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REGISTERED NUMBER 03740408 (England and Wales)

CEL-F SOLAR SYSTEMS LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011



Perrys Accountants Limited
Chartered Accountants
and Statutory Auditors
Perry House
32-34 St Johns Road
Tunbridge Wells
Kent
TN4 9NT

CEL-F SOLAR SYSTEMS LIMITED (REGISTERED NUMBER: 03740408)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	14

CEL-F SOLAR SYSTEMS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2011

DIRECTORS:	K D Knapp A J Knapp R M Jenkins J K Lewis
SECRETARY:	K D Knapp
REGISTERED OFFICE:	32-34 St Johns Road Tunbridge Wells Kent TN4 9NT
REGISTERED NUMBER:	03740408 (England and Wales)
AUDITORS:	Perrys Accountants Limited Chartered Accountants and Statutory Auditors Perry House 32-34 St Johns Road Tunbridge Wells Kent TN4 9NT

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2011

The directors present their report with the financial statements of the company for the year ended 30 June 2011

PRINCIPAL ACTIVITY
The principal activity of the company continued to be that of design, supply, installation, maintenance and distribution of renewable energy products and systems

REVIEW OF BUSINESS
Results for the year and the financial position of the company are shown in the annexed financial statements

Impressive growth was again achieved with sales revenue increasing 76% this year, despite the wider economy remaining in a subdued state Substantial growth and improved performance was achieved in the new construction, commercial building and social housing sectors

The company formed a new joint venture business with HaWi AG to take advantage of the opportunity to distribute renewable energy products into the fast growing UK sector The joint venture between HaWi AG and Ecolution Limited will trade as HaWi UK This relationship will also provide additional supply chain security and improved buying power

After returning to profit in the previous period, the company has achieved an impressive six fold increase in net profit before tax for this financial year

The company has built an impressive forward order pipeline and continued development of the markets in which the company operates offer attractive medium and long term prospects

As legislation, policies and incentives promoting the use of renewable technologies continue to take effect, the prospects for the next period are encouraging

During this period the Board of Directors has been restructured along with their shareholdings In addition, on 4 January 2011 the company contracted with Ubenor Equities Limited to buy back their shareholding

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2010 to the date of this report

K D Knapp
A J Knapp
R M Jenkins
J K Lewis

Other changes in directors holding office are as follows

P F Eckersley - resigned 26 October 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Perrys Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

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

ON BEHALF OF THE BOARD:

K D Knapp - Director

1 December 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CEL-F SOLAR SYSTEMS LIMITED

We have audited the financial statements of CEL-F Solar Systems Limited for the year ended 30 June 2011 on pages six to thirteen The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 a Report of the Auditors 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 auditors
As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 financial statements to identify material inconsistencies with the audited financial statements 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 June 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CEL-F SOLAR SYSTEMS LIMITED

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

Stephen Hale (Senior Statutory Auditor)
for and on behalf of Perrys Accountants Limited
Chartered Accountants
and Statutory Auditors
Perry House
32-34 St Johns Road
Tunbridge Wells
Kent
TN4 9NT

Date 9/11/12

CEL-F SOLAR SYSTEMS LIMITED (REGISTERED NUMBER: 03740408)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
TURNOVER		5,319,097	3,022,674
Cost of sales		3,258,193	1,757,151
GROSS PROFIT		2,060,904	1,265,523
Administrative expenses		1,296,029	1,137,538
OPERATING PROFIT	2	764,875	127,985
Interest receivable and similar income		370	480
		765,245	128,465
Interest payable and similar charges		14,824	6,968
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		750,421	121,497
Tax on profit on ordinary activities	3	126,465	101
PROFIT FOR THE FINANCIAL YEAR		623,956	121,396

The notes form part of these financial statements

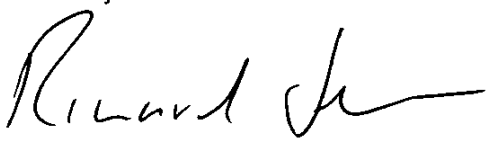
CEL-F SOLAR SYSTEMS LIMITED (REGISTERED NUMBER: 03740408)

BALANCE SHEET
30 JUNE 2011

	Notes	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Intangible assets	4		51,605		-
Tangible assets	5		156,080		91,848
Investments	6		237,614		-
			445,299		91,848
CURRENT ASSETS					
Stocks		359,589		244,304	
Debtors	7	1,373,314		627,167	
Cash at bank and in hand		298,810		356,392	
		2,031,713		1,227,863	
CREDITORS					
Amounts falling due within one year	8	1,084,041		469,195	
NET CURRENT ASSETS			947,672		758,668
TOTAL ASSETS LESS CURRENT LIABILITIES			1,392,971		850,516
CREDITORS					
Amounts falling due after more than one year	9		(285,196)		(134,209)
PROVISIONS FOR LIABILITIES	12		(30,240)		-
NET ASSETS			1,077,535		716,307
CAPITAL AND RESERVES					
Called up share capital	13		6,940		9,920
Share premium	14		722,385		982,133
Profit and loss account	14		348,210		(275,746)
SHAREHOLDERS' FUNDS			1,077,535		716,307

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 1 December 2011 and were signed on its behalf by



R M Jenkins - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover
Turnover represents amounts receivable for the supply of goods and services during the year

Intangible fixed assets
Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life

Development costs	- straight line over 20 years

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Improvements to property	- over period of lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Research and development
Expenditure on research and development is capitalised in the balance sheet and amortised over its estimated useful life

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet Those held under hire purchase contracts are depreciated over their estimated useful lives Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

continued

2 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation - owned assets	35,108	24,306
Depreciation - assets on hire purchase contracts	13,104	3,718
Loss on disposal of fixed assets	4,348	1,674
Development costs amortisation	2,716	-
Auditors' remuneration	6,000	4,348
Foreign exchange differences	2,197	-
Pension costs	32,893	6,392
Directors' remuneration and other benefits etc	275,876	340,667

3 TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	96,225	101
Deferred tax	30,240	-
Tax on profit on ordinary activities	126,465	101

4 INTANGIBLE FIXED ASSETS

	Development costs £
COST	
Additions	54,321
At 30 June 2011	54,321
AMORTISATION	
Amortisation for year	2,716
At 30 June 2011	2,716
NET BOOK VALUE	
At 30 June 2011	51,605

continued

5 TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2010	42,682	62,408	17,269
Additions	2,500	6,398	27,344
Disposals	-	-	(5,797)
At 30 June 2011	45,182	68,806	38,816
DEPRECIATION			
At 1 July 2010	20,864	62,057	5,717
Charge for year	10,782	529	9,349
Eliminated on disposal	-	-	(1,449)
At 30 June 2011	31,646	62,586	13,617
NET BOOK VALUE			
At 30 June 2011	13,536	6,220	25,199
At 30 June 2010	21,818	351	11,552

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2010	39,243	46,617	208,219
Additions	39,736	40,814	116,792
Disposals	-	-	(5,797)
At 30 June 2011	78,979	87,431	319,214
DEPRECIATION			
At 1 July 2010	8,718	19,015	116,371
Charge for year	13,104	14,448	48,212
Eliminated on disposal	-	-	(1,449)
At 30 June 2011	21,822	33,463	163,134
NET BOOK VALUE			
At 30 June 2011	57,157	53,968	156,080
At 30 June 2010	30,525	27,602	91,848

continued

5 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1 July 2010	34,243
Additions	39,736
At 30 June 2011	73,979
DEPRECIATION	
At 1 July 2010	3,718
Charge for year	13,104
At 30 June 2011	16,822
NET BOOK VALUE	
At 30 June 2011	57,157
At 30 June 2010	30,525

Included on the balance sheet are hire purchase contracts totalling £68,013 which are secured against the asset to which the agreement relates

6 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
Additions	237,614
At 30 June 2011	237,614
NET BOOK VALUE	
At 30 June 2011	237,614

The company's investments at the balance sheet date in the share capital of companies include the following

Joint Venture

HaWi & Ecolution Limited T/A HaWi UK
Nature of business Distribution of renewable energy products

Class of shares	% holding
Ordinary Y	100 00

As at the year end no financial statements have been prepared for HaWi & Ecolution Limited

7 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade debtors	1,257,154	528,406
Other debtors	573	4,000
VAT	68,916	26,156
Prepayments	46,671	68,605
	1,373,314	627,167

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Bank loans and overdrafts	83,640	25,000
Hire purchase contracts	23,305	8,484
Trade creditors	754,095	390,878
Tax	96,227	101
Social security and other taxes	42,879	32,778
Other creditors	20,259	-
Accrued expenses	63,636	11,954
	1,084,041	469,195

9 CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011	2010
	£	£
Bank loans - 1-2 years	83,640	25,000
Bank loans - 2-5 years	156,848	75,000
Hire purchase contracts	44,708	21,539
Other creditors	-	12,670
	285,196	134,209

10 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2011	2010
	£	£
Expiring		
Between one and five years	82,090	37,250

11 SECURED DEBTS

The following secured debts are included within creditors

	2011	2010
	£	£
Bank loans	324,128	125,000

All monies due or to become due to Lloyds TSB Bank PLC and Bank Of Scotland PLC are secured by way of a fixed and floating charge over the assets of the company

The directors have given a personal guarantees in support of the company bank loan

continued

12 PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred tax	30,240	-

	Deferred tax £
Deferred tax provision	30,240
Balance at 30 June 2011	30,240

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2010 £	2010 £
589,000 (2010 - 886,989)	Ordinary	1p	5,890	8,870
3,000 (2010 - 3000)	Ordinary B	1p	30	30
102,000 (2010 - 102,000)	Ordinary C	1p	1,020	1,020
			6,940	9,920

The company purchased its own shares from an individual shareholder and from third party corporate investors as, in the opinion of the directors this was beneficial for the company, both in terms of growth and future opportunities

14 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2010	(275,746)	982,133	706,387
Profit for the year	623,956		623,956
Purchase of own shares	-	(259,748)	(259,748)
At 30 June 2011	348,210	722,385	1,070,595

15 RELATED PARTY DISCLOSURES

During the year the company made sales amounting to £1,004 (2010 paid fees and expenses - £20,520) to Windmine Limited, a company in which P Mines has a significant interest

During the year the company made sales totalling £359,428 to Hawi UK, a company in which Cel-F Solar Systems Limited owns shares As at the balance sheet date the company was owed £194,716, which is included in trade debtors During the year the company also made purchases from Hawi UK totalling £163,413 As at the balance sheet date the company owed £163,413 which is included in trade creditors and £12,989 in other creditors

16 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party