26.10.12 and signed on its behalf.

Mr W Cottrell
Director

Brighton Energy Limited
Profit and Loss Account
for the period from 10 November 2010 to 31 March 2012

| | Notes | 2012 £ |
|--|--------------|-------------------------|
| Turnover | 2 | 34,624 |
| Cost of sales | | (25,350) |
| Gross profit | | <u>9,274</u> |
| Administrative expenses | | (25,845) |
| Operating loss | | <u>(16,571)</u> |
| Interest receivable | | 5 |
| Loss on ordinary activities before taxation | | <u>(16,566)</u> |
| Tax on loss on ordinary activities | 5 | (8,975) |
| Loss for the period | | <u>(25,541)</u> |

Continuing operations

None of the company's activities were acquired or discontinued during the above period.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above period.

The notes on pages 6 to 14 form an integral part of these accounts.

Brighton Energy Limited
Balance Sheet
as at 31 March 2012

| | Notes | 2012 |
|--|--------------|----------------|
| | | £ |
| Fixed assets | | |
| Tangible assets | 6 | 44,873 |
| Current assets | | |
| Debtors | 8 | 17,099 |
| Cash at bank and in hand | | 6,845 |
| | | <u>23,944</u> |
| Creditors: amounts falling due within one year | 9 | (25,345) |
| Net current liabilities | | <u>(1,401)</u> |
| Total assets less current liabilities | | <u>43,472</u> |
| Creditors: amounts falling due after more than one year | 10 | (4,000) |
| Provisions for liabilities | | |
| Deferred taxation | 12 | (8,975) |
| Net assets | | <u>30,497</u> |
| Capital and reserves | | |
| Called up share capital | 13 | 19,700 |
| Profit and loss account | 15 | 10,797 |
| Shareholders' funds | 16 | <u>30,497</u> |

Brighton Energy Limited
Balance Sheet
as at 31 March 2012

Brighton Energy Limited
Balance Sheet Continued
as at 31 March 2012

The director is satisfied that the company is entitled to exemption from the requirement to obtain an audit in accordance with the Friendly and Industrial and Provident Societies Act 1968 section 4A (1).

The member has not required the company to obtain an audit in accordance with the Friendly and Industrial and Provident Societies Act 1968 section 4A (2).

The director acknowledges his responsibilities for complying with the requirements of the Co-operative and Community Benefit Societies and Credit Unions Act 2010 with respect to accounting records and the preparation of accounts.

Mr D Tow
Secretary

Mr R Gilbert
Director

Mr W Cottrell
Director
Approved by the board on 26.10.12

The notes on pages 6 to 14 form an integral part of these accounts.

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and assets under construction, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|------------------------------|---------------------|
| Freehold buildings | over 50 years |
| Leasehold land and buildings | over the lease term |
| Plant and machinery | over 5 years |

Cashflow statement

The Co-op has taken advantage of the small company exemption to not prepare a cashflow statement in line with FRS1 para 5.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

2 Analysis of turnover

| | 2012 |
|-------------------------|---------------|
| | £ |
| By activity: | |
| Grant Income | 33,564 |
| Donations | 60 |
| Commissions | 1,000 |
| | <u>34,624</u> |
| By geographical market: | |
| UK | <u>34,624</u> |

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

3 Directors' emoluments **2012**
£

Emoluments 58,718

Within Emoluments above is all payments made to Directors in cash or shares, including monies owed to Directors, either in their capacity as consultants or Directors. Monies paid to Directors to reimburse them for valid business expenses is not included.

Of the amount of emoluments, £37,528 was provided to Directors as shares. Of the shares provided £36,338 was given back to Brighton Energy Limited. See Note 13.

4 Staff costs **2012**
£

Wages and salaries 5,119

Staff costs above include salaries paid to employees which are expensed. A further £11,945 of salaries was capitalised as part of Assets Under Construction, see Note 6.

| Average number of employees during the year | Number |
|--|---------------|
| Administration | 2 |
| Development | <u>1</u> |
| | <u>3</u> |

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

| | |
|--|--------------|
| 5 Taxation | 2012 |
| | £ |
| Analysis of charge in period | |
| Deferred tax: | |
| Origination and reversal of timing differences | 8,975 |
| | <hr/> |
| Tax on profit on ordinary activities | <u>8,975</u> |

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | |
|--|-----------------|
| | 2012 |
| | £ |
| Loss on ordinary activities before tax | <u>(16,566)</u> |
| Standard rate of corporation tax in the UK | 20% |
| | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | - |
| Effects of: | |
| Capital allowances for period in excess of depreciation | (44,873) |
| | <hr/> |
| Current tax charge for period | <u>-</u> |

Factors that may affect future tax charges

Taxable losses are carried forward to offset against future taxable profits.

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

6 Tangible fixed assets

| | Assets Under Construction £ |
|-----------------------|--|
| Cost | |
| Additions | 44,873 |
| At 31 March 2012 | <u>44,873</u> |
| Depreciation | |
| At 31 March 2012 | <u>-</u> |
| Net book value | |
| At 31 March 2012 | <u>44,873</u> |

Assets Under Construction represent directly attributable costs incurred in order to install solar photovoltaic systems at three sites: Shoreham Port, St. George's Church, and City Coast Church. Assets Under Construction are not depreciated until the asset is brought into use.

7 Investments

Unlisted investments include one share of £0.25 nominal value in Cooperatives UK LTD bought 25 November 2010.

8 Debtors **2012**
£

| | |
|---------------|---------------|
| Trade debtors | <u>17,099</u> |
|---------------|---------------|

9 Creditors: amounts falling due within one year **2012**
£

| | |
|---------------------------------------|---------------|
| Other taxes and social security costs | 929 |
| Other creditors | 4,204 |
| Accruals and deferred income | 19,853 |
| Director's Account DT | 54 |
| Director's Account WC | 305 |
| | <u>25,345</u> |

Other Creditors includes the amount repayable within one year on two £4,000 loans received from two members of Brighton Energy Limited, see Note 11.

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

10 Creditors: amounts falling due after one year **2012**
£

| | |
|-----------------|-------|
| Other creditors | 4,000 |
|-----------------|-------|

Other Creditors includes amounts payable after one year on two £4,000 loans received from two members of Brighton Energy Limited, see Note 11.

11 Loans **2012**
£

| | |
|-------------------------------|-------|
| Analysis of maturity of debt: | |
| Within one year or on demand | 4,204 |
| Between one and two years | 4,000 |
| | 8,204 |

The loans were drawdown on 23 September 2011 and 4 October 2011. The term of the loans are 6 months from the drawdown date. Interest is charged at £100 for the first 6 months.

The Lenders agreed on the 30 March 2012 to extend the term of the loans. Interest is charged at 5% per annum thereafter. It is the intention of Brighton Energy Limited to repay 50% of the loans within 12 months of the year end and the balance the year after.

The bank loans are secured with a floating charge over the net assets including any Bank accounts.

At year end £204 of interest is accrued on the loans. This interest is capitalised as a direct cost of Assets Under Construction.

12 Deferred taxation **2012**
£

| | |
|---|-------|
| Accelerated capital allowances | 8,975 |
| Undiscounted provision for deferred tax | 8,975 |

2012
£

| | |
|--|-------|
| Deferred tax charge in profit and loss account | 8,975 |
|--|-------|

| | |
|-------------|-------|
| At 31 March | 8,975 |
|-------------|-------|

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

| 13 Share capital | Nominal value | 2012 Number | 2012 £ |
|-------------------------------------|----------------------|--------------------|-----------------|
| Allotted, called up and fully paid: | | | |
| Ordinary shares | £1 each | 19,700 | <u>19,700</u> |
| | Nominal value | Number | Amount £ |
| Shares issued during the period: | | | |
| Ordinary shares | £1 each | 56,038 | <u>56,038</u> |
| Shares redeemed during the period: | | | |
| Ordinary shares | £1 each | 36,338 | <u>36,338</u> |

During the year shares were issued in line with their Employment Contracts to three Directors; Mr W Cottrell, Mr D Tow, and Miss D Craker as remuneration for their work performed. On 31 October 2011 the 3 Directors decided to give back their shares so that their remaining share holding was 400 shares worth £400 each. They received no consideration for returning their shares.

| 14 Capital redemption reserve | 2012 £ |
|--|---------------|
| Capital redemption reserve: Shares Reduced | 36,338 |
| Transfer to the profit and loss account | (36,338) |
| | <u>-</u> |
| At 31 March 2012 | <u>-</u> |

Shares returned, per Note 13, were cancelled. The profit on redemption was transferred to retained earnings.

| 15 Profit and loss account | 2012 £ |
|--|---------------|
| Loss for the period | (25,541) |
| Transfer from capital redemption reserve | 36,338 |
| | <u>10,797</u> |
| At 31 March 2012 | <u>10,797</u> |

Shares returned, per Note 13, were treated as an equity transaction, and therefore retained profits were credited by the nominal value of the shares returned.

| 16 Reconciliation of movement in shareholders' funds | 2012 £ |
|---|---------------|
| Loss for the financial period | (25,541) |
| Shares issued | 56,038 |
| Shares redeemed | (36,338) |
| Transfer from capital redemption reserve | 36,338 |
| | <u>30,497</u> |
| At 31 March | <u>30,497</u> |

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

17 Post balance sheet events

The Co-op entered into a 25 year lease on 15 May 2012 with Shoreham Port Authority. The lease entitles the Co-op to rental of roof space above the buildings at Hove Enterprise Centre. In return the site receives electricity at a cost of £0.04 per kWh (+RPI) for 25 years.

The Co-op entered into a 25 year lease on 5 July 2012 with City Coast Church. The lease entitles the Co-op to rental of roof space above City Coast Church. In return the site receives electricity at a cost of £0.05 per kWh (+RPI) for 25 years.

The Co-op entered into a 25 year lease on 26 July 2012 with St George's Church. The lease entitles the Co-op to rental of roof space above the Church. In return the site receives electricity at a cost of £0.00 per kWh for 25 years.

On 14 May 2012, 7 members holding 18,500 shares worth £18,500 agreed to waive their right to withdraw 12,300 shares in total until successful installation of solar PV systems at each of the sites; Shoreham Port, City Coast Church and St George's Church.

On 7 July 2012 the Co-op entered into a loan agreement with PURE The Clean Planet Trust to borrow £50,000. The Loan is repayable over 5 years with monthly repayments. Interest is charged at 4% per annum. The loan is secured as senior debt, with the right to take over FIT income if repayments not met.

On 6 August 2012 the Co-op accepted £155,500 of additional investment in the Co-op and issued share certificates to the new members. On 26 September 2012 the Co-op accepted £4,800 of additional investment in the Co-op and issued share certificates to the new members.

18 Contingent liabilities

A Letter of Intent was entered into with City Coast Church and Shoreham Port dated 31 October 2011. These contracts entitled the Co-op to pursue installation of Solar Photovoltaic systems on each site on the condition that the Co-op was able to raise the necessary capital. At year end, there was no binding commitment on the Co-op to install the systems and as such no liability is recognised.

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

19 Related party transactions

2012
£

Mr W Cottrell

Director

Mr W Cottrell received gross salary of £4,986. He received £12,800 in shares whilst a Director and £7,200 in shares as a consultant. During the period he was reimbursed £1,744 for business expenses he incurred personally. On 31 October 2011 Mr W Cottrell agreed to give back to the Co-op 19,600 shares worth £19,600. At year end he was owed a further £305 for business expenses he incurred personally.

Amount due from (to) the related party (305)

Mr D Tow

Director

Mr D Tow received gross salary of £6,367. He received £9,799 in shares whilst a Director and £2,800 in shares as a consultant. He also received £2,800 in fees as a consultant. During the period he was reimbursed £831 for business expenses he incurred personally. On 31 October 2011 Mr D Tow agreed to give back to the Co-op 12,199 shares worth £12,199. At year end he was owed a further £54 for business expenses he incurred personally.

Amount due from (to) the related party (54)

Miss D Craker

Director (appointed 10 November 2010, resigned 30 November 2011)

Miss D Craker received gross salary of £5,712. She received £3,604 in shares whilst a Director and £1,325 in shares as a consultant. She also received £1,325 in fees as a consultant. During the period she was reimbursed £81 for business expenses she incurred personally. During the period Miss D Craker bought 10 shares worth £10 paid in cash. On 31 October 2011 Miss D Craker agreed to give back to the Co-op 4,539 shares worth £4,539. At year end Miss D Craker is owed a further £1,000 in fees for accountancy services related to 31 March 2012 year end accounts and tax returns.

Amount due from (to) the related party (1,000)

Mr R Gilbert

Director (appointed 1 May 2012)

Mr R Gilbert bought 1,000 shares worth £1,000 on 17 February 2011.

Brighton Energy Limited
Notes to the Accounts
for the period from 10 November 2010 to 31 March 2012

Mr J Smith

Member

Mr J Smith made a Loan of £4,000 to the Co-op on 4 October 2011. The loan and accrued interest of £100 is due to Mr J Smith at year end. See Note 11 for terms of the loan.

Mr J Smith's is a partner of Cityzen LLP. Cityzen LLP provided consultancy services in the form of commercial building energy audits with a value of £7,150 during the period. Of this amount, £5,368 was owed at year end.

Mr J Smith holds 5,000 shares in the Co-op worth £5,000.

Amount due from (to) the related party (excluding shares) (9,468)

Mr H Johnson

Member

Mr H Johnson made a Loan of £4,000 to the Co-op on 23 September 2011. The loan and accrued interest of £104 is due to Mr H Johnson at year end. See Note 11 for terms of the loan.

Amount due from (to) the related party (excluding shares) (4,104)

20 Ultimate controlling party

There is no ultimate controlling party. Although members may own a significant portion of the share capital, each shareholder has only one vote.