

**HKD ENERGY LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

N L Owens

Chartered Accountant

8 Hurst Road
Hassocks
West Sussex

HKD Energy Limited
Directors' Report and Financial Statements
For The Year Ended 30 June 2016

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HKD Energy Limited
Company Information
For The Year Ended 30 June 2016

Directors

Mr Chris Handel
Mr John Willis
Dr Juliet Merrifield
Ms Bec Hanley
Mr Darren Berman
Mr Nicholas Owens

Company Number

7021

Registered Office

15 East Gardens
Ditchling
East Sussex
BN6 8ST

Accountants

N L Owens
Chartered Accountant
8 Hurst Road
Hassocks
West Sussex
BN6 9NJ

HKD Energy Limited
Company No. 7021
Directors' Report For The Year Ended 30 June 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Statement of Directors' Responsibilities

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

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements that include a revenue account and a balance sheet 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company for that period. In preparing the financial statements under United Kingdom Generally Accepted Accounting Practice the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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 Co-operative and Community Benefit Societies Act 2014. 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.

Statement of Disclosure of Information to Auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's independent examiner auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's independent examiner auditors are aware of that information.

Directors

The directors who held office during the year were as follows:

Mr Chris Handel

Mr John Willis

Dr Juliet Merrifield

Ms Bec Hanley

Mr Darren Berman

Mr Nicholas Owens

APPOINTED

17/11/2015

Small Company Rules

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

On behalf of the board

HKD Energy Limited
Directors' Report (continued)
For The Year Ended 30 June 2016

Handel

Mr Chris Handel

30/11/2016

HKD Energy Limited
Auditor's Report
For The Year Ended 30 June 2016

Independent Auditor's Report to the Members of HKD Energy Limited

We have audited the financial statements of HKD Energy Limited for the year ended 30 June 2016 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes of Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 - Section 1A for Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2—3, the directors are responsible for the preparation of the 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.

Scope of the Audit of the Financial Statements

An independent examination involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 30 June 2016 and of its profit/(loss) for the financial period then ended, as required by and in compliance with Sections 80(1) and 80(3) of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities.

Opinion on Other Matter Prescribed by the Companies Act 2006

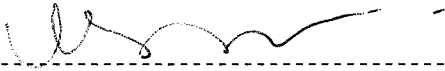
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HKD Energy Limited
Auditor's Report (continued)
For The Year Ended 30 June 2016

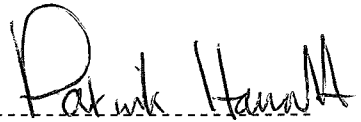
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 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;
- the financial statements are not in agreement with the accounting records or returns;
- 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.



Ms Victoria Standfast
Lay Auditors
30/11/2016



Mr Patrick Haworth

HKD Energy Limited
Profit and Loss Account
For The Year Ended 30 June 2016

		30 June 2016	Period to 30 June 2015
	Notes	£	£
TURNOVER		12,289	5,645
Cost of sales		(9,592)	(1,715)
GROSS PROFIT		2,697	3,930
Administrative expenses		(950)	(1,646)
OPERATING PROFIT	2	1,747	2,284
Other interest receivable and similar income		3	6
Interest payable and similar charges	4	(1,276)	-
PROFIT BEFORE TAXATION		474	2,290
Tax on profit	5	(1)	(1)
PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR		473	2,289

The notes on pages 10 to 12 form part of these financial statements.

HKD Energy Limited
Balance Sheet
As at 30 June 2016


		30 June 2016		Period to 30 June 2015	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	6		85,133		90,277
			85,133		90,277
CURRENT ASSETS					
Debtors	7	4,531		5,567	
Cash at bank and in hand		15,554		6,796	
		20,085		12,363	
Creditors: Amounts Falling Due Within One Year	8	(2,106)		(1)	
NET CURRENT ASSETS (LIABILITIES)			17,979		12,362
TOTAL ASSETS LESS CURRENT LIABILITIES			103,112		102,639
NET ASSETS			103,112		102,639
CAPITAL AND RESERVES					
Called up share capital	9		100,350		100,350
Capital redemption reserve			1,673		1,673
Profit and loss account			1,089		616
SHAREHOLDERS' FUNDS			103,112		102,639

HKD Energy Limited
Balance Sheet (continued)
As at 30 June 2016

Directors' responsibilities:

- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the Committee



Mr Chris Handel
Chairman
30/11/2016



Mr John Willis
Secretary



Mr Nick Owens
Treasurer

The notes on pages 10 to 12 form part of these financial statements.

HKD Energy Limited
Statement of Changes in Equity
For The Year Ended 30 June 2016

	Share Capital	Capital Redemption	Profit & Loss Account	Total
	£	£	£	£
As at 7 October 2014	100,350	-	-	100,350
Profit for the period and total comprehensive income	-	-	2,289	2,289
Transfer to capital redemption reserves	-	-	(1,673)	(1,673)
Transfer to/from Profit & Loss Account	-	1,673	-	1,673
As at 30 June 2015 and 1 July 2015	100,350	1,673	616	102,639
Profit for the year and total comprehensive income	-	-	473	473
As at 30 June 2016	100,350	1,673	1,089	103,112

HKD Energy Limited
Notes to the Accounts
For The Year Ended 30 June 2016

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover comprises feed in tariff (FIT) payments due to the company for electricity generated within the financial period, plus accruals for electricity supplied under service contracts (whether or not invoiced) within the financial period, net of Value Added Tax and trade discounts.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	Solar panels, over 20 years on a straight line basis; and Inverte over 8 years straight line
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2. Operating Profit

The operating profit is stated after charging:

	30 June 2016	Period to 30 June 2015
	£	£
Depreciation of tangible fixed assets	5,144	1,715

3. Average number of employees

Average number of employees, including directors, during the year was as follows:

30 June 2016	Period to 30 June 2015
-------------------------	---------------------------------------

4. Interest Payable

	30 June 2016	Period to 30 June 2015
	£	£
Other finance charges	1,276	-
	1,276	-

HKD Energy Limited
Notes to the Accounts (continued)
For The Year Ended 30 June 2016

5. Tax on Profit on Ordinary Activities

	Tax Rate		30 June 2016	Period to 30 June 2015
	30 June 2016	Period to 30 June 2015	£	£
UK Corporation Tax	20%	20%	1	1
Total Current Tax Charge			1	1
			30 June 2016	Period to 30 June 2015
			£	£
Profit on ordinary activities before tax			474	2,290
Breakdown of Tax Charge is:				
Tax on profit at 20% (UK standard rate)			1	-
minus the following:				
Current tax charge for the period			1	-

6. Tangible Assets

	Plant & Machinery
	£
Cost	
As at 1 July 2015	91,992
As at 30 June 2016	91,992
Depreciation	
As at 1 July 2015	1,715
Provided during the period	5,144
As at 30 June 2016	6,859
Net Book Value	
As at 30 June 2016	85,133
As at 1 July 2015	90,277

Tangible fixed assets comprise predominantly equipment for the generation of solar power.

HKD Energy Limited
Notes to the Accounts (continued)
For The Year Ended 30 June 2016

7. Debtors

	30 June 2016	Period to 30 June 2015
	£	£
Due within one year		
Trade debtors	(179)	-
Amounts recoverable on contracts	4,584	5,432
VAT	126	135
	<u>4,531</u>	<u>5,567</u>

Debtors comprise amounts invoiced to customers for the supply of generated solar power and Feed In Tariff payments due from the Government for generated electricity, all net of Value Added Tax; plus amounts of recoverable Value Added Tax where payments have exceeded sales in the closing quarter year.

8. Creditors: Amounts Falling Due Within One Year

	30 June 2016	Period to 30 June 2015
	£	£
Trade creditors	828	-
Corporation tax	2	1
Accruals and deferred income	1,276	-
	<u>2,106</u>	<u>1</u>

9. Share Capital

	Value	Number	30 June 2016	Period to 30 June 2015
	£		£	£
Allotted, called up and fully paid				
Ordinary shares	1.000	100350	100,350	100,350

10. General Information

HKD Energy Limited Registered number 7021 is a limited by shares company incorporated in England & Wales. The Registered Office is 15 East Gardens, Ditchling, East Sussex, BN6 8ST.

HKD Energy Limited
Trading Profit and Loss Account
For The Year Ended 30 June 2016

	30 June 2016		Period to 30 June 2015	
	£	£	£	£
TURNOVER				
Sales of solar generated electricity		3,345		5,432
Grants and subsidies received		8,944		213
		12,289		5,645
COST OF SALES				
Purchases	4,108		-	
Materials	155		-	
Data and telecommunications costs	185		-	
Depreciation of plant and machinery	5,144		1,715	
		(9,592)		(1,715)
GROSS PROFIT		2,697		3,930
Administrative Expenses				
Insurance on plant, machinery and equipment	199		193	
Stationery	-		35	
Advertising and marketing costs	102		114	
Website costs	-		70	
Accountancy fees	569		228	
Legal fees	-		1,006	
Sundry expenses	80		-	
		(950)		(1,646)
OPERATING PROFIT		1,747		2,284
Other interest receivable and similar income				
Bank interest receivable	3		6	
		3		6
Interest payable and similar expenses				
Other interest payable	1,276		-	
		(1,276)		-

...CONTINUED

HKD Energy Limited
Trading Profit and Loss Account (continued)
For The Year Ended 30 June 2016

PROFIT BEFORE TAXATION	474	2,290
Tax on Profit		
Corporation tax charge	1	1
	<u>(1)</u>	<u>(1)</u>
PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR	473	2,289