

Company Registration No. 07322823 (England and Wales)

**KRANNICH SOLAR LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

# KRANNICH SOLAR LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K Krannich K J Mann (Appointed 27 March 2015)
<b>Company number</b>	07322823
<b>Registered office</b>	Unit 49 Suttons Business Park Suttons Park Avenue Reading RG6 1AZ
<b>Auditors</b>	Haines Watts 30 Camp Road Farnborough Hampshire GU14 6EW
<b>Business address</b>	Unit 49 Suttons Business Park Suttons Park Avenue Reading RG6 1AZ

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# KRANNICH SOLAR LIMITED

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# KRANNICH SOLAR LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present the strategic report and financial statements for the year ended 31 December 2014.

### **Review of the business**

The company aims to present a balanced and comprehensive review of its business during the year and its position at the year end. This review is consistent with the nature and size of the business and is written in the context of normal business risks and uncertainties.

The company has introduced a 'web shop' in 2014, which has attracted new customers, encouraged additional business from existing customers and enabled customers to order online from the full product range on a 24/7 basis.

The principal risks and uncertainties the company faces are the economy and any further cuts in the Government's 'feed in tariff'. Due to the nature of the industry, bad debts are considered to be our principal risk, however, we have a strong credit control team to help mitigate this risk. Trade debtors significantly decreased to £1,836,154 (2013 - £2,480,904) which is partly explained by the decrease in sales compared with the previous year and also the changing business environment. Profit after tax decreased to £242,993 (2013 - £331,609), however, the company has shareholders' funds of £3,765,504 (2013 - £3,522,511).

The director considers the company's key performance indicators to be turnover and stock levels. The director reports a 4% decrease in turnover this year, which is due to decrease in prices due to a more competitive market and tariff cuts by the government during the year. Stock holding has increased to £1,458,246 (2013 - £1,093,681), which ensures that we have sufficient stock available to efficiently cope with demand on a next day delivery service level.

Just in time for its 20th anniversary, Krannich Solar has been awarded the CrefoZert creditworthiness seal by Creditreform Stuttgart for the second time. As a result, the global photovoltaic wholesaler now ranks among the 1.7 per cent of German companies certified as having an exceptionally strong credit rating.

For Krannich Solar, its international focus is the guarantee for further positive development of the business. The company's expansion in recent years has been wholly self-financed.

On behalf of the board

K J Mann

**Director**

28 April 2015

# KRANNICH SOLAR LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2014

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The directors present their report and financial statements for the year ended 31 December 2014.

#### Principal activities

The principal activity of the company continued to be that of the sale and distribution of powerful photovoltaic systems for commercial and energy supply partners.

#### Results and dividends

The results for the year are set out on page 5.

#### Directors

The following directors have held office since 1 January 2014:

K Krannich

K J Mann

(Appointed 27 March 2015)

#### Statement of directors' responsibilities

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 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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board

K J Mann

**Director**

28 April 2015

# **KRANNICH SOLAR LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF KRANNICH SOLAR LIMITED**

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We have audited the financial statements of Krannich Solar Limited for the year ended 31 December 2014 set out on pages 5 to 15. 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 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 31 December 2014 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **KRANNICH SOLAR LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF KRANNICH SOLAR LIMITED**

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#### **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.

**Mr Barry Potter (Senior Statutory Auditor)**  
for and on behalf of Haines Watts

14 May 2015

**Chartered Accountants**  
**Statutory Auditor**

30 Camp Road  
Farnborough  
Hampshire  
GU14 6EW

## KRANNICH SOLAR LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	19,213,597	20,008,564
Cost of sales		(17,464,699)	(18,026,090)
<b>Gross profit</b>		<b>1,748,898</b>	<b>1,982,474</b>
Administrative expenses		(1,561,190)	(1,578,719)
Other operating income		103,693	32,145
<b>Operating profit</b>	<b>3</b>	<b>291,401</b>	<b>435,900</b>
Other interest receivable and similar income	4	21,629	5,536
Interest payable and similar charges	5	(89)	(908)
<b>Profit on ordinary activities before taxation</b>		<b>312,941</b>	<b>440,528</b>
Tax on profit on ordinary activities	6	(69,948)	(108,919)
<b>Profit for the year</b>	<b>13</b>	<b>242,993</b>	<b>331,609</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# KRANNICH SOLAR LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

		2014		2013	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		66,503		100,677
<b>Current assets</b>					
Stocks	8	1,458,246		1,093,681	
Debtors	9	2,832,336		2,580,357	
Cash at bank and in hand		400,849		1,420,725	
		<u>4,691,431</u>		<u>5,094,763</u>	
<b>Creditors: amounts falling due within one year</b>	10	(992,430)		(1,672,929)	
<b>Net current assets</b>			3,699,001		3,421,834
<b>Total assets less current liabilities</b>			<u>3,765,504</u>		<u>3,522,511</u>
			<u>3,765,504</u>		<u>3,522,511</u>
<b>Capital and reserves</b>					
Called up share capital	12	25,000		25,000	
Profit and loss account	13	3,740,504		3,497,511	
<b>Shareholders' funds</b>	14	<u>3,765,504</u>		<u>3,522,511</u>	

Approved by the Board and authorised for issue on 28 April 2015

K J Mann  
Director

Company Registration No. 07322823

# KRANNICH SOLAR LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	(926,237)	480,154
<b>Returns on investments and servicing of finance</b>		
Interest received	21,629	5,536
Interest paid	(89)	(908)
<b>Net cash inflow for returns on investments and servicing of finance</b>	21,540	4,628
<b>Taxation</b>	(105,463)	(92,528)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(20,716)	(30,319)
Receipts from sales of tangible assets	11,000	-
<b>Net cash outflow for capital expenditure</b>	(9,716)	(30,319)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	(1,019,876)	361,935
<b>(Decrease)/increase in cash in the year</b>	(1,019,876)	361,935

# KRANNICH SOLAR LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2014	2013
		£	£
Operating profit		291,401	435,900
Depreciation of tangible assets		53,047	82,599
Profit on disposal of tangible assets		(9,157)	-
Increase in stocks		(364,565)	(423,485)
Increase in debtors		(247,274)	(1,006,315)
(Decrease)/Increase in creditors within one year		(649,689)	1,391,455
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(926,237)</b>	<b>480,154</b>

2 Analysis of net funds	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,420,725	(1,019,876)	-	400,849
Bank deposits	-	-	-	-
<b>Net funds</b>	<b>1,420,725</b>	<b>(1,019,876)</b>	<b>-</b>	<b>400,849</b>

3 Reconciliation of net cash flow to movement in net funds	2014	2013
	£	£
(Decrease)/increase in cash in the year	(1,019,876)	361,935
<b>Movement in net funds in the year</b>	<b>(1,019,876)</b>	<b>361,935</b>
Opening net funds	1,420,725	1,058,790
<b>Closing net funds</b>	<b>400,849</b>	<b>1,420,725</b>

# KRANNICH SOLAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods net of VAT and trade discounts. Revenue is recognised on the date of invoice.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the term of the lease
Plant, machinery & computer equipment	20% Straight line
Computer equipment	33% Straight line
Fixtures and fittings	20% Straight line
Motor vehicles	33% Straight line

#### **1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Stock**

Stock is valued at the lower of average cost price and net realisable value, after making a provision for slow moving or obsolete stock.

#### **1.7 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.8 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# KRANNICH SOLAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 2 Turnover

#### Geographical market

	Turnover	
	2014	2013
	£	£
United Kingdom	19,103,739	19,877,124
Europe	109,858	131,440
	<u>19,213,597</u>	<u>20,008,564</u>

### 3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	53,047	82,599
Loss on foreign exchange transactions	3,661	20,688
Operating lease rentals	159,941	154,580
Fees payable to the company's auditor for the audit of the company's annual accounts	12,100	12,100
Auditors remuneration for non-audit work	9,900	9,900
and after crediting:		
Profit on disposal of tangible assets	(9,157)	-
	<u>(9,157)</u>	<u>-</u>

### 4 Investment income

	2014	2013
	£	£
Bank interest	8,503	5,408
Other interest	13,126	128
	<u>21,629</u>	<u>5,536</u>

### 5 Interest payable

	2014	2013
	£	£
On amounts payable to group companies	-	908
On overdue tax	89	-
	<u>89</u>	<u>908</u>

# KRANNICH SOLAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	74,653	122,919
	<b>Total current tax</b>	74,653	122,919
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(4,705)	(14,000)
		69,948	108,919
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	312,941	440,528
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	65,718	101,321
	Effects of:		
	Non deductible expenses	2,172	6,293
	Depreciation add back	11,140	18,552
	Capital allowances	(4,166)	(4,997)
	Profit on sale of fixed assets	(1,923)	-
	Change in tax rate used	1,712	1,304
	Other tax adjustments	-	446
		8,935	21,598
	<b>Current tax charge for the year</b>	74,653	122,919

# KRANNICH SOLAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

### 7 Tangible fixed assets

	Land and buildings Leasehold	Plant, machinery & computer equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2014	27,760	142,064	49,622	99,846	319,292
Additions	-	-	-	20,716	20,716
Disposals	-	-	-	(22,104)	(22,104)
At 31 December 2014	27,760	142,064	49,622	98,458	317,904
<b>Depreciation</b>					
At 1 January 2014	12,458	112,144	25,830	68,183	218,615
On disposals	-	-	-	(20,261)	(20,261)
Charge for the year	5,552	18,884	9,924	18,687	53,047
At 31 December 2014	18,010	131,028	35,754	66,609	251,401
<b>Net book value</b>					
At 31 December 2014	9,750	11,036	13,868	31,849	66,503
At 31 December 2013	15,302	29,920	23,792	31,663	100,677

### 8 Stock

	2014 £	2013 £
Finished goods and goods for resale	1,458,246	1,093,681
	1,458,246	1,093,681

# KRANNICH SOLAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

9 Debtors	2014 £	2013 £
Trade debtors	1,836,154	2,480,904
Amounts owed by parent and fellow subsidiary undertakings	919,363	7,607
Other debtors	5,950	30,584
Prepayments and accrued income	62,188	57,286
Deferred tax asset (see note 11)	8,681	3,976
	<u>2,832,336</u>	<u>2,580,357</u>

10 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	346,134	100,230
Amounts owed to parent and fellow subsidiary undertakings	116,107	803,136
Corporation tax	45,353	76,163
Other taxes and social security costs	475,763	673,293
Other creditors	2,745	2,779
Accruals and deferred income	6,328	17,328
	<u>992,430</u>	<u>1,672,929</u>

### 11 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2014 £	2013 £
Balance at 1 January 2014	(3,976)	
Profit and loss account	(4,705)	
Balance at 31 December 2014	<u>(8,681)</u>	
	<u>2014 £</u>	<u>2013 £</u>
Decelerated capital allowances	(8,681)	(3,976)



# KRANNICH SOLAR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

<b>12</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	250 Ordinary shares of £100 each	25,000	25,000
		<u>          </u>	<u>          </u>

### 13 Statement of movements on profit and loss account

	<b>Profit and loss account</b>
	<b>£</b>
Balance at 1 January 2014	3,497,511
Profit for the year	242,993
	<u>          </u>
Balance at 31 December 2014	3,740,504
	<u>          </u>

### 14 Reconciliation of movements in shareholders' funds

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	242,993	331,609
Opening shareholders' funds	3,522,511	3,190,902
	<u>          </u>	<u>          </u>
Closing shareholders' funds	3,765,504	3,522,511
	<u>          </u>	<u>          </u>

### 15 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	70,478	-	3,346	-
Between two and five years	-	105,427	1,290	4,533
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	70,478	105,427	4,636	4,533
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## KRANNICH SOLAR LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 16 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Sales	8	7
Administration	8	7
Warehouse	3	5
	<hr/>	<hr/>
	19	19
	<hr/>	<hr/>

##### Employment costs

	2014 £	2013 £
Wages and salaries	644,068	623,203
Social security costs	75,378	78,586
	<hr/>	<hr/>
	719,446	701,789
	<hr/>	<hr/>

#### 17 Control

The company is a wholly owned subsidiary of Krannich Solar UK International GMBH, a company incorporated in Germany.

The ultimate controlling party is K Krannich, director.

#### 18 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with wholly owned group companies on the grounds that it is a wholly owned company of K Krannich.

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.