

**ENER-G SUSTAINABLE TECHNOLOGIES LIMITED**

**Report and Financial Statements**

**For the year ended 31 March 2011**

TUESDAY



A53 20/12/2011 #105  
COMPANIES HOUSE

# ENER-G SUSTAINABLE TECHNOLOGIES LIMITED

## REPORT AND FINANCIAL STATEMENTS 2011

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# **ENER-G SUSTAINABLE TECHNOLOGIES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

A J Evans  
D J Duffill  
P S Burley  
R A Skinner

### **SECRETARY**

A J Evans

### **REGISTERED OFFICE**

ENER-G House  
Daniel Adamson Road  
Salford  
Manchester  
M50 1DT

### **BANKERS**

Barclays Bank plc  
3 Hardman Street  
Manchester  
M3 3AX

### **SOLICITORS**

Stevens & Bolton LLP  
Wey House  
Farnham Road  
Guildford  
Surrey  
GU1 4YD

### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
2 Hardman Street  
Manchester  
M60 2AT

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006

## **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the supply of heat pumps

## **RESULTS AND DIVIDENDS**

The loss after tax for the year amounted to £109,743 (period ended 31 March 2010 £3,235) as shown on page 5  
The directors cannot recommend the payment of a dividend

Net liabilities have increased from £3,234 to £112,977 as a result of the loss in the year

## **GOING CONCERN**

The accounts have been prepared on a going concern basis for the reasons set out in note 1 of the financial statements

## **DIRECTORS**

The directors of the company during the year under review and to the date of this report were

D J Duffill  
A J Evans  
P S Burley  
R A Skinner

## **AUDITOR**

Each of the persons who is a director at the date of the approval of this report confirms that

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

During the year Deloitte LLP were appointed as the company's auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

Approved by the Board of Directors  
And signed on behalf of the Board



D J Duffill  
Director  
16 December 2011

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 proper accounting records that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENER-G SUSTAINABLE TECHNOLOGIES LIMITED**

We have audited the financial statements of ENER-G Sustainable Technologies Limited for the year ended 31 March 2011, which comprise the profit and loss account, the statement of recognised gains and losses, the balance sheet and the related notes 1 to 9. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Section 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 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 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. 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 31 March 2011 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **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 in preparing the directors' report.



William Smith MA ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
16<sup>th</sup> December 2011

# ENER-G SUSTAINABLE TECHNOLOGIES LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2011

		Year ended 31 March 2011 £	Period from 9 January 2009 to 31 March 2010 £
	Note		
<b>TURNOVER</b>		358,240	28,015
Cost of sales		(299,493)	(18,180)
<b>GROSS PROFIT</b>		58,747	9,835
Administrative expenses		(210,357)	(14,328)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(151,610)	(4,493)
Tax on loss on ordinary activities	3	41,867	1,258
<b>LOSS FOR THE FINANCIAL YEAR / PERIOD</b>	7	(109,743)	(3,235)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results shown in the profit and loss account for the current year and prior period as set out above. Accordingly, a separate statement of total recognised gains and losses has not been presented.

The notes on pages 7 to 10 form part of these financial statements

# ENER-G SUSTAINABLE TECHNOLOGIES LIMITED

## BALANCE SHEET As at 31 March 2011

	Note	£	31 March 2011 £	31 March 2010 £
<b>CURRENT ASSETS</b>				
Debtors	4	107,727	25,427	
Cash at bank and in hand		7,685	2,659	
		<u>115,412</u>	<u>28,086</u>	
<b>CREDITORS: amounts falling due within one year</b>	5	<u>(228,389)</u>	<u>(31,320)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(112,977)</u>	<u>(3,234)</u>
<b>NET LIABILITIES</b>			<u>(112,977)</u>	<u>(3,234)</u>
<b>CAPITAL AND RESERVES</b>				
Called-up share capital	6	1	1	
Profit and loss account		<u>(112,978)</u>	<u>(3,235)</u>	
<b>SHAREHOLDER'S DEFICIT</b>	7		<u>(112,977)</u>	<u>(3,234)</u>

The notes on pages 7 to 10 form part of these financial statements

These financial statements of ENER-G Sustainable Technologies Limited, registered number 6786679, were approved by the Board of Directors on 16 December 2011

Signed on behalf of the Board of Directors



D J Duffill  
Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2011**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention. The accounting policies have been applied consistently throughout the year and preceding year.

**Going concern**

The company is a subsidiary within the ENER-G plc group. The company has received confirmation of support by the parent company for a period of 12 months from the date of signing these accounts to the extent required. The directors of this company are cognisant of the following going concern disclosure which appears in the financial statements of ENER-G plc for the year ended 31 March 2011:

“The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review together with a summary of the principal risks facing the Group (including financial risks) and the Group’s strategy for managing those risks. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are further described in the financial statements.

The Group has considerable financial resources, including cash of £17.4 million, together with long-term contracts with a number of customers and suppliers across different geographical areas and sectors. As a consequence, the directors believe that the Group is well-placed to manage its business risks successfully despite the current uncertain economic outlook.

Based on the latest forecasts, applying sensitivity analysis in respect of reasonably expected future events, the directors consider that the Group and company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.”

After considering all the factors, the directors consider that this company has adequate resources to continue in operation and manage its risks for the foreseeable future despite the current uncertain economic outlook. Accordingly they continue to adopt the going concern basis in the preparation of the annual financial statements.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised) “Cash Flow Statements” from including a cash flow statement in the financial statements on the grounds that the company is wholly-owned and its parent publishes a consolidated cash flow statement within its group accounts which are publically available.

**Turnover**

Turnover shown in the profit and loss account represents amounts charged for goods supplied during the period, exclusive of Value Added Tax. It is recorded when the risks and rewards are transferred to the customer.

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or right to pay less tax. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**NOTES TO THE ACCOUNTS (continued)**  
**Year ended 31 March 2011**

**2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Loss on ordinary activities before taxation is stated after charging

	Year ended 31 March 2011 £	Period from 9 January 2009 to 31 March 2010 £
Auditor's fees for the statutory audit of the company	1,500	1,750

There are no non audit fees incurred by the company in the year (period ended 31 March 2010 £nil) The fees payable to the company's auditor in the previous year were to the company's previous auditor

Other than the directors the company had no employees in the year (2010 same)

The Directors were remunerated by ENER-G plc for their services to several companies within the group, including this company The total remuneration received by the directors for the year was £660,212 (2010 £665,223) from ENER-G plc, but it is not practicable to allocate this between their services as executives of the various group companies

**3. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of credit in the year / period:**

	Year ended 31 March 2011 £	Period from 9 January 2009 to 31 March 2010 £
Current tax		
UK corporation tax based on the loss for the year at 28% (2010 28%)	(41,867)	(1,258)
Total current tax	(41,867)	(1,258)

**(b) Factors affecting current tax credit**

The tax credit assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2010 28%)

	Year ended 31 March 2011 £	Period from 9 January 2009 to 31 March 2010 £
Loss on ordinary activities before taxation	(151,610)	(4,493)
Loss on ordinary activities at the standard rate of corporation tax of 28% (2010 28%)	(42,451)	(1,258)
Utilisation of tax losses	584	-
Total current tax (note 3(a))	(41,867)	(1,258)

**NOTES TO THE ACCOUNTS (continued)**  
**Year ended 31 March 2011**

**3. TAXATION ON ORDINARY ACTIVITIES (continued)**

The Government announced in June 2010 that it intended to reduce the rate of corporation tax from 28% to 24% over four years, and Finance Act 2010 included provisions to reduce the rate of corporation tax to 27% with effect from 1 April 2011. On 23 March 2011 the government announced that it intends to further reduce the rate of corporation tax to 26% with effect from 1 April 2011 and then by 1% per annum to 23% by 1 April 2014. The rate change to 26% was subsequently enacted on 29 March 2011, and the deferred tax balances have been accordingly revalued to the lower rate of 26% in these accounts.

As further reductions in the rate were not substantively enacted by 31 March 2011, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts.

**4. DEBTORS**

	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	52,671	5,328
Amounts owed by group undertakings	41,867	20,099
Prepayments and accrued income	1,163	-
VAT	12,026	-
	<u>107,727</u>	<u>25,427</u>

Amounts owed by group undertakings includes £41,867 (2010: £1,258) for group relief surrendered.

**5. CREDITORS**

	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
<b>Amounts falling due within one year</b>		
Trade creditors	35,399	277
Amounts owed to group undertakings	182,557	18
Other taxation	-	47
Other creditors	-	30,978
Accruals and deferred income	10,433	-
	<u>228,389</u>	<u>31,320</u>

**6. SHARE CAPITAL**

	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
<b>Allotted, called-up and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

# ENER-G SUSTAINABLE TECHNOLOGIES LIMITED

## NOTES TO THE ACCOUNTS (continued) Year ended 31 March 2011

### 7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	31 March 2011 £	31 March 2010 £
Shareholder's deficit at beginning of period	(3,234)	-
Loss for the financial period	(109,743)	(3,235)
New ordinary share capital subscribed	-	1
Shareholder's deficit at end of year	<u>(112,977)</u>	<u>(3,234)</u>

### 8. ULTIMATE PARENT COMPANY

The company's ultimate parent company is ENER-G plc, a company incorporated in Great Britain and registered in England and Wales. The company's immediate parent company is ENER-G Holdings plc, a company incorporated in Great Britain and registered in England and Wales. The ultimate group, which is the smallest and largest in which the results are consolidated, is headed by ENER-G plc. ENER-G plc is ultimately owned by a family trust of T H Scott, who is considered to be the ultimate controlling party.

Group accounts for ENER-G plc are available from Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

### 9. RELATED PARTY TRANSACTIONS

The company has claimed the exemption contained in FRS 8, which is available to wholly-owned subsidiaries, not to disclose related party transactions with other members of the group.