REGISTERED NUMBER: 03740408 (England and Wales)

CEL-F SOLAR SYSTEMS LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

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FOR THE YEAR ENDED 30 JUNE 2012

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CEL-F SOLAR SYSTEMS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2012

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 2012

The directors present their report with the financial statements of the company for the year ended 30 June 2012

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 57% this year, despite the wider economy and the construction sector still remaining in a subdued state

Substantial growth and improved performance was achieved in the commercial construction sector and social housing sectors

The joint venture HaWi & Ecolution Limited trading as HaWi UK helped the company secure its supply chain and improved negotiating power with suppliers

On the 1 July 2012 the company purchased all HaWi Energietechnik AG shares in the joint venture, this has now become Ecolution Products Limited and will trade under this name

For the third consecutive period the company has achieved impressive profit performance with a 72% increase in net profit before tax for this financial period

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

As legislation, policies and incentives promoting the use of renewable technologies and energy efficiency continue to take effect, the prospects for the next period are encouraging To further realise the increased opportunities a new wholly owned subsidiary has been formed Ecolution Energy Services Limited This commenced trading 1 July 2012

During this period the company settled the DTI backed Small Firms Guarantee Loan 3 5 years before term

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2011 to the date of this report

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

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

27 September 2012

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 2012 on pages six to fourteen 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 Report of the Directors 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 2012 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

27 September 2012

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

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2011 £
TURNOVER		8,374,967	5,319,097
Cost of sales		5,522,465	3,258,193
GROSS PROFIT		2,852,502	2,060,904
Administrative expenses		2,218,728	1,296,027
		633,774	764,877
Other operating income		662,895	-
OPERATING PROFIT	2	1,296,669	764,877
Interest receivable and similar income		75	370
		1,296,744	765,247
Interest payable and similar charges		9,019	14,824
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,287,725	750,423
Tax on profit on ordinary activities	3	305,099	126,465
PROFIT FOR THE FINANCIAL YEAR		982,626	623,958

The notes form part of these financial statements

CEL-F SOLAR SYSTEMS LIMITED (REGISTERED NUMBER 03740408)

BALANCE SHEET
30 JUNE 2012

	Notes	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Intangible assets	4		57,103		51,605
Tangible assets	5		252,599		156,079
Investments	6		237,614		237,614
			547,316		445,298
CURRENT ASSETS					
Stocks		749,831		359,589	
Debtors	7	1,743,775		1,373,314	
Cash at bank and in hand		667,215		298,810	
		3,160,821		2,031,713	
CREDITORS					
Amounts falling due within one year	8	1,665,798		1,084,038	
NET CURRENT ASSETS			1,495,023		947,675
TOTAL ASSETS LESS CURRENT LIABILITIES			2,042,339		1,392,973
CREDITORS					
Amounts falling due after more than one year	9		(80,275)		(285,196)
PROVISIONS FOR LIABILITIES	12		(35,881)		(30,240)
NET ASSETS			1,926,183		1,077,537
CAPITAL AND RESERVES					
Called up share capital	13		7,000		6,940
Share premium	14		728,325		722,385
Profit and loss account	14		1,190,858		348,212
SHAREHOLDERS' FUNDS			1,926,183		1,077,537

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 27 September 2012 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 2012

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/(crediting)

	2012	2011
	£	£
Depreciation - owned assets	45,395	34,419
Depreciation - assets on hire purchase contracts	44,453	13,793
Loss on disposal of fixed assets	-	4,348
Development costs amortisation	2,861	2,716
Auditors' remuneration	7,000	6,000
Foreign exchange differences	(12,182)	2,197
Pension costs	66,057	32,893
Directors' remuneration and other benefits etc	394,828	275,876

3 TAXATION

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

	2012	2011
	£	£
Current tax		
UK corporation tax	322,778	96,225
Corporation tax under (over) provided	(23,320)	-
Total current tax	299,458	96,225
Deferred tax	5,641	30,240
Tax on profit on ordinary activities	305,099	126,465

4 INTANGIBLE FIXED ASSETS

	Development costs
	£
COST	
At 1 July 2011	54,321
Additions	8,359
At 30 June 2012	62,680
AMORTISATION	
At 1 July 2011	2,716
Amortisation for year	2,861
At 30 June 2012	5,577
NET BOOK VALUE	
At 30 June 2012	57,103
At 30 June 2011	51,605

continued

5 TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2011	45,182	68,806	38,816
Additions	18,449	15,403	5,288
At 30 June 2012	63,631	84,209	44,104
DEPRECIATION			
At 1 July 2011	31,647	62,586	13,617
Charge for year	12,197	4,314	7,502
At 30 June 2012	43,844	66,900	21,119
NET BOOK VALUE			
At 30 June 2012	19,787	17,309	22,985
At 30 June 2011	13,535	6,220	25,199

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2011	78,978	87,431	319,213
Additions	113,794	33,434	186,368
At 30 June 2012	192,772	120,865	505,581
DEPRECIATION			
At 1 July 2011	21,821	33,463	163,134
Charge for year	40,734	25,101	89,848
At 30 June 2012	62,555	58,564	252,982
NET BOOK VALUE			
At 30 June 2012	130,217	62,301	252,599
At 30 June 2011	57,157	53,968	156,079

continued

5 **TANGIBLE FIXED ASSETS - continued**

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

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 July 2011	73,978	16,561	90,539
Additions	111,699	-	111,699
At 30 June 2012	185,677	16,561	202,238
DEPRECIATION			
At 1 July 2011	16,821	690	17,511
Charge for year	40,313	4,140	44,453
At 30 June 2012	57,134	4,830	61,964
NET BOOK VALUE			
At 30 June 2012	128,543	11,731	140,274
At 30 June 2011	57,157	15,871	73,028

Included on the balance sheet are hire purchase contracts totalling £129,259 which are secured against the asset to which the agreement relates

6 **FIXED ASSET INVESTMENTS**

	Unlisted investments £
COST	
At 1 July 2011 and 30 June 2012	237,614
NET BOOK VALUE	
At 30 June 2012	237,614
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

	2012	2011
	£	£
Trade debtors	1,577,642	1,257,154
Other debtors	1,778	573
Directors' current accounts	75,000	-
VAT	-	68,916
Prepayments	89,355	46,671
	1,743,775	1,373,314

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank loans and overdrafts	163,444	83,640
Hire purchase contracts	48,984	23,305
Trade creditors	938,523	754,092
Tax	322,778	96,227
Social security and other taxes	48,513	42,879
VAT	11,614	-
Other creditors	29,373	20,259
Accrued expenses	102,569	63,636
	1,665,798	1,084,038

9 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank loans - 1-2 years	-	83,640
Bank loans - 2-5 years	-	156,848
Hire purchase contracts	80,275	44,708
	80,275	285,196

10 OPERATING LEASE COMMITMENTS

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

	2012	2011
	£	£
Expiring		
Within one year	18,628	-
Between one and five years	124,568	82,090
	143,196	82,090

continued

11 SECURED DEBTS

The following secured debts are included within creditors

	2012	2011
	£	£
Bank overdraft	119	-
Bank loans	163,325	324,128
	163,444	324,128

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

The bank loan is secured by way of a standard mortgage debenture incorporating a fixed and floating charge over the assets of the company

There is a second legal charge in place over a personal property and assignments over life policies

12 PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Deferred tax	35,881	30,240

	Deferred tax
	£
Balance at 1 July 2011	30,240
Deferred tax provision	5,641
Balance at 30 June 2012	35,881

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012	2011
			£	£
595,000 (2011 - 589,000)	Ordinary	1p	5,950	5,890
3,000	B Ordinary	1p	30	30
102,000	C Ordinary	1p	1,020	1,020
			7,000	6,940

The following shares were issued during the year
for cash at par

6,000 Ordinary shares of 1p

14 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 July 2011	348,212	722,385	1,070,597
Profit for the year	982,626		982,626
Dividends	(139,980)		(139,980)
Cash share issue	-	5,940	5,940
At 30 June 2012	1,190,858	728,325	1,919,183

15 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 30 June 2012 and 30 June 2011

	2012 £	2011 £
K D Knapp		
Balance outstanding at start of year	-	-
Amounts advanced	75,000	-
Amounts repaid	-	-
Balance outstanding at end of year	75,000	-

As at the balance sheet date the company was owed £75,000 by K D Knapp, this balance has now been repaid

16 RELATED PARTY DISCLOSURES

During the year, total dividends of £105,400 were paid to the directors

Hawi & Ecolution Limited
A company which is 49% owned by Cel-F Solar Systems Limited

During the year the company made supplies to Hawi & Ecolution Limited totalling £1,669,793 in relation to management charges and sales products The company also purchased supplies amounting to £1,683,354 from Hawi & Ecolution Limited As at the balance sheet date the company was owed £179,442 which is included in trade debtors and owed £311,027 in trade creditors and £12,989 in other creditors

Ecolution House LLP
A LLP in which K D Knapp and A J Knapp are members

During the year the company paid for services amounting to £51,000 from Ecolution House LLP

17 ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party