

COMPANY REGISTRATION NUMBER 04117847

**EEEEGR (Company Limited by Guarantee)**

**Financial statements**

**31 March 2016**

# EEEGR (Company Limited by Guarantee)

## Financial statements

Year ended 31 March 2016

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# EEEGR (Company Limited by Guarantee)

## Company information

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### **The board of directors**

M L Goodall  
Ms A M Soroko  
P Phelan  
S Thornton  
P Watkins  
S Smith  
J Sewell  
S Anverali  
P W Chilvers  
M A Hughes  
J Carmichael  
G Hacon  
K Murphy  
M Rezyapov  
M Wilder  
S Gray (CEO)

### **Company secretary**

Birketts Secretaries Limited

### **Registered office**

Unit 4 Ground Floor  
Wellington Park  
Excalibur Road  
Gorleston  
Great Yarmouth  
NR31 7BB

### **Auditor**

Lovewell Blake LLP  
Chartered Accountants  
Statutory Auditor  
Excelsior House  
9 Quay View Business Park  
Barnards Way  
Lowestoft  
NR32 2HD

# EEEEGR (Company Limited by Guarantee)

## Chairman's statement

Year ended 31 March 2016

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It has been a pleasure to take up the position of Chairman of EEEGR a year ago, following the many dedicated years of service of my fellow director, Mark Goodall.

Our industry is in a critical transition period, and all of our member companies have been changing their business structures to make themselves leaner and fitter to address the challenges that the market presents. Just as our members strive to innovate and satisfy their customers with new products and services, EEEGR must constantly seek to improve its offering. Our goal is to make membership of EEEGR an essential part of the sales and marketing effort of our member companies, along with training provision, offering them greater insight and more opportunities than they could gain by themselves.

Our region continues to be an excellent location from which companies can grow their businesses. The low gas price has meant that companies, who for many years could rely on a steady stream of business from the local region, have had to look further afield in order to gain work from other sources, and their Southern North Sea expertise is highly valued. The offshore wind market has made rapid advances over recent years and our region is clearly one of the world's true centres of excellence for this technology. We continue to train new apprentices, graduates, and mature employees in this exciting industry. This strength in depth and breadth is a testament to the hard work and dedication of all of our member companies. This is further enhanced by their close collaboration, combined with healthy competition, that has created the resilient and determined business environment that we enjoy.

As we look towards 2017 and beyond, there will be new challenges and opportunities to address. EEEGR is directly involved with the UK Government's Oil & Gas Authority (OGA) supporting the drive to Maximise Economic Recovery (MER). There will be increasing levels of decommissioning activity and EEEGR will continue its efforts to support its members in gaining a good share of this important market. The Offshore Wind market will continue its journey to becoming subsidy free as the industry drives down its levelized cost of electricity (LCOE) and the government's energy strategy will, hopefully, enable a new era of nuclear power to become a reality. This unparalleled mix of opportunities will feed our member companies over the coming years, and EEEGR will be there to lead and support at every stage.

I would like to place on record our appreciation for the contribution made by Andrew Wood, who steps down as Company Secretary (through Birketts Solicitors) at the forthcoming Annual General Meeting. Andrew has been involved with EEEGR since its inception and we are extremely grateful for the support he has provided over those years.

Finally, I would like to thank the EEEGR staff who work tirelessly to work for our members within a tightly constrained budget, the directors who willingly give their time and knowledge for the benefit of others, our major sponsors Scottish Power Renewables and ECITB, and of course the member companies who continue to support each other through their dedicated involvement in EEEGR activities.

Patrick Phelan  
Chairman

Signed by authority of the board given on 6 September 2016.

# EEEEGR (Company Limited by Guarantee)

## CEO's statement

Year ended 31 March 2016

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It has been another year of change and challenge in the energy sector in the East of England. With the requirement to reduce carbon omissions we have seen huge reductions in energy produced from coal and a steep increase in production from gas - both indigenous and imported LNG. We have also witnessed great advances in offshore wind where new working methods and advances in technology have seen costs decrease to make offshore wind far more competitive when compared to other methods of energy generation however more can and will be done to bring costs down to be able to compete with other methods of generation. The continued glut in production of oil and gas on the international stage has seen wholesale prices continue to remain weak with the consequent knock on effect on investment and jobs.

EEEEGR has tried to respond to the downturn regionally with the establishment of the oil and gas taskforce. A development with our colleagues at the New Anglia LEP, local MP's Peter Aldous and Brandon Lewis, the Norfolk and Suffolk Chambers of Commerce, Department of Work and Pensions and Norfolk and Suffolk County Councils. This group seeks to monitor the impact on the sector, identify new opportunities for the workforce, find ways of keeping skills current for those that have come out of employment and provide support and assistance to SME's that have been impacted by the downturn in the sector to help them identify their difficulties, find creative solutions and to help them diversify into other sectors such as renewables. In addition, we have signed a memorandum of co-operation with Oil and Gas UK in an effort to ensure that our strategies are aligned and that we can work more closely with one another. You will see more content from Oil and Gas UK on our web site and we will be promoting one another's events. We have also been working with UKTI in identifying export opportunities for the local oil and gas supply chain and we will continue to work to assist members in these areas.

Whilst we have witnessed a downturn in oil and gas the offshore wind sector continues to provide growth in terms of local investment and jobs. As I write the operations and maintenance centre for the Dudgeon windfarm is about to be opened, the Galloper extension to the Greater Gabbard wind farm is under construction and Scottish Power Renewables have announced that they will be using Great Yarmouth as the construction base for their East Anglia ONE wind farm. Great Yarmouth port has enjoyed other developments too with its recent acquisition by Peel Ports targeting growth across oil and gas (and in particular in decommissioning) and offshore wind construction, operations and maintenance. Other ports along our coast from Harwich to Kings Lynn also see opportunities in the energy sector.

We have seen great political change in the year with the Brexit vote, a new government and the prospect of regional devolution all impacting. As we publish these accounts we are awaiting the outcome on the governments review of their nuclear strategy and this will then impact on future investments in Sizewell C and Bradwell B power station developments. We also await to see the impact on the energy sector with the demise of the former Department for Energy Climate Change and the introduction of the new Department for Business Energy and Industrial Strategy. Our skills for energy programme continues to deliver apprentices and graduates through our Energy Skills Foundation programme at Gt Yarmouth and Lowestoft Colleges and the BEng, MEng and MSc courses run at the University of East Anglia. We also work closely with colleagues at Engineering Construction Industry Training Board (ECITB) in ensuring that courses and subjects are well focused and fit for purpose. With the challenges faced in the oil and gas sector we have seen a number of companies struggle and some unfortunately failing with the loss of thousands of jobs across our region. This has impacted on our performance with a large drop in membership numbers and therefore revenue. We believe we have arrested much of this decline and new members from the renewables and other sectors are joining EEEEEGR but not at the same rate as the decline. We have been fortunate in that we have made further overhead reductions, including a move to new, lower cost premises, and also secured a major sponsorship relationship with Scottish Power Renewables for which we are incredibly grateful. We hope other sponsors will follow and we are actively pursuing this whilst reducing costs and overheads and seeking new income streams. Our members are at the very heart of everything we do so it is really important that we listen to what they say to us and that we challenge the services and benefits that EEEEEGR offers to them. We have held a membership focus group which has greatly helped us in developing our future strategy and direction and members will see more emerging on this as our plans come to life. As a result of the focus group we have revisited our mission statement which now is 'To be the source of new opportunities and knowledge to enable member companies to strategically grow their businesses' and we look forward to working hard to deliver on this for the future.

Simon Gray  
CEO  
6 September 2016

# EEEGR (Company Limited by Guarantee)

## Directors' report

### Year ended 31 March 2016

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

#### Principal activity

The principal activity of the company during the year was to represent, promote and assist the energy industry and associated businesses, in the East of England. The company is a non-profit making association limited by guarantee. Any surplus arising is utilised in future years with a view to furthering the entity's objectives.

#### Directors

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

M L Goodall	
Ms A M Soroko	
P Phelan	
S Thornton	
P Watkins	
S Smith	
J Sewell	
S Anverali	
P W Chilvers	
M A Hughes	
S Gray (CEO)	
J Carmichael	(Appointed 27 May 2015)
G Hacon	(Appointed 16 October 2015)
K Murphy	(Appointed 24 November 2015)
M Rezyapov	(Appointed 24 November 2015)
M Wilder	(Appointed 16 October 2015)
P Hack	(Retired 14 April 2015)
N Cornwall	(Retired 16 October 2015)
M Frith	(Retired 16 October 2015)
R Jenkins	(Retired 25 August 2015)

#### Statement of 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 year.

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.

# EEEGR (Company Limited by Guarantee)

## Directors' report *(continued)*

### Year ended 31 March 2016

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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.

#### **Auditor**

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:  
Unit 4 Ground Floor  
Wellington Park  
Excalibur Road  
Gorleston  
Great Yarmouth  
NR31 7BB

Signed on behalf of the directors

S Anverali  
Director

Approved by the directors on 6 September 2016

# EEEEGR (Company Limited by Guarantee)

## Independent auditor's report to the members of EEEGR (Company Limited by Guarantee)

Year ended 31 March 2016

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We have audited the financial statements of EEEGR (Company Limited by Guarantee) for the year ended 31 March 2016 on pages 7 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 to 5, the directors are responsible for the preparation of the Annual Report, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### 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 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.

Paul Briddon BSc FCA (Senior Statutory Auditor)  
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor  
Lowestoft  
11 October 2016

# EEEGR (Company Limited by Guarantee)

## Profit and loss account

Year ended 31 March 2016

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		<b>2016</b>	2015
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		635,515	852,156
Direct costs		(318,819)	(466,543)
<b>Gross profit</b>		316,696	385,613
Administrative expenses		(373,500)	(477,507)
<b>Operating loss</b>	<b>2</b>	(56,804)	(91,894)
Interest receivable		33	358
<b>Loss on ordinary activities before taxation</b>		(56,771)	(91,536)
Tax on loss on ordinary activities	<b>4</b>	–	–
<b>Loss for the financial year</b>		<u>(56,771)</u>	<u>(91,536)</u>

The notes on pages 9 to 12 form part of these financial statements.

# EEEGR (Company Limited by Guarantee)

## Balance sheet

31 March 2016

	Note	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	5		7,472		4,628
Investments	6		<u>1</u>		<u>–</u>
			7,473		4,628
<b>Current assets</b>					
Debtors	7	183,537		271,715	
Cash at bank		<u>66,475</u>		<u>161,811</u>	
		250,012		433,526	
<b>Creditors: Amounts falling due within one year</b>	8	<u>(197,275)</u>		<u>(321,173)</u>	
<b>Net current assets</b>			<u>52,737</u>		<u>112,353</u>
<b>Total assets less current liabilities</b>			<u>60,210</u>		<u>116,981</u>
<b>Reserves</b>	12				
Profit and loss account	13		<u>60,210</u>		<u>116,981</u>
<b>Members' funds</b>			<u>60,210</u>		<u>116,981</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the directors and authorised for issue on 6 September 2016, and are signed on their behalf by:

S Anverali

S Gray

Company Registration Number: 04117847

The notes on pages 9 to 12 form part of these financial statements.

# EEEGR (Company Limited by Guarantee)

## Notes to the financial statements

Year ended 31 March 2016

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### 1. Accounting policies

#### Basis of accounting

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).

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

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

Fixtures & fittings	-	20% Straight line
Office equipment	-	20 - 33% Straight line

#### 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 profits on a straight line basis over the period of the lease.

#### Pension costs

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

#### Turnover

The turnover shown in the profit and loss account represents the amount of goods and services provided and grant income received during the year, exclusive of Value Added Tax. Due to the nature of the company's income, the directors consider it appropriate to include turnover net of costs in certain instances.

Subscription income is recognised in the profit and loss account in the period in which it is invoiced. Grant income is recognised in the period to which the income relates. Core funding is recognised in the profit and loss account in the same period as the expenditure to which it relates.

#### Going concern

The company has made losses during the four years ended 31 March 2016 however budgets for the year ending 31 March 2017 show a return to profit. This is based on stabilising membership, improving margins from operating activities and new sponsorship income opportunities. The directors are aware of the situation and are confident that efforts currently being made will result in suitable funding being obtained to enable the company to meet its liabilities as they fall due for at least the twelve months following the approval of the accounts. Based upon the above, the directors have formed a judgement that the going concern basis should be adopted in preparing the financial statements. The financial statements do not include any adjustments that may be required should the company be unable to continue as a going concern.

# EEEGR (Company Limited by Guarantee)

## Notes to the financial statements

Year ended 31 March 2016

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### 2. Operating loss

Operating loss is stated after charging:

	<b>2016</b>	2015
	<b>£</b>	£
Staff pension contributions	12,786	17,304
Depreciation of owned fixed assets	4,635	7,035
Auditor's fees	5,450	5,250
Rent payable under operating lease	<u>6,000</u>	<u>29,784</u>

### 3. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2016</b>	2015
	<b>£</b>	£
Aggregate remuneration	73,875	135,109
Value of company pension contributions to money purchase schemes	<u>7,000</u>	<u>13,100</u>
	<u>80,875</u>	<u>148,209</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	<b>2016</b>	2015
	<b>No.</b>	No.
Money purchase schemes	<u>1</u>	<u>2</u>

### 4. Taxation on ordinary activities

At 31 March 2016 the company had tax trading losses of approximately £483,000 (2015 - £387,000). These losses are available for offset against future taxable trading profits of the company.

No deferred tax asset has been recognised in respect of these losses on the basis that recovery in the near future remains uncertain.

# EEEGR (Company Limited by Guarantee)

## Notes to the financial statements

Year ended 31 March 2016

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### 5. Tangible assets

	Plant and machinery etc. £
<b>Cost</b>	
At 1 April 2015	44,954
Additions	7,479
<b>At 31 March 2016</b>	<u>52,433</u>
<b>Depreciation</b>	
At 1 April 2015	40,326
Charge for the year	4,635
<b>At 31 March 2016</b>	<u>44,961</u>
<b>Net book value</b>	
<b>At 31 March 2016</b>	<u>7,472</u>
At 31 March 2015	<u>4,628</u>

### 6. Investments

	Subsidiaries £
<b>Cost</b>	
Additions	1
At 31 March 2016	<u>1</u>
<b>Net book value</b>	
<b>At 31 March 2016</b>	<u>1</u>
At 31 March 2015	<u>-</u>

Details of the subsidiary, which has a 30 November year end, are as follows;

Subsidiary undertakings	Class of share	% Owned	Country of registration
Skills for Energy Limited Dormant	Ordinary	100%	England

Aggregate share capital and reserves at 30 November 2015: £1 (2014 - £1).

Profit for the year ended 30 November 2015: £nil (2014 - £nil).

# EEEGR (Company Limited by Guarantee)

## Notes to the financial statements

Year ended 31 March 2016

### 7. Debtors

	2016 £	2015 £
Trade debtors	179,703	183,877
Other debtors	3,834	87,838
	<u>183,537</u>	<u>271,715</u>

### 8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	52,587	61,726
Other taxation and social security	17,764	19,509
Other creditors	126,924	239,938
	<u>197,275</u>	<u>321,173</u>

### 9. Commitments under operating leases

At 31 March 2016 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2016 £	2015 £
Operating leases which expire:		
Within 1 year	-	32,042
Within 2 to 5 years	8,363	-
	<u>8,363</u>	<u>32,042</u>

### 10. Contingent liabilities

It is acknowledged that the grant agencies reserve the right to require part or all of any grants to be repaid if any of the conditions of the grant application have not been complied with. The directors are not aware of any breaches and no liability is therefore expected to arise.

### 11. Related party transactions

The company has transactions of small value in the normal course of business with entities in which directors have an interest.

### 12. Company limited by guarantee

Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up.

### 13. Profit and loss account

	2016 £	2015 £
Balance brought forward	116,981	208,517
Loss for the financial year	(56,771)	(91,536)
Balance carried forward	<u>60,210</u>	<u>116,981</u>