

Company Registration No. 08903921 (England and Wales)

KINETICA 415 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

KINETICA 415 LIMITED

COMPANY INFORMATION

Directors	Mr P Darwell Mr N Welch Dr D J Williams
Secretary	Mr C M McInnes
Company number	08903921
Registered office	Vision House Oak Tree Court Mulberry Drive Cardiff Gate Business Park CARDIFF UK CF23 8RS
Auditor	Broomfield & Alexander Limited Ty Derw Lime Tree Court Cardiff Gate Business Park CARDIFF UK CF23 8AB

KINETICA 415 LIMITED

CONTENTS

	Page
Directors' report	1
Independent auditor's report	2 - 3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 11

KINETICA 415 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2017

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Darwell
Mr N Welch
Dr D J Williams

Auditor

Broomfield & Alexander Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 these financial statements, the directors are required to:

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr N Welch
Director
5 July 2017

KINETICA 415 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KINETICA 415 LIMITED

We have audited the financial statements of Kinetica 415 Limited for the year ended 30 April 2017 which comprise the Profit And Loss Account, the Balance Sheet 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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, 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 members 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 members 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, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit 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 company's affairs as at 30 April 2017 and of its loss 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the disclosure made in note 1.2 to the financial statements concerning the Company's ability to continue as a going concern. The Directors are currently in discussion with funders over renewal of the loan facility. There is currently uncertainty over the timing and terms of this renewal. This matter indicates the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

KINETICA 415 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KINETICA 415 LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Ian Thomas BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited

6 July 2017

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
CARDIFF
UK
CF23 8AB

KINETICA 415 LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2017

		2017	2016
	Notes	£	£
Turnover		109,664	111,842
Administrative expenses		(70,718)	(78,894)
Operating profit	2	38,946	32,948
Interest payable and similar expenses		(42,084)	(44,535)
Loss before taxation		(3,138)	(11,587)
Taxation		-	1,814
Loss for the financial year		(3,138)	(9,773)

KINETICA 415 LIMITED

BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		706,609		747,577
Current assets					
Debtors	4	47,249		64,438	
Cash at bank and in hand		5,639		48,516	
		<u>52,888</u>		<u>112,954</u>	
Creditors: amounts falling due within one year	5	<u>(765,846)</u>		<u>(492,679)</u>	
Net current liabilities			(712,958)		(379,725)
Total assets less current liabilities			<u>(6,349)</u>		<u>367,852</u>
Creditors: amounts falling due after more than one year	6		-		(371,063)
Net liabilities			<u>(6,349)</u>		<u>(3,211)</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss reserves			<u>(6,350)</u>		<u>(3,212)</u>
Total equity			<u>(6,349)</u>		<u>(3,211)</u>

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

The financial statements were approved by the board of directors and authorised for issue on 5 July 2017 and are signed on its behalf by:

Mr N Welch
Director

Dr D J Williams
Director

Company Registration No. 08903921

KINETICA 415 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

Company information

Kinetica 415 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Vision House, Oak Tree Court Mulberry Drive, Cardiff Gate Business Park, CARDIFF, UK, CF23 8RS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 April 2017 are the first financial statements of Kinetica 415 Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

During the year the Company has reported a pre tax loss of £3,138 and the balance sheet has net current liabilities of £712,958 and net liabilities of £6,349.

Cash flow forecasts prepared for a period of 12 months from the date of approval of the financial statements indicate that the Company can continue to operate within its available working capital facilities. These forecasts have been prepared on the assumption that the Shareholders will continue to support the Company to meet its working capital requirements as necessary.

However, the Directors are also currently in negotiations with external funders over the renewal of debt facilities which are due to mature within the current accounting period. The Directors are confident that renewal will be achieved and as such, they consider it appropriate to prepare the financial statements on a going concern basis. The timescale of achieving this renewal however is currently uncertain.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

All turnover arises from the continuing activities and is attributable to the income for the delivery of energy commodities.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost and net of depreciation and any impairment losses.

KINETICA 415 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20 years straight line
---------------------	------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Finance costs are capitalised during the period of construction.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and, deposits held at call with banks.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

KINETICA 415 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 reporting end date.

KINETICA 415 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies (Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	1,650	3,600

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 May 2016 and 30 April 2017	819,263
Depreciation and impairment	
At 1 May 2016	71,686
Depreciation charged in the year	40,968
At 30 April 2017	112,654
Carrying amount	
At 30 April 2017	706,609
At 30 April 2016	747,577

Included within plant and machinery is £25,018 (2016: £25,018) of capitalised finance costs.

KINETICA 415 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

4 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	638	-
Other debtors	46,611	64,438
	<u>47,249</u>	<u>64,438</u>
	<u><u>47,249</u></u>	<u><u>64,438</u></u>
5 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	4,204	297
Amounts due to group undertakings	368,380	335,189
Other taxation and social security	1,133	-
Other creditors	392,129	157,193
	<u>765,846</u>	<u>492,679</u>
	<u><u>765,846</u></u>	<u><u>492,679</u></u>
Other loans of £371,313 (2016: £22,000) are included within other creditors. These loans are secured against the assets to which they relate.		
6 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Other creditors	-	371,063
	<u>-</u>	<u>371,063</u>
	<u><u>-</u></u>	<u><u>371,063</u></u>
7 Called up share capital	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>
8 Related party transactions		
Transactions with related parties		
During the year the company entered into the following transactions with related parties:		
	Purchase of goods	
	2017	2016
	£	£
Other related parties	10,100	3,375
	<u>10,100</u>	<u>3,375</u>
	<u><u>10,100</u></u>	<u><u>3,375</u></u>

KINETICA 415 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

8 Related party transactions (Continued)

Recharged development costs

	2017	2016
	£	£
Other related parties	-	90,000
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Other related parties	1,010	108,000
	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.