



Our vision is that by 2030 every community in the UK has access to affordable, sustainable transport, using zero-emissions vehicles powered by renewable energy and owned by the local community



Annual Report 2017



Most Sustainable Business – Sussex Business Awards 2017



Foreward

2017 was a defining year for The Big Lemon, a 'coming of age' in many ways. It was the year we set our long term vision for 2030, the year we recruited a new Managing Director for the first time, the year we launched our first solar-powered electric bus, and the year we took on five new local bus services, almost doubling the size of the company in two weeks. It was also the year we celebrated our tenth birthday!

An incredibly exciting period for us all, and I believe we'll look back at 2017 for many years to come and see it as the year we closed the book on one chapter of our story and set off on the next one. Chapter 1 was about starting a community bus company, realising our vision of sustainable, community-focussed public transport using renewable fuels, where passengers are involved in the decisions around their services, and where drivers are treated as individuals with their own hopes and dreams... in turn giving passengers a friendly welcome on the bus, and often going the extra mile (or 50 yards past the bus stop!) to take people to their door. And above all an organisation where the whole community can get involved, as a passenger, shareholder, bondholder, driver, volunteer, or simply by spreading the word and helping us get our message out.

Since our launch in 2007 over four million passenger journeys have been made on The Big Lemon. We have driven over 2 million miles, putting over a thousand tonnes of waste cooking oil to good use, and saving over 1800 tonnes of CO2 emissions in the process. But while Chapter 1 was defined by our use of biodiesel from waste cooking oil, Chapter 2 is all about solar: zero-emissions buses powered by renewable electricity. In Chapter 2 the stakes are higher, the numbers larger, the opportunities bigger, and the potential impact far greater.

2017 was the year we started on this new period of our journey, an exciting year but also an incredibly challenging one. We have had to invest hugely in systems, processes, equipment and people in order to manage the transition to a new reality, and consequently on paper the Company made a significant financial loss in 2017. But 2018 will be back in the black, and I believe that it was worth us taking this step and investing in the platform we need to take us through to 2021.

There's a better world out there, and we're one step closer to it - thank you for being part of our journey!

Tom Druitt,
Founder & CEO



When life gives you lemons...



The Board of Directors

Chair: Fred Harrison

Following a career in shipping Fred took early retirement and became a volunteer with The Big Lemon in 2008. Since then he has been played a central role in The Big Lemon's development, supporting Tom and the team to perform at their best, and championing the organisation in the wider community.

Chief Executive: Tom Druitt

Tom has always had a keen interest both in environmentalism and in mobility, and a specific interest in public transport from an early age. Tom set up The Big Lemon with childhood friend Graeme Simpson following a public meeting about buses in Brighton in 2006. Tom is a qualified Transport Manager, holding the Certificate of Professional Competence in Passenger Transport. He is also a Fellow of the Royal Society of Arts and a Councillor on Brighton & Hove City Council.

Mitali Mookerjee

Mitali Mookerjee is the MD of a medium-sized software company in Leeds. A childhood friend of founders Tom and Graeme, Mitali has played a very active role in the organisation, both in the mechanics of getting business intelligence to the Board's fingertips and in developing the vision. Mitali also has a keen interest in staff wellbeing and team development and is always looking for ways we can become a better employer and enable all our team reach their potential.

Neil Brooks

Neil has been a bus driver at The Big Lemon since 2008, and on the Board since 2010. Neil's day job is driving the 52 bus, but he also drives our coaches for private hire and special events, and leads our Sunday Walks and Walking Holidays. Neil has played an active role on the Board, 'keeping it real' and ensuring the first-hand experience of the driving team is at the heart of our decision-making.

Martin Ashby

Martin lives locally and has been a keen supporter of The Big Lemon's aims and ideals for many years. He joined the Board in 2016, and brings a wealth of local knowledge with a specific interest in sustainability and ensuring The Big Lemon achieves maximum impact in the community.



The Management Team

CEO: Tom Druitt

Tom is responsible for the organisation health of The Big Lemon and its culture, strategy and resources. Tom leads the Management Team in the delivery of services, customer care and staff development and is ultimately responsible for the quality of our services, the management of our resources, and the wellbeing of our staff team.

Finance and Sustainability Manager: Anna Fisher

After a career spanning more than 15 years in finance, and then a degree in Environmental Science, Anna joined The Big Lemon temporarily in 2015 to help out with office admin and soon became a full time family member due to her passion for sustainable transport and a strong belief in The Big Lemon vision.

Development Manager: Kelly Dibbert

Kelly is an experienced project & events manager in all sectors with a passion for sustainable transport and making a difference in her community. Kelly joined The Big Lemon in 2016 and is responsible for projects, events, outreach, community engagement, our website and social media.

Bus Services Manager: Mark Bennett

Mark joined The Big Lemon as a bus driver in 2014 and quickly became a key member of our team. Always cheerful and keen to help in any situation, Mark became the one others looked to for support in the delivery of our services and in 2016 Mark took responsibility for our bus services.

Coach Services Manager: Ryan Wrotny

When Ryan was 13 he came to the depot with his dad and asked if he could invest his pocket money in the Company. Now, almost ten years on from his first visit to the depot, Ryan is a qualified Transport Manager (International) and manages the coach side of the business.

Fleet Manager: Phil Wollington

Phil joined The Big Lemon as a bus driver in 2009 with 20 years experience in the bus & coach and haulage industries. Since 2016 Phil has taken responsibility for the vehicles and equipment, looking after our fleet of 20 buses and coaches.



Operational Report

The nature of our operations changed substantially in 2017. Over the last few years our coach operations have grown considerably, and at the beginning of 2017 we ran daily coach services for the University of Brighton, City College (now Greater Brighton Metropolitan College), and a large employer based in Hove; as well as private hire, festival coaches and various local events such as Brighton Festival, Pride and Lewes Bonfire. Our bus services on the other hand were pretty modest, with only one public bus service (route 52) which we have operated on behalf of Brighton & Hove City Council since 2012.

Community bus services have always been our core interest, however, and with the coming of age of electric buses we spotted an opportunity to develop what we see as best practice in sustainable bus services: zero emission vehicles running on renewable electricity.

In January we set our vision for 2030: that every community in the UK has access to affordable, sustainable transport, using zero-emissions vehicles powered by renewable energy and owned by the local community. We then started a recruitment process for a new Managing Director, to focus on developing the business in Brighton & Hove, and to enable Tom to start work on a plan to realise our vision further afield. In March our new MD Norman Baker started work, and we took the opportunity to re-apply for government funding for three electric buses. In April we launched our first electric bus and the solar roof to power it, and in May we bid for contracts to run seven public bus services on behalf of Brighton & Hove City Council, using zero-emissions vehicles powered by renewable energy.

In the summer we received the news that we had been awarded preferred bidder status for six of the routes we had bid for, including our existing route 52. However there then ensued a protracted legal battle involving the losing bidder, the City Council, and us. This resulted in the process being extended, and then aborted altogether; but we successfully challenged that decision on the basis that there is no provision in the [Public Contracts Regulations 2015](#) for either an extension to the process or its abortion altogether.

The result of this however was that we were finally awarded the contracts 9 days before the services were supposed to start, so we had 9 days to recruit and train 12 drivers; register and advertise six new bus services; and procure and prepare six new buses for service. This was an impossible task, bearing in mind it usually takes 10-12 weeks to do all this, but we knuckled down and got on with it, and launched all the services on time: the 57 on 17th September and all the rest on 18th September.



However the speed at which all this had to be put together had huge consequences in every area. The delay to the award of the contract meant that Brighton & Hove *Bus Times* magazine, the complete guide to the routes and timetables of all public bus services in the city, had already been printed with out-of-date timetables, passengers did not know anything about the new services (despite our best efforts on our website and social media channels!), drivers (despite their best efforts!) did not know the routes very well and were prone to a few wrong turns, the buses we had managed to hire in were the only ones available at the time and prone to breakdowns, and to add insult to injury on the first day of full service North Street closed for 8 weeks of roadworks and the buses spent significant amounts of time stuck in traffic on the seafront diversion. As real-time tracking had not yet been fitted, the office staff had no idea where the buses were on each route and couldn't always answer enquiries satisfactorily.

Gradually things calmed down, as the most unreliable buses were replaced, drivers became more familiar with routes, and passengers became accustomed to the changes. But it was a highly stressful experience for all involved, and ultimately both the human cost and financial cost of implementation were very high indeed.

At the end of the year our operation looked very different from the one we had at the beginning. Our team had doubled in size, the number of public bus services had increased from one to six, and our main operations had shifted from coach services to bus services. We had made huge investments in people, vehicles and systems to create the platform for the next 4 years, and for the first time in our history we were running a proper network of public bus services.





Financial Report

| Income Statement | 2017 | 2016 |
|---|------------------|-----------------|
| Turnover | 968,922 | 832,014 |
| Cost of Sales | 789,472 | 546,019 |
| Gross Profit | 179,450 | £285,995 |
| Administrative expenses | 281,166 | 197,196 |
| Other income | | 25,850 |
| Operating (Loss)/Profit | (101,716) | 114,649 |
| Net interest payable | 17,834 | 14,480 |
| Tax on (loss)/profit | 192 | |
| (Loss)/Profit for the financial year | (119,742) | 100,169 |

Notes on the Income Statement

2017 was a year of huge growth, and the profit and loss account for the year reflects the huge amount required to invest in that growth. Turnover is up significantly, but the new bus services launched relatively late in the year so the full effect on turnover will not be seen until 2018. Prior to the launch of the new services was a six month long investment in people and infrastructure that cost a huge amount and is reflected in increased costs of sales and increased administrative expenses. In addition the University coach service was discontinued in June; this had until then been a large part of the Company's income. The combination of these factors have contributed to a net financial loss for the year, but the Company is forecast to return to profit in 2018.



| Balance Sheet | 31 Dec 2017 | 31 Dec 2016 |
|--|--------------------|--------------------|
| Fixed assets | 477,204 | 294,713 |
| Current assets | 248,181 | 169,543 |
| Creditors due within one year | 65,975 | 24,239 |
| Net current assets | 182,206 | 145,304 |
| Total assets less current liabilities | 659,410 | 440,017 |
| Creditors due after more than one year | 624,455 | 114,649 |
| Net assets | 34,955 | 148,947 |
| Called up share capital | 1,897 | 1,830 |
| Share premium | 110,988 | 101,005 |
| Retained earnings | (77,930) | 46,112 |
| Shareholders funds | 34,955 | 148,947 |

Notes on the Balance Sheet

As a result of the huge investment this year and the heavy financial loss sustained as a result, the overall effect on the balance sheet is a significant reduction in net assets/shareholders funds. However, net current assets have increased to from £145,304 to £182,206 and this puts the Company in a good position going forward.

There is also a very positive story to tell around the long-term value within the organisation which is not reflected on the Balance Sheet. This is that in 2017 the Company was awarded a grant of £513,952 for new electric buses (not shown on the balance sheet as the money was paid to us in 2018), which have now been ordered and are due to enter service in October 2018. As long as the buses are in service for a minimum of 3 years the grant is not repayable, so this represents both a huge endorsement of our work and a huge increase in the value retained in the Company, which we will put to very good use.



Impact Report

| | 2017 | 2016 |
|---|-------------|-------------|
| Passengers | 267,426 | 271,217 |
| Coach trips | 671 | 624 |
| Miles driven | 465,078 | 218,416 |
| Miles driven in zero emissions vehicles | 32,695 | 0 |
| Litres of cooking oil recycled | 82,500 | 122,125 |
| Tonnes of CO2 saved from the atmosphere | 229 | 220 |
| Carbon footprint (tonnes) | 148 | - |
| People employed (at 31 Dec) | 25 | 14 |
| Investment in local economy (£) | 643,500 | - |

Notes on the Impact Report

The Impact Report reflects the changing profile of the company, with the focus very much on public bus services again. Passenger numbers are slightly down on 2016, mainly due to the discontinuation of the University coach service in June and the fact that the new bus services did not start until mid-September. This also accounts for the reduction in the amount of waste cooking oil recycled for fuel, as the coaches had less demand from the University and the buses for the public routes can no longer run on it due to the sensitivities of the modern engines. This means that while we are waiting for our new electric buses we have to use a combination of electric and diesel on the routes. As a result we have started measuring our total carbon footprint, and we are working hard to bring this down year on year. Total CO2 saved from the atmosphere is however still greater than the previous year, due to the contribution made by the electric buses and the solar roof.

This year we have also started measuring our impact on the local economy, as keeping money circulating in the local economy is very much in line with our core values of sustainability and community. This year approximately £644,000 was spent on the local economy, with £228,000 on independent businesses further afield, £151,000 on tax and £66,000 on corporate PLCs.



Passenger Feedback

The feedback below was collected on the 52 bus on a random day by one of our team who went on a round trip to chat to passengers. It includes all the feedback received during the trip – nothing has been edited out:

“The Big Lemon staff are fabulous, the route is convenient, much quicker, and The Big Lemon gives a personal service”

Amanda, works at Royal Sussex County Hospital

“We’re part of a group that we call the B52s who all met on your 52 bus - we have BBQs and socials every few months”

Christine

“Very friendly drivers”

Sophie age 5 and Mum Halina on the way to school every day

“Very friendly drivers & I like the continuity of drivers so we know the drivers & they know us. Great that you’re going electric!”

Diana, retired going to the train station to look after grandchildren in London

“Super helpful drivers drops me off between stops. My favourite bus is the electric bus as it’s smoother & quieter”

Ali, Accountant

“I don’t drive so it’s incredible to be taken to beautiful places and walk to a country pub. There are some really amazing people who work for The Big Lemon and who really create a sense of community”

Ali, 52 bus user, Sunday Walks and Walking Holiday walker

“Drivers always pick me up between stops when I’m off to my line dancing, exercise classes in Hove”

Chloe, retired

“Love the 52 as it’s so easy for Woodingdean and quick!”

Sasha

Looking forward



Our aims for 2018 are to improve the quality of our services, get more engaged within the new communities we serve, build our passenger numbers and run all our public services with zero emissions buses running on renewable energy. Four new fully electric, zero-emissions buses are due to join the fleet in October, and these will have real-time information, wi-fi and USB charging throughout. These buses will enable us to get rid of most of our diesel buses (keeping only three as spares), thereby dramatically reducing our carbon footprint and making a significant contribution to improved air quality in Brighton & Hove.

Passengers Numbers



We are gradually building passenger numbers on our new routes and are aiming to reach our target weekly patronage by the end of 2018. (The yellow line marks the end of 2017 and the beginning of 2018)