

Financial Statements Ecolution Energy Services Limited

For the Year Ended 30 June 2016

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COMPANIES HOUSE

Registered number: 07422421

Company Information

Directors

P Bradbury
A J Knapp
K D Knapp
G J Stewart

Registered number

07422421

Registered office

32-34 St Johns Road
Tunbridge Wells
Kent
TN4 9NT

Trading Address

Ecolution House
Endeavour Park
London Road
West Malling
ME19 5SH

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
The Explorer Building
Fleming Way
Crawley
RH10 9GT

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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.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 principal activity of the company in the year under review was that of the supply of maintenance and monitoring services to energy systems.

Directors

The Directors who served during the year were:

P Bradbury (appointed 1 April 2016)
A J Knapp
K D Knapp
C Bratherton (resigned 1 April 2016)
H R Parnell (resigned 30 November 2015)
G J Stewart (appointed 1 April 2016)

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

For the Year Ended 30 June 2016

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Companies Note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



K D Knapp
Director

Date: *20th December 2016*

Independent Auditor's Report to the Members of Ecolution Energy Services Limited

We have audited the financial statements of Ecolution Energy Services Limited for the year ended 30 June 2016, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 Directors' responsibilities statement on page 1, 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 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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.

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 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 those financial statements.



Independent Auditor's Report to the Members of Ecolution Energy Services Limited (continued)

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Jonathan Maile (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Gatwick

Date: *20 December 2016*

Statement of Income and Retained Earnings

For the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	1,062,157	499,810
Cost of sales		(486,438)	(250,987)
Gross profit		575,719	248,823
Administrative expenses		(420,464)	(302,210)
Operating profit/(loss)	5	155,255	(53,387)
Tax on profit/(loss)	8	(33,726)	-
Profit/(loss) after tax		121,529	(53,387)
Retained earnings at the beginning of the year		(340,790)	(287,403)
Profit/(loss) for the year		121,529	(53,387)
Retained earnings at the end of the year		(219,261)	(340,790)

The notes on pages 7 to 17 form part of these financial statements.

Statement of Financial Position

As at 30 June 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	9		87,882		14,845
			<u>87,882</u>		<u>14,845</u>
Current assets					
Stocks	10	23,787		12,828	
Debtors: amounts falling due within one year	11	194,729		204,196	
Cash at bank and in hand	12	75,316		22,870	
		<u>293,832</u>		<u>239,894</u>	
Creditors: amounts falling due within one year	13	(562,641)		(588,286)	
Net current liabilities			<u>(268,809)</u>		<u>(348,392)</u>
Total assets less current liabilities			<u>(180,927)</u>		<u>(333,547)</u>
Creditors: amounts falling due after more than one year	14		(35,690)		(7,242)
Provisions for liabilities					
Deferred tax	16	(2,643)		-	
			<u>(2,643)</u>		<u>-</u>
Net assets			<u>(219,260)</u>		<u>(340,789)</u>
Capital and reserves					
Called up share capital	17		1		1
Profit and loss account	18		(219,261)		(340,790)
			<u>(219,260)</u>		<u>(340,789)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



K D Knapp
Director

Date: 20th December 2016

The notes on pages 7 to 17 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1. General information

Ecolution Energy Systems Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at 32-34 St Johns Road, Tunbridge Wells, Kent, TN4 9NT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cel-F Solar Systems Limited as at 30 June 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

The financial statements have been prepared on the basis that the Company will be a going concern for a period of at least 12 months from the date of approval of the financial statements. The directors have reviewed cash flow forecasts supporting this view and have received assurances from the ultimate parent undertaking, Cel-F Solar Systems Limited, that ongoing financial support will be available to the Company as required to ensure that it is able to meet its liabilities as they fall due.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25% on cost
Motor vehicles	-	25% on cost
Computer equipment	-	25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.11 Leased assets: the Company as lessee

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no judgements or estimates that have been made by the directors which are considered material to the financial statements.

4. Turnover

The whole of the turnover is attributable to the rendering of services.

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets owned by the Company	6,549	409
Depreciation of assets on hire purchase contracts	9,681	3,950
- The audit of the Company's subsidiaries pursuant to legislation	3,065	3,020
- Taxation compliance services	1,000	-
Defined contribution pension cost	3,081	548
	<u>23,276</u>	<u>7,927</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	431,736	271,450
Social security costs	29,432	21,786
Cost of defined contribution scheme	3,081	548
	<u>464,249</u>	<u>293,784</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2016 No.	2015 No.
Average number of employees	<u>13</u>	<u>9</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	<u>17,200</u>	<u>15,000</u>

8. Taxation

	2016 £	2015 £
Current tax		
Current tax on profits for the year	31,083	-
Deferred tax		
Origination and reversal of timing differences	2,643	-
Taxation on profit on ordinary activities	<u>33,726</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	155,255	(53,387)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	31,051	(10,677)
Effects of:		
Deferred tax not recognised	2,675	-
Group relief	-	10,677
Total tax charge for the year	33,726	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the Financial Statements

For the Year Ended 30 June 2016

9. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation				
At 1 July 2015	600	16,115	3,489	20,204
Additions	-	68,766	20,501	89,267
At 30 June 2016	600	84,881	23,990	109,471
Depreciation				
At 1 July 2015	150	4,937	272	5,359
Charge owned for the period	150	-	6,399	6,549
Charge financed for the period	-	9,681	-	9,681
At 30 June 2016	300	14,618	6,671	21,589
Net book value				
At 30 June 2016	300	70,263	17,319	87,882
At 30 June 2015	450	11,178	3,217	14,845

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	70,263	11,178
	<u>70,263</u>	<u>11,178</u>

10. Stocks

	2016 £	2015 £
Stock	23,787	12,828
	<u>23,787</u>	<u>12,828</u>

Stock recognised in cost of sales during the year as an expense was £227,702 (2015 - £82,863).

Notes to the Financial Statements

For the Year Ended 30 June 2016

11. Debtors

	2016 £	2015 £
Trade debtors	150,067	159,480
Amounts owed by group undertakings	-	11,191
Other debtors	-	17,638
Prepayments and accrued income	44,662	15,887
	<u>194,729</u>	<u>204,196</u>

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	75,316	22,870
	<u>75,316</u>	<u>22,870</u>

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Obligations under finance lease and hire purchase contracts	27,266	3,950
Trade creditors	64,361	37,205
Amounts owed to group undertakings	281,122	416,772
Corporation tax	31,083	-
Taxation and social security	105,220	41,996
Other creditors	-	88,363
Accruals and deferred income	53,589	-
	<u>562,641</u>	<u>588,286</u>

14. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	35,690	7,242
	<u>35,690</u>	<u>7,242</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

15. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	27,266	3,950
Between 1-2 years	35,690	7,242
	<u>62,956</u>	<u>11,192</u>

16. Deferred taxation

	2016 £
Charged to the profit or loss	(2,643)
At end of year	<u>(2,643)</u>

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	(2,643)
	<u>(2,643)</u>

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary Shares share of £1	<u>1</u>	<u>1</u>

18. Reserves

Profit and loss account

Represents the current and prior periods retained profits and losses.

Notes to the Financial Statements

For the Year Ended 30 June 2016

19. Contingent liabilities

The company has given a fixed and floating charge over its assets both present and future in connection with the banking facilities of group undertakings within the Cel-F Solar Systems Limited group.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,081 (2015 - £548).

21. Related party transactions

The Company has taken advantage of the exemption within FRS 102 from the requirement to disclose transactions entered into between two or more members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member.

Ecolution House LLP is a related party by virtue of having common ultimate beneficiaries. During the year the Company incurred management charges from Ecolution House LLP amounting to £54,259 (2015: £56,338). At the balance sheet date an outstanding balance of £17,268 (2015: £6,600) was owed.

22. Controlling party

Cel-F Solar Systems Limited is regarded by the directors as the company's ultimate controlling party. Cel-F Solar Systems Limited is the smallest and largest group for which consolidated financial statements are prepared in which the Company's results are included. The consolidated financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.