

**HKD ENERGY LIMITED
DIRECTORS' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

N L Owens

Chartered Accountant

HKD Energy Limited
Directors' Report and Unaudited Financial Statements
For The Year Ended 30 June 2018

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**HKD Energy Limited
Company Information
For The Year Ended 30 June 2018**

Company Information

Directors

Mr Chris Handel
Mr John Willis
Dr Juliet Merrifield
Ms Bec Hanley
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 2018

Directors' Report

The directors present their report and the financial statements for the year ended 30 June 2018.

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 period. In preparing the financial statements 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 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.

Principal Activity

The company's principal activity continues to be that of the development of solar energy projects for local schools and community centres and commercial enterprises where there is significant public good by so doing. HKD Energy Limited is a Community Benefit Society registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

Directors

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

Mr Chris Handel

Mr John Willis

Dr Juliet Merrifield

Ms Bec Hanley

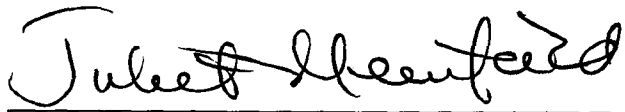
Mr Nicholas Owens

Small Company Rules

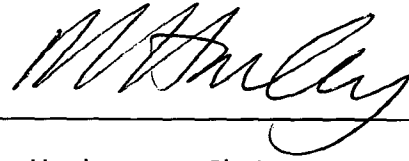
This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board

HKD Energy Limited
Directors' Report (continued)
For The Year Ended 30 June 2018



Dr Juliet Merrifield - co-Chair
30/10/2018



Ms Bec Hanley - co-Chair

**HKD Energy Limited
Accountant's Report
For The Year Ended 30 June 2018**

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 2018

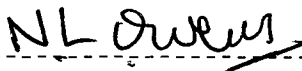
In order to assist you to fulfil your duties under the Companies Act 2006, I have prepared for your approval the accounts of HKD Energy Limited For The Year Ended 30 June 2018 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and 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 <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

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 ICAEW Technical Release 07/16 AAF. 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 our work or for this report.

It is your duty 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 that HKD Energy Limited is exempt from the statutory audit requirement for the year.

I have not been instructed to carry out an audit of the accounts of HKD Energy Limited and I do not, therefore, express any opinion on the financial statements.



Nicholas L Owens
28/10/2018

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

HKD Energy Limited
Profit and Loss Account
For The Year Ended 30 June 2018

Profit and Loss Account

	Notes	2018 £	2017 £
TURNOVER	2	18,443	31,768
Cost of sales		(11,623)	(24,231)
GROSS PROFIT		6,820	7,537
Administrative expenses		(3,353)	(870)
OPERATING PROFIT		3,467	6,667
Other Interest receivable and similar income		8	10
Interest payable and similar charges		(3,864)	(3,995)
PROFIT/(LOSS) BEFORE TAXATION		(389)	2,682
Tax on Profit		(2)	(2)
PROFIT/(LOSS) AFTER TAXATION BEING PROFIT/(LOSS) FOR THE FINANCIAL YEAR		(391)	2,680

The notes on pages 8 to 11 form part of these financial statements.

HKD Energy Limited
Balance Sheet
As at 30 June 2018

Balance Sheet

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	4		74,845		79,989
			74,845		79,989
CURRENT ASSETS					
Debtors	5	5,782		5,152	
Cash at bank and in hand		38,261		33,166	
			44,043		38,318
Creditors: Amounts Falling Due Within One Year	6	(20,480)		(14,015)	
NET CURRENT ASSETS (LIABILITIES)			23,563		24,303
TOTAL ASSETS LESS CURRENT LIABILITIES			98,408		104,292
NET ASSETS			98,408		104,292
CAPITAL AND RESERVES					
Called up share capital	7		93,357		98,850
Capital redemption reserve			1,673		1,673
Profit and Loss Account			3,378		3,769
SHAREHOLDERS' FUNDS			98,408		104,292

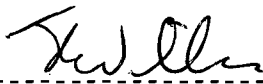
HKD Energy Limited
Balance Sheet (continued)
As at 30 June 2018

For the year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

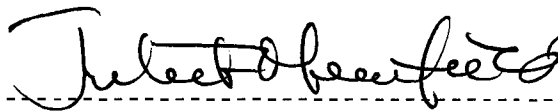
Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- 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.

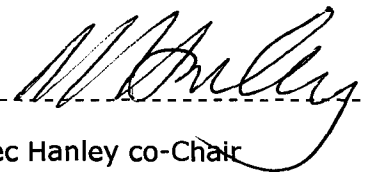
On behalf of the board



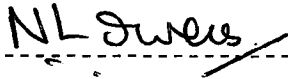
Mr John Willis – Secretary



Dr Juliet Merrifield co-Chair



Ms Bec Hanley co-Chair



Mr Nicholas Owens -
Treasurer

30/10/2018

The notes on pages 8 to 11 form part of these financial statements.

HKD Energy Limited
Notes to the Financial Statements
For The Year Ended 30 June 2018

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 is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. 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	20 years (solar panels)	8 years (inverters)
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HKD Energy Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2018

1.4. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

2. Turnover by Principal Activities

Analysis of turnover by principal activities is as follows:

	2018	2017
	£	£
Feed in Tariffs - unmetered	9,938	10,635
Feed in Tariffs - metered	134	284
Grant income - feasibility studies	6,133	18,572
Sales of solar electricity	2,238	2,277
	<u>18,443</u>	<u>31,768</u>

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows: Nil (2017 - Nil)

HKD Energy Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2018

4. Tangible Assets

	Plant & Machinery £
Cost	
As at 1 July 2017	91,992
As at 30 June 2018	<u>91,992</u>
Depreciation	
As at 1 July 2017	12,003
Provided during the period	5,144
As at 30 June 2018	<u>17,147</u>
Net Book Value	
As at 30 June 2018	<u>74,845</u>
As at 1 July 2017	<u>79,989</u>

5. Debtors

	2018 £	2017 £
Due within one year		
Trade debtors	(147)	(176)
Amounts recoverable on contracts	4,705	5,328
VAT	1,174	-
Directors' loan accounts	50	-
	<u>5,782</u>	<u>5,152</u>

6. Creditors: Amounts Falling Due Within One Year

	2018 £	2017 £
Trade creditors	7,403	283
Corporation tax	(1)	2
VAT	-	70
Accruals and deferred income	13,028	13,610
Directors' loan accounts	50	50
	<u>20,480</u>	<u>14,015</u>

HKD Energy Limited
Notes to the Financial Statements (continued)
For The Year Ended 30 June 2018

7. Share Capital

	2018	2017
Allotted, Called up and fully paid	93,357	98,850

8. General Information

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