Registered number: 09601841

Acrobat Carbon Group Limited

Annual Report and Consolidated Financial Statements

For the Year Ended 30 June 2017

Acrobat Carbon Group Limited

Company Information

Director	K J Griffin
Registered number	09601841
Registered office	Unit 9 Rhodes Business Park Silburn Way Middleton Manchester M24 4NE
Independent auditors	Hurst & Company Accountants LLP Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD
Bankers	NatWest Bank plc 28 Bank Street Rawtenstall Rossendale BB4 8TS

Contents

Group Strategic Report
For the Year Ended 30 June 2017

Introduction

The director presents his group strategic report for the year ended 30 June 2017.

Business review

The company's principal activity is that of a holding company. The principal activity of Acrobat Carbon Services Limited, a trading subsidiary, is the management of energy efficiency installation measures in residential properties for onward trading as carbon credits under the Energy Company Obligations (ECO), as required by the UK Energy Act 2011. The Group has also continued its efforts to expand into new markets and has had some success with this in the period.

The group's result for the year, after taxation, amounted to a loss of £355,743 (Period ended 30 June 2016 – loss of £454,875).

On 30 June 2017, the company acquired Acrobat Carbon Services Limited and Acrobat PAYS Limited from its subsidiary Acrobat Holdings Limited following a re-structure of the group. The effect of the group restructuring on share capital and reserves is explained at notes 23 and 24 in the notes to the financial statements.

The director is pleased with the performance of the group, which has again seen significant change and uncertainty in the energy sector with the extension of the ECO2 obligation from 31 March 2017 to 30 September 2018. The ECO2 transition has seen several significant changes in requirements such as benefit criteria, new industry standards with PAS (Publically Available Specification) and the introduction of deemed scores rather than EPCs (Energy Performance Certificates). A delay in the publication by Ofgem of the guidance on the transition, such guidance not being published until 4 April 2017, created uncertainty and a slow start to the transition period. The shape of the market has also changed with a move from gas to non-gas measures towards the end of last year. Despite the difficulties in the sector, the group has secured funding to the end of September 2018.

In its 2017 Manifesto, the Government committed to improving the energy efficiency of existing homes by upgrading all fuel-poor homes by 2030, this being a change from their original commitment to deliver insulation in 1 million homes by 2020.

The group has made significant progress in its efforts to expand into new markets and is pleased to report that it has secured a major contract with a water company to assist in their delivery of water saving products. The investment in people and information technology in the previous period has been instrumental in securing this contract. This opens up a new and exciting market for the group amongst the UK's water companies and we hope to add to this initial win over the next year.

The group has also been working with a large council to trial a renewable energy system, which will provide wider opportunities for the company, reducing its reliance on ECO. Diversity in the company's offering is a key part of the strategy moving forwards and we are pleased about the progress that has been made this year. Next year will provide more exciting opportunities and we look to working through a significant number of commercial opportunities as part of this strategy to diversify.

The group has made considerable strides in the development of new markets and opportunities which is a key part of its strategy moving forwards. During the period, Acrobat PAYS Limited was added to the group in preparation for a consumer Pay as you Save offering which we have made considerable progress with and which will form part of the group's overall plans moving forward.

Principal risks and uncertainties

The group recognises the importance of good risk management systems, which are reviewed on an ongoing basis. We have the ability to deliver a strong business performance, but our greatest challenge remains that of the volatile and unpredictable ECO market. As was reported in the prior period, to address this risk the group is continually looking to diversify into new markets where it can use its unique skills to add value and reduce its risk in the ECO market. The group continues to develop its self-generation activities, together with its print, production and direct mail offering both of which have seen significant improvements in trading performance.

Price risk is managed by clear communication with our installers of the reasons for prices changes and fluctuations, which are a regular feature of the ECO market.

Credit risk through debtor default is limited given that the majority of our clients are blue chip companies. We need to ensure that all work submitted is compliant and free from fraud and so our strong internal systems and controls are regularly monitored and developed. Risk of default on other areas of the business is managed through credit checking prior to working with clients.

Cash flows are updated and reviewed on an ongoing basis and supported by strong and robust financial systems, which systems are continually monitored.

Financial and other key performance indicators

The group monitors and assesses its performance by using key performance indicators, both financial and non-financial. The KPIs are relevant to ensure the company meets its strategic objectives and long- term growth.

The group is financially focused, monitoring and challenging financial performance at all levels in the business. Turnover is important and targets are in place for measures delivered (carbon savings for the ECO obligation) in both tonnes and CO2 together with prices secured. These two key targets are monitored on a weekly basis.

Gross margins per contract are reviewed to ensure returns are acceptable to meet our growth plans and overall profitability, ensuring the required return on investment to stakeholders. The gross profit margin for the year of 16.34% wholly relates to the trading activities of the subsidiary, Acrobat Carbon Services Limited, and was in line with forecasts and stakeholders' expectations. This was enhanced by our print and self generation activities. The gross profit margin reflects the current rates being achieved in the market, although these rates are expected to increase over the next few months.

Cash flow is critical to every business and cash forecasts are prepared and reviewed monthly. Debtors days are closely monitored and competitive - installer payment terms can provide an advantage to the business and the group needs to ensure it maintains any advantage and identifies any improvements it can make to retain a loyal installer base. Debtors days can vary given the blue-chip nature of our client base but run at an average of 33. However, we continually recognise the requirement to pay our suppliers as early as we can and creditor days are running at 30 days for the period in question.

Error rates are reviewed regularly as quality of measures delivered is crucial to maintaining market position and achieving further funding. These are reviewed with targets set for the high standards we require. High error rates and poor quality can result in significant financial penalties being levied, although feedback suggests that our controls are sound given the very low rates of rejection we have experienced. This focus on high quality underpins everything we do.

The group places great importance on retaining and developing its people, who are critical to its performance. There are a number of employee incentives in place and focus is placed on staff development, including leadership training. Staff retention is measured on a regular basis as it is important that staff feel valued and work to their full potential. To maintain growth and enter new markets, we need to demonstrate our ability to deliver a consistent and reliable service.

Customer relationships are important to the business and customer feedback is obtained at regular intervals which again has been pleasing during the period. This is important to sustain funding for our installer base. We are pleased that we have been able to add a number of new clients during the period. We continually assess the needs of the business for people and infrastructure for both current and future development.

This report was approved by the board and signed on its behalf.

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K J Griffin
Director

Date: 15 May 2018

Director's Report
For the Year Ended 30 June 2017

The director presents his report and the financial statements for the year ended 30 June 2017.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 the Group and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £355,743 *(Period ended 30 June 2016 - loss £454,875).*

The director does not recommend the payment of a final dividend.

Director

The director who served during the year was:

K J Griffin

Future developments

The group continues to secure ECO obligation funding but is also exploring new markets and ways of expanding in which it can interact directly with the consumer. It continues to review opportunities that will fit strategically with its existing business and skill set. We consider we are at the forefront of industry developments and feel confident that our reputation will ensure new opportunities come to our business given our strong track record and the fact we are well known for our ability to deliver. As noted above, the group was successful in securing a contract with a major water company to deliver water savings products, the contract commencing in September 2017. We are also making significant progress in new markets and are very pleased with what has been achieved this year, with exciting opportunities for the future.

Financial instruments

Risk management is an integral part of the business planning and control processes. Material risks are monitored and regularly discussed with senior management. Preventative and risk reducing measures are in place to pro-actively control risks. Financial risks arise from the underlying operations and finance activities, with exposure for the company being predominantly price, credit, and cash flow risk.

Credit risk through debtor default is limited given the majority of our clients are blue chip companies. We need to ensure that all work submitted is compliant and free from fraud and so our strong internal systems and controls are regularly monitored and developed. Risk of default on other areas of the business is managed through credit checking prior to working with clients.

Cash flows are updated and reviewed on an ongoing basis and supported by strong and robust financial systems, which systems are continually monitored.

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Hurst & Company Accountants LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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K J Griffin
Director

Date: 15 May 2018

Independent Auditors' Report to the Shareholders of Acrobat Carbon Group Limited

Opinion

We have audited the financial statements of Acrobat Carbon Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2017, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2017 and of the Group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Shareholders of Acrobat Carbon Group Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Hurst & Company Accountants LLP

Helen Besant-Roberts (Senior Statutory Auditor)
for and on behalf of
Hurst & Company Accountants LLP
Chartered Accountants
Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
Cheshire
SK1 1TD

15 May 2018

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2017

	Note	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Turnover	4	16,122,356	*11,404,702*
Cost of sales		(13,488,664)	*(9,706,702)*
Gross profit		2,633,692	*1,698,000*
Administrative expenses		(2,973,735)	*(2,187,447)*
Operating loss	5	(340,043)	*(489,447)*
Interest payable and expenses	9	-	*(5,122)*
Loss on ordinary activities before taxation		(340,043)	*(494,569)*
Tax on loss on ordinary activities	10	(15,700)	*39,694*
Loss and total comprehensive deficit for the financial year/period attributable to the owners of the parent company		(355,743)	*(454,875)*

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 15 to 34 form part of these financial statements.

Consolidated Balance Sheet
As at 30 June 2017

	Note		2017 £		*2016 £*
Fixed assets					
Intangible assets	12		**2,518,505**		*2,646,547*
Tangible assets	13		**179,955**		*161,438*
			2,698,460		*2,807,985*
Current assets					
Stocks	15	**5,286**		*4,202*	
Debtors: amounts falling due within one year	16	**3,607,471**		*3,931,417*	
Cash at bank and in hand	17	**62,297**		*128,003*	
		3,675,054		*4,063,622*	
Creditors: amounts falling due within one year	18	**(5,343,752)**		*(4,860,599)*	
Net current liabilities			**(1,668,698)**		*(796,977)*
Total assets less current liabilities			**1,029,762**		*2,011,008*
Creditors: amounts falling due after more than one year	19		**(40,667)**		*-*
Provisions for liabilities					
Deferred taxation	22	**(7,551)**		*-*	
			(7,551)		*-*
Net assets			**981,544**		*2,011,008*
Capital and reserves					
Called up share capital	23		**51**		*51*
Merger reserve	24		**-**		*2,883,000*
Profit and loss account	24		**981,493**		*(872,043)*
Equity attributable to owners of the parent Company			**981,544**		*2,011,008*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

K J Griffin
Director

Date: 15 May 2018

The notes on pages 15 to 34 form part of these financial statements.

Company Balance Sheet
As at 30 June 2017

	Note		2017 £		*2016 £*
Fixed assets					
Investments	14		**3,123,100**		*3,123,000*
			3,123,100		*3,123,000*
Current assets					
Debtors: amounts falling due within one year	16	**-**		*453,000*	
		-		*453,000*	
Creditors: amounts falling due within one year	18	**(1,705,416)**		*(669,094)*	
Net current liabilities			**(1,705,416)**		*(216,094)*
Total assets less current liabilities			**1,417,684**		*2,906,906*
Net assets			**1,417,684**		*2,906,906*
Capital and reserves					
Called up share capital	23		**51**		*51*
Merger reserve	24		**-**		*2,883,000*
Profit and loss account	24		**1,417,633**		*23,855*
			1,417,684		*2,906,906*

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year ended 30 June 2017 was £815,501 (Period ended 30 June 2016: £441,023 profit).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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K J Griffin
Director

Date: 15 May 2018

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2017

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	51	-	2,883,000	(872,043)	2,011,008
Comprehensive income for the year					
Loss for the year	-	-	-	(355,743)	(355,743)
Total comprehensive income for the period	-	-	-	(355,743)	(355,743)
Transfer from merger reserve to profit and loss account	-	-	(591,188)	591,188	-
Shares issued during the year	51	2,292,761	-	-	2,292,812
Capitalisation of merger reserve	-	-	(2,291,812)	-	(2,291,812)
Reduction of share premium	-	(2,292,761)	-	-	(2,292,761)
Reduction of share capital	(51)	-	-	-	(51)
Distributable reserves arising from reduction of share capital and share premium	-	-	-	2,291,812	2,291,812
Dividends: Equity capital	-	-	-	(673,721)	(673,721)
Total transactions with owners	-	-	(2,883,000)	2,209,279	(673,721)
At 30 June 2017	51	-	-	981,493	981,544

Consolidated Statement of Changes in Equity
For the Period Ended 30 June 2016

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	-	-	(454,875)	(454,875)
Total comprehensive income for the period	-	-	(454,875)	(454,875)
Dividends: Equity capital	-	-	(417,168)	(417,168)
Shares issued during the period	51	-	-	51
Merger reserve arising on acquisition of subsidiary	-	2,883,000	-	2,883,000
Total transactions with owners	51	2,883,000	(417,168)	2,465,883
At 30 June 2016	51	2,883,000	(872,043)	2,011,008

The notes on pages 15 to 34 form part of these financial statements.

Company Statement of Changes in Equity
For the Year Ended 30 June 2017

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	51	-	2,883,000	23,855	2,906,906
Comprehensive income for the year					
Loss for the year	-	-	-	(815,501)	(815,501)
Total comprehensive income for the year	-	-	-	(815,501)	(815,501)
Dividends: Equity capital	-	-	-	(673,721)	(673,721)
Capitalisation/bonus issue	-	-	-	2,291,812	2,291,812
Shares issued during the year	51	2,292,761	-	-	2,292,812
Reduction of share premium	-	(2,292,761)	-	-	(2,292,761)
Shares cancelled during the year	(51)	-	-	-	(51)
Transfer from merger reserve to profit and loss account	-	-	(591,188)	591,188	-
Transfer from merger reserve	-	-	(2,291,812)	-	(2,291,812)
Total transactions with owners	-	-	(2,883,000)	2,209,279	(673,721)
At 30 June 2017	51	-	-	1,417,633	1,417,684

Company Statement of Changes in Equity
For the Period Ended 30 June 2016

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Profit for the period	-	-	441,023	441,023
Dividends: Equity capital	-	-	(417,168)	(417,168)
Shares issued during the period	51	-	-	51
Merger reserve arising on acquisition of subsidiary	-	2,883,000	-	2,883,000
Total transactions with owners	51	2,883,000	(417,168)	2,465,883
At 30 June 2016	51	2,883,000	23,855	2,906,906

The notes on pages 15 to 34 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2017

	2017	2016
	£	£
Cash flows from operating activities		
Loss for the financial year	(355,743)	(454,875)
Adjustments for:		
Amortisation of intangible assets	316,251	261,324
Depreciation of tangible assets	32,932	35,859
Loss on disposal of tangible assets	(1,964)	(1,535)
Interest paid	-	5,122
Taxation charge	15,700	(39,694)
(Increase)/decrease in stocks	(1,084)	-
Decrease/(increase) in debtors	272,005	(1,726,607)
Increase in creditors	561,452	3,330,260
Corporation tax (paid)	(41,843)	(259,004)
Net cash generated from operating activities	797,706	1,150,850
Cash flows from investing activities		
Purchase of intangible fixed assets	(188,209)	(101,617)
Purchase of tangible fixed assets	(60,990)	(15,428)
Sale of tangible fixed assets	11,508	11,988
Purchase of fixed asset investments	-	(240,000)
HP interest paid	-	(5,122)
Cash acquired on acqusition of subsidiaries	-	(232,762)
Net cash from investing activities	(237,691)	(582,941)
Cash flows from financing activities		
Issue of ordinary shares	-	51
New finance leases/(Repayment of finance leases)	48,000	(30,337)
Dividends paid	(673,721)	(417,168)
Net cash used in financing activities	(625,721)	(447,454)
Net (decrease)/increase in cash and cash equivalents	(65,706)	120,455
Cash and cash equivalents at beginning of year	128,003	7,548
Cash and cash equivalents at the end of year	62,297	128,003
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	62,297	128,003
	62,297	128,003

1. General information

Acrobat Carbon Group Limited is a private company limited by shares and incorporated in England. The address of the registered office and principal place of business is Unit 9, Rhodes Business Park, Silburn Way, Middleton, Manchester, Lancashire, M24 4NE. The principal activity of the company is that of a holding company and the company's registered number is 09601841.

Acrobat Carbon Services Ltd's principal activity is the management of energy efficiency installation measures in residential properties for onward trading as carbon credits under the Energy Company Obligation (ECO) as required by the UK Energy Act 2011.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The reporting period is the year ended 30 June 2017. As the previous reporting period effectively began on 28 July 2015, comparative amounts presented in the financial statements are not entirely comparable.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

These financial statements have been prepared on a going concern basis which assumes the group will be able to repay its debts as they fall due for a period of at least 12 months from the approval of the financial statements.

The group has prepared the accounts on a going concern basis based on current forecasts for the period through to May 2019 and discounted cashflow calculations. Losses totalling £355,743 are reported for the year ended 30 June 2017, however the group continues to have positive reserves and the Board believes that it can meet its day-to-day working capital requirements from operating cash flows and utilisation of bank and invoice discounting facilities as required.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Management of energy efficiency installation measures in residential properties

Revenue on traded carbon saving measures is recognised when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the contract;
- The measure has been installed, the carbon has been received and necessary checks have been completed; and
- The costs incurred and the costs to complete the contract can be measured reliably.

Revenue on self-generated carbon saving measures is recognised when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the contract;
- The measure has been installed; and
- The costs incurred and the costs to complete the contract can be measured reliably.

Marketing services - Sale of goods and services

Revenue from the sale of goods and services is recognised when all of the following conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership to the buyer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	5 years
Development expenditure	-	Amortisation begins when the asset is available for use
Goodwill	-	10 years

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10% on cost
Motor vehicles	-	33% on cost
Fixtures and fittings	-	20% on cost
Office equipment	-	33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2. Accounting policies (continued)

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life of 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates that affect amounts recognised for assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The judgements, estimates and assumptions that have the most significant effect on the carrying value of assets and liabilities of the company as at 30 June 2017 are discussed below.

a) Recoverable value of trade debtors and accrued income

The Group has recognised trade debtors with a carrying value of £2,061,536 (30 June 2016: £2,500,334) and accrued income with a carrying value of £1,302,213 (30 June 2016: £876,334). The recoverability of trade debtors and accrued income is regularly reviewed in the light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be at risk or irrecoverable.

b) Tangible fixed assets

Management exercises judgement in estimating the useful life of property, plant and equipment.

c) Intangible fixed assets

Management also exercises judgement in estimating the useful life of intangible assets.

d) Provision for impairment loss on investments in subsidiaries

Management assess at each reporting date whether there is an indication that the investment in subsidiaries is impaired. If any such indication exists, management shall estimate the recoverable amount of the asset and any impairment loss shall be recognised immediately in the statement of comprehensive income.

4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Management of energy efficiency installation measures in residential properties	**15,351,189**	*10,878,770*
Marketing services	**771,167**	*525,932*
	16,122,356	*11,404,702*

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Depreciation of tangible fixed assets	**32,932**	*35,859*
Amortisation of intangible assets, including goodwill	**316,251**	*261,324*
Operating lease rentals - Land & buildings	**47,834**	*50,558*
Operating lease rentals - Other	**66,070**	*53,714*
Defined contribution pension cost	**30,681**	*198*

6. Auditors' remuneration

Fees payable to the Group's auditor in respect of:

Fee payable for the audit of the company's annual accounts	**2,500**	*3,000*
The auditing of accounts of subsidiaries of the group pursuant to legislation	**11,250**	*12,500*
Taxation compliance services	**2,250**	*2,250*
	16,000	*17,750*

7. Employees

Staff costs, including director's remuneration, were as follows:

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Wages and salaries	**1,356,018**	*913,237*
Social security costs	**146,368**	*110,300*
Cost of defined contribution scheme	**30,681**	*198*
	1,533,067	*1,023,735*

The average monthly number of employees, including the director, during the year/period was as follows:

	2017 No.	*2016 £*
Directors	**1**	*1*
Admin	**26**	*24*
IT	**4**	*2*
Finance	**4**	*4*
Marketing services	**10**	*15*
	45	*46*

8. Director's remuneration

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Director's emoluments	**144,206**	*24,442*
Company contributions to defined contribution pension schemes	**24,000**	*-*

During the year retirement benefits were accruing to 1 director *(2016 - NIL)* in respect of defined contribution pension schemes.

9. Interest payable and similar charges

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Finance leases and hire purchase contracts	-	*5,122*

10. Taxation

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods (subsidiaries)	-	*(20,129)*
	-	*(20,129)*
Total current tax	-	*(20,129)*
Deferred tax		
Origination and reversal of timing differences	**15,700**	*(19,565)*
Total deferred tax	**15,700**	*(19,565)*
Taxation on profit/(loss) on ordinary activities	**15,700**	*(39,694)*

10. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than the standard rate of corporation tax in the UK of 19% (Period ended 30 June 2016: 20%). The differences are explained below:

	Year ended 30 June 2017 £	*Period ended 30 June 2016 £*
Loss on ordinary activities before tax	**(340,043)**	*(494,569)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	**(64,608)**	*(102,914)*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**53,104**	*51,240*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**9,115**	*8,042*
Capital allowances for year/period in excess of depreciation	**17,300**	*2,571*
Utilisation of tax losses	**(16,594)**	-
Adjustments to tax charge in respect of prior periods	-	*(20,129)*
Unrelieved tax losses carried forward	**17,353**	*19,111*
Other differences leading to an increase (decrease) in the tax charge	**30**	*2,385*
Total tax charge for the year/period	**15,700**	*(39,694)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2017 £	*2016 £*
Dividends paid on equity capital	**673,721**	*417,168*

12. Intangible assets

Group and Company

	Computer software £	Development £	Goodwill £	Total £
Cost				
At 1 July 2016	112,921	-	2,794,950	2,907,871
Additions	97,678	-	-	97,678
Additions - internal	-	90,531	-	90,531
At 30 June 2017	210,599	90,531	2,794,950	3,096,080
Amortisation				
At 1 July 2016	5,120	-	256,204	261,324
Charge for the year	36,756	-	279,495	316,251
At 30 June 2017	41,876	-	535,699	577,575
Net book value				
At 30 June 2017	168,723	90,531	2,259,251	2,518,505
At 30 June 2016	*107,801*	-	*2,538,746*	*2,646,547*

Amortisation of intangible assets is included in administrative expenses.

Goodwill which arose upon the acquisition by the company of Acrobat Carbon Holdings Limited and Acrobat Carbon Services Limited has a carrying value of £2,259,251 and a remaining amortisation period of 8 years and 1 month.

The group's computer software has a carrying value of £168,723 and is being amortised over a period of 5 years.

Development expenditure is directly attributable to the development of a renewable energy system and will be amortised over a period of 5 years from the date at which the assets are available for use.

No impairment losses (Period to 30 June 2016: £nil) on intangible assets have been recognised in the statement of comprehensive income during the period.

13. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 July 2016	110,069	25,624	39,263	22,344	197,300
Additions	3,000	57,990	-	-	60,990
Disposals	-	(27,270)	-	-	(27,270)
At 30 June 2017	113,069	56,344	39,263	22,344	231,020
Depreciation					
At 1 July 2016	226	10,567	13,033	12,033	35,859
Charge for the period	15,057	2,437	8,740	6,698	32,932
Disposals	-	(17,726)	-	-	(17,726)
At 30 June 2017	15,283	(4,722)	21,773	18,731	51,065
Net book value					
At 30 June 2017	97,786	61,066	17,490	3,613	179,955
At 30 June 2016	*109,843*	*15,057*	*26,230*	*10,311*	*161,441*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	*2016 £*
Motor vehicles	56,395	-

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2016	3,123,000
Transfers intra group	590,288
At 30 June 2017	3,713,288
Impairment	
Charge for the period	590,188
At 30 June 2017	590,188
Net book value	
At 30 June 2017	3,123,100
At 30 June 2016	*3,123,000*

Details of the company's subsidiaries are presented at note 31.

On 30 June 2017, an agreement was made for the assets and liabilities of Acrobat Carbon Holdings Ltd, including the shares in Acrobat Carbon Services Limited and Acrobat PAYS Limited, to be transferred to the company as part of a group reorganisation.

Upon transfer of the assets and liabilities, an impairment loss of £590,188 was subsequently recognised in exceptional adminstrative expenses, against the company's investment in Acrobat Carbon Services Limited.

15. Stocks

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Finished goods and goods for resale	5,286	*4,202*	-	-

Stock recognised in cost of sales during the year as an expense was £252,511 (Period to 30 June 2016: £189,935).

An impairment loss of £nil (Period to 30 June 2016: £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. Debtors

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Trade debtors	2,061,536	*2,500,334*	-	-
Amounts owed by group undertakings	-	-	-	*453,000*
Other debtors	30,404	*312,651*	-	-
Prepayments and accrued income	1,429,897	*980,186*	-	-
Tax recoverable	85,634	*130,098*	-	-
Deferred taxation	-	*8,149*	-	-
	3,607,471	*3,931,418*	-	*453,000*

Impairment losses totalling £71,357 have been recognised against trade debtors during the year (Period to 30 June 2016: £18,393).

17. Cash and cash equivalents

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Cash at bank and in hand	62,297	*128,003*	-	-

18. Creditors: Amounts falling due within one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Trade creditors	1,438,587	*1,966,579*	-	-
Amounts owed to group undertakings	-	-	1,705,416	*669,094*
Corporation tax	-	*85,634*	-	-
Other taxation and social security	706,494	*578,881*	-	-
Obligations under finance lease and hire purchase contracts	7,333	-	-	-
Other creditors	1,614,562	*669,157*	-	-
Accruals and deferred income	1,576,776	*1,560,350*	-	-
	5,343,752	*4,860,601*	1,705,416	*669,094*

Obligations under finance leases and hire purchase contracts are secured on the assets to which the liability relates.

Amounts totalling £1,337,141 within 'Other creditors' are secured with a debenture which includes fixed and floating charges over the assets of the company

19. Creditors: Amounts falling due after more than one year

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Net obligations under finance leases and hire purchase contracts	**40,667**	-	-	-

Obligations under finance leases and hire purchase contracts are secured on the assets to which the liability relates.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £
Within one year	7,333
Between 1-2 years	7,333
Between 2-5 years	33,334
	48,000

21. Financial instruments

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**2,091,940**	*3,396,668*	-	*453,000*
Financial liabilities				
Financial liabilities measured at amortised cost	**4,629,918**	*4,182,814*	**1,705,416**	*669,094*

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

22. Deferred taxation

Group

	2017 £	*2016 £*
At beginning of year/period	**8,149**	-
Charged to profit or loss	**(15,700)**	*19,565*
Arising on business combinations	-	*(11,416)*
At end of year	**(7,551)**	*8,149*

The deferred taxation balance is made up as follows:

	Group 2017 £	*Group 2016 £*
Accelerated capital allowances	**(7,551)**	*(9,632)*
Tax losses carried forward	-	*17,781*
	(7,551)	*8,149*

23. Share capital

	2017 £	*2016 £*
Shares classified as equity		
Allotted, called up and fully paid		
51 Ordinary A shares of £1 each	**51**	*51*

On 30 June 2017, the company allotted and issued 51 Ordinary A shares with a nominal value of £1 each, for consideration totalling £2,292,812 which was represented by the capitalisation of the merger reserve. As a result, a share premium account of £2,292,761 was created.

Also on 30 June 2017, the issued share capital of the company was reduced from £102 to £51 by the cancellation and extinguishment of 51 of the issued Ordinary A shares of £1 each in the company. At the same time, the company's share premium account was reduced from £2,292,761 to £nil. The total amount by which the share capital and the share premium account were reduced was credited to the company's distributable reserves.

24. Reserves

Profit and loss account

The profit and loss account includes all current period retained profits and losses, net of dividends paid.

Other reserves

A merger reserve arose on a business acquisition that was accounted for as a merger in accordance with UK GAAP.

The following events and transactions occurred on 30 June 2017:

- An agreement was made for the assets and liabilities of Acrobat Carbon Holdings Ltd, including the shares in Acrobat Carbon Services Limited and Acrobat PAYS Limited, to be transferred to the company as part of a group reorganisation. Upon transfer of the assets and liabilities, an impairment loss of £590,188 was subsequently recognised in exceptional adminstrative expenses, against the company's investment in Acrobat Carbon Services Limited. At the same time, amounts totalling £591,188 were transferred from the merger reserve to the profit and loss account.

- The company allotted and issued 51 Ordinary A shares with a nominal value of £1 each, for consideration totalling £2,292,812 which was represented by the capitalisation of the amount remaining in the merger reserve. As a result, a share premium account of £2,292,761 was created.

- The issued share capital of the company was reduced from £102 to £51 by the cancellation and extinguishment of 51 of the issued Ordinary A shares of £1 each in the company. At the same time, the company's share premium account was reduced from £2,292,761 to £nil. The total amount by which the share capital and the share premium account were reduced was credited to the company's distributable reserves.

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £30,681 (Period to 30 June 2016: £198). Contributions totalling £2,348 (2016: £1,059) were payable to the fund at the balance sheet date.

26. Commitments under operating leases

At 30 June 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Land and buildings				
Not later than 1 year	**38,000**	*38,000*	**38,000**	*38,000*
Later than 1 year and not later than 5 years	**50,667**	*88,667*	**50,667**	*88,667*
	88,667	*126,667*	**88,667**	*126,667*

	Group 2017 £	*Group 2016 £*	Company 2017 £	*Company 2016 £*
Other operating leases				
Not later than 1 year	**41,263**	*91,828*	**41,263**	*91,828*
Later than 1 year and not later than 5 years	**21,020**	*7,840*	**21,020**	*7,840*
	62,283	*99,668*	**62,283**	*99,668*

27. Director's benefits: Advances, credits and guarantees

The director had an interest free loan during the year. The amount owed by the director at 30 June 2016 was £300,629 and amounts totalling £116,407 were advanced to the director during the year ended 30 June 2017. The maximum amount outstanding from the director during the year was £417,036 and this amount was fully repaid during the year. No amounts were outstanding from the director at 30 June 2017.

28. Director's personal guarantees

The director has provided a guarantee, limited to £200,000, in respect of the liabilities of a subsidiary company which are included in other creditors.

29. Related party transactions

In preparing these financial statements, the director has taken advantage of the exemptions available under section 33 paragraph 1A of the Financial Reporting Standard 102, and has not disclosed transactions entered into between wholly owned group undertakings.

Purchases totalling £6,500 were made from a company controlled by the director's spouse during the 18 months ended 30 June 2016 and this amount remained payable to the related party at the end of the period.

Amounts totalling £256,690 (presented within Other creditors) were owed to the director at 30 June 2017 (2016: £300,629 was owed by the director).

Key management personnel compensation in the year to 30 June 2017 totalled £168,206 (Period to 30 June 2016: £24,442).

Dividends paid to directors in the year totalled £673,721 (Period to 30 June 2016: £417,168).

30. Controlling party

The ultimate controlling party is K J Griffin by virtue of his 90% shareholding.

31. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Acrobat Carbon Holdings Ltd	Ordinary	100 %	Dormant (previously a holding company)
Acrobat Carbon Services Ltd	Ordinary	100 %	Energy efficiency
Acrobat PAYS Limited	Ordinary	100 %	Finance company

The registered office of Acrobat Carbon Holdings Ltd, Acrobat Carbon Services Ltd and Acrobat PAYS Limited is Unit 9, Rhodes Business Park, Silburn Way, Middleton, M24 4NE.