

**HKD ENERGY LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

N L Owens

Chartered Accountant

8 Hurst Road
Hassocks
West Sussex

HKD Energy Limited
Directors' Report and Unaudited Financial Statements
For The Year Ended 30 June 2017

Directors' Report and Unaudited Financial Statements

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HKD Energy Limited
Company Information
For The Year Ended 30 June 2017

Company Information

Directors

Mr Chris Handel
Mr John Willis
Dr Juliet Merrifield
Ms Rebecca Hanley
Mr Nicholas Owens

Company Number

7021

Registered Office

15 East Gardens
Ditchling
East Sussex
BN6 8ST

Accountants

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

Directors' Report

The directors present their report and the financial statements for the year ended 30 June 2017.

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.

Directors

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

Mr Chris Handel

Mr John Willis

Dr Juliet Merrifield

Ms Rebecca Hanley

Mr Darren Berman

Mr Nicholas Owens

RESIGNED

17/11/2016

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 Committee

HKD Energy Limited
Directors' Report (continued)
For The Year Ended 30 June 2017



Mr Chris Handel
04/12/2017



**HKD Energy Limited
Accountant's Report
For The Year Ended 30 June 2017**

Accountant's Report

Chartered Accountant's report to the directors on the preparation of the unaudited statutory accounts of HKD Energy Limited For The Year Ended 30 June 2017

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, I have prepared for your approval the accounts of HKD Energy Limited For The Year Ended 30 June 2017 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and from information and explanations you have given to us.

As a practising member of the Institute of Chartered Accountants in England and Wales (ICAEW), I am subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the directors of HKD Energy Limited, as a body. My work has been undertaken solely to prepare for your approval the accounts of HKD Energy Limited and state those matters that we have agreed to state to the directors of HKD Energy Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than HKD Energy Limited and its directors, as a body, for my work or for this report.

It is your duty collectively to ensure that HKD Energy Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit or loss of HKD Energy Limited. You consider and I concur that HKD Energy Limited is exempt from the statutory audit requirement for the year.

I have not been instructed to commission an audit of the accounts of HKD Energy Limited. For this reason, I have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and I do not, therefore, express any opinion on the financial statements.



Nicholas L Owens
26/11/2017
N L Owens
8 Hurst Road
Hassocks
West Sussex
BN6 9NJ

HKD Energy Limited
Profit and Loss Account
For The Year Ended 30 June 2017

Profit and Loss Account

	Notes	2017 £	2016 £
TURNOVER		31,768	12,289
Cost of sales		(24,231)	(9,592)
GROSS PROFIT		7,537	2,697
Administrative expenses		(870)	(950)
OPERATING PROFIT	2	6,667	1,747
Other interest receivable and similar income		10	3
Interest payable and similar charges	4	(3,995)	(1,276)
PROFIT BEFORE TAXATION		2,682	474
Tax on profit	5	(2)	(1)
PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR		2,680	473

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

HKD Energy Limited
Balance Sheet
As at 30 June 2017

Balance Sheet

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	6		79,989		85,133
			79,989		85,133
CURRENT ASSETS					
Debtors	7	5,152		4,531	
Cash at bank and in hand		33,166		15,554	
		38,318		20,085	
Creditors: Amounts Falling Due Within One Year	8	(14,015)		(2,106)	
NET CURRENT ASSETS (LIABILITIES)			24,303		17,979
TOTAL ASSETS LESS CURRENT LIABILITIES			104,292		103,112
NET ASSETS			104,292		103,112
CAPITAL AND RESERVES					
Called up share capital	9		98,850		100,350
Capital redemption reserve			1,673		1,673
Profit and loss account			3,769		1,089
SHAREHOLDERS' FUNDS			104,292		103,112


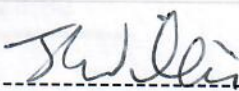
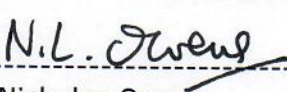
HKD Energy Limited
Balance Sheet (continued)
As at 30 June 2017

For the year ending 30 June 2017 the company was entitled to exemption from audit under section 84(1) of the Co-operative and Community Benefit Societies Act 2014.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 84(2) of the Co-operative and Community Benefit Societies Act 2014.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- 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 05/12/2017	 ----- Mr John Willis Secretary	 ----- Mr Nicholas Owens Treasurer
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The notes on pages 9 to 12 form part of these financial statements.

HKD Energy Limited
Statement of Changes in Equity
For The Year Ended 30 June 2017

Statement of Changes in Equity

	Share Capital	Capital Redemption	Profit & Loss Account	Total
	£	£	£	£
As at 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 and 1 July 2016	100,350	1,673	1,089	103,112
Profit for the year and total comprehensive income	-	-	2,680	2,680
Share capital reduction	(1,500)	-	-	(1,500)
As at 30 June 2017	98,850	1,673	3,769	104,292

Notes to the Unaudited Accounts

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:

1. "Sales":

- Sales of generated electricity to Downlands School, net of Value Added Tax
- Metered Export Feed in Tariffs, which are VATable, stated net of VAT

2. Grants:

- Generation and deemed export feed in tariff (FIT) grants due to the company from the Department for Business, Energy and Industrial Strategy for electricity generated or deemed to have been exported within the financial period: these grants are received without VAT
- Grants from the Waste & Resources Action Programme ("WRAP") a registered charity that seeks to reduce waste, develop sustainable products and use resources in an efficient way: WRAP in turn receives funding from the Department for Environment

3. Accruals for electricity supplied under service contracts and for grants due, where not yet 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

2. Operating Profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	5,144	5,144

3. Average number of employees

Average number of employees, including non-remunerated directors, during the year was as follows: 5 (2016 - 5)

HKD Energy Limited
Notes to the Unaudited Accounts (continued)
For The Year Ended 30 June 2017

4. Interest Payable

	2017	2016
	£	£
Other finance charges	3,995	1,276
	<u>3,995</u>	<u>1,276</u>

Interest payable comprises amounts paid and payable to shareholders, as allowed by Rule 95(b) of the Rules of HKD Energy Limited as laid down by the Financial Conduct Authority on 7th October 2014.

The rate of interest is as determined by the Committee from time to time; these accounts have used the rate of 4% in respect of interest payments made for the solar panel operating year ended 6th March 2017 and in respect of interest accrued but not yet paid for the period from 7th March to 30th June 2017.

5. Tax on Profit on Ordinary Activities

	Tax Rate		2017	2016
	2017	2016	£	£
UK Corporation Tax	19%	20%	2	1
Total Current Tax Charge			<u>2</u>	<u>1</u>
			2017	2016
			£	£
Profit on ordinary activities before tax			<u>2,682</u>	<u>474</u>
Breakdown of Tax Charge is:				
Tax on profit at 20% (UK standard rate)			2	1
minus the following:				
Current tax charge for the period			<u>2</u>	<u>1</u>

HKD Energy Limited
Notes to the Unaudited Accounts (continued)
For The Year Ended 30 June 2017

6. Tangible Assets

	Plant & Machinery £
Cost	
As at 1 July 2016	91,992
As at 30 June 2017	<u>91,992</u>
Depreciation	
As at 1 July 2016	6,859
Provided during the period	5,144
As at 30 June 2017	<u>12,003</u>
Net Book Value	
As at 30 June 2017	<u>79,989</u>
As at 1 July 2016	<u>85,133</u>

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

7. Debtors

	2017 £	2016 £
Due within one year		
Trade debtors	(176)	(179)
Amounts recoverable on contracts	5,328	4,584
VAT	-	126
	<u>5,152</u>	<u>4,531</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.

HKD Energy Limited
Notes to the Unaudited Accounts (continued)
For The Year Ended 30 June 2017

8. Creditors: Amounts Falling Due Within One Year

	2017	2016
	£	£
Trade creditors	283	828
Corporation tax	2	2
VAT	70	-
Accruals and deferred income	13,610	1,276
Directors' loan accounts	50	-
	14,015	2,106

9. Share Capital

	Value	Number	2017	2016
	£		£	£
Allotted, called up and fully paid				
Ordinary shares	1	98850	98,850	100,350

	Nominal value	Number	Amount
	£		£
Shares disposed during the period:			
Ordinary shares	1	1500	(1,500)

10. Controlling Party

The company has no controlling party.

11. General Information

HKD Energy Limited Registered number 7021 is a Community Benefit Society, limited by shares and 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 2017

Trading Profit and Loss Account

	2017		2016	
	£	£	£	£
TURNOVER				
Sales of solar generated electricity		-		3,345
Sales of solar generated electricity - Downlands		2,277		-
Sales of solar generated electricity - Metered Export FIT tariffs		284		-
Grants and subsidies received		29,207		8,944
		31,768		12,289
COST OF SALES				
Purchases	101		4,108	
Materials	-		155	
Data and telecommunications costs	414		185	
Other direct costs	18,572		-	
Depreciation of plant and machinery	5,144		5,144	
		(24,231)		(9,592)
GROSS PROFIT		7,537		2,697
Administrative Expenses				
Insurance	285		-	
Insurance on plant, machinery and equipment	-		199	
Advertising and marketing costs	-		102	
Accountancy fees	373		569	
Sundry expenses	212		80	
		(870)		(950)
OPERATING PROFIT		6,667		1,747
Other interest receivable and similar income				
Bank interest receivable	10		3	
		10		3
Interest payable and similar expenses				
Other interest payable	3,995		1,276	
		(3,995)		(1,276)

...CONTINUED

HKD Energy Limited
Trading Profit and Loss Account (continued)
For The Year Ended 30 June 2017

PROFIT BEFORE TAXATION	2,682	474
Tax on Profit		
Corporation tax charge	<u>2</u>	<u>1</u>
	(2)	(1)
PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR	<u>2,680</u>	<u>473</u>