

**HYTWO UK LIMITED  
(FORMERLY IDATECH UK LIMITED)**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**REGISTERED NUMBER 05875462**

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**Hytwo UK Limited (formerly IdaTech UK Limited)**  
**Registered Number 05875462**  
**Annual Report and Financial Statements for the year ended 31 December 2013**

**Hytwo UK Limited (formerly IdaTech UK Limited)**  
**Annual Report and Financial Statements for the year ended 31 December 2013**

**Directors:**  
**James Cooke**

**Secretary:**  
**James Cooke**

**Registered Office**  
**2 Gresham Street**  
**London**  
**EC2V 7QP**

**Ultimate Holding Company**

**Hytwo UK Limited 06260318**

**Copies of the financial statements of Hytvo Limited can be obtained from the Company Secretary,  
Hytvo Limited, 2 Gresham Street, London, EC2V 7QP United Kingdom**

**Registered Number 05875462**

#### **Directors' Report for the year ended 31 December 2013**

The Directors present their annual report and financial statements for the year ended 31 December 2013

#### **Principal activities and business review**

The principal activity of Hytwo UK Limited, formerly IdaTech UK Limited, (the "Company") during the period was that of an intermediate holding company. The Company is wholly owned by Hytwo Limited (formerly IdaTech Limited). It is the intention of the Directors to dissolve the Company as soon as practicable. The Company changed its name to Hytwo UK Limited on 2 September 2013.

On 26 September 2013, the Company sold its holding in H2Pt, Inc. which included H2Pt, Inc.'s subsidiary, H2PowerTech, LLC together, the "US Business". H2PowerDevelopment, LLC, an entity owned and controlled by Harol Koyama, up until 26 September 2013 a Director of the Company, purchased the US Business for a nominal sum of US\$1 and an agreement to pay an earnout of 20% of any proceeds from future licensing transactions until 30 July 2015 to Hytwo Limited. An independent committee of the Board of Hytwo Limited, the sole shareholder of the Company, believed the proposal to be fair to the equity holders of the ultimate parent company of the Group, Hytwo Limited, given their assessment of the market and the inability of the Group to secure additional funding to fulfill its obligations to current licensees and secure additional business. Shareholders of Hytwo Limited approved the sale of the US Business on 20 September 2013. The Company's investments in the H2PT, Inc. had already been written down to nil in the year ended 31 December 2011.

#### **Going concern and basis of preparation**

The financial statements have been prepared on a non-going concern basis with the assets and liabilities recorded on a net realisable basis. For assets, net realisable basis is the estimated value on a sale and for liabilities the basis is the total cost to the Company to extinguish such liabilities. The profit and loss account and balance sheet has been prepared on the basis that the Company is no longer a going concern.

#### **Results and dividends**

The result on ordinary activities after taxation for the year ended 31 December 2013 £nil (31 December 2012 a loss of £nil). The Directors do not recommend the payment of a dividend.

#### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Hytwo Limited Group and are not managed separately. Accordingly, the principal risks and uncertainties of Hytwo Limited, which include those of the Company, are discussed in the Hytwo Limited Group's annual report which does not form part of this report.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the Directors of the Company are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Directors**

The Directors who held office during the period and up to the date of the accounts were as follows:

James Cooke

Harol Koyama (resigned 26 September 2013)

During the year the Company maintained insurance providing liability cover to its Directors and Officers through a Company policy maintained and paid for by Hytwo Limited, Hytwo UK Limited's parent company.

#### **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 prepared 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.

**Directors' Report for the year ended 31 December 2013**

**Statement of Directors' responsibilities (continued)**

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Audit Exemption Statement**

For the year ending 31 December 2013, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

By order of the Board



James Cooke  
3 January 2013

**Profit and Loss Account**  
**For the year ended 31 December 2013**

	Notes	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Administrative expenses		-	-
<b>OPERATING RESULT /(LOSS)</b>	2	-	-
<b>RESULT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Taxation on ordinary activities	3	-	-
<b>RESULT / (LOSS) FOR THE FINANCIAL YEAR</b>		-	-

The Company has no recognised gains and losses other than those included above and therefore no statement of total recognised gains and losses has been presented

There is no material difference between the result /loss on ordinary activities before taxation and the result / loss for the financial year stated above, and their historical cost equivalents

The notes on pages 7 to 8 are an integral part of these financial statements

**Balance Sheet**

**As at 31 December 2013**

	Notes	31 December 2013 £	31 December 2012 £
<b>FIXED ASSETS</b>			
Investments	4	-	-
<b>CURRENT ASSETS</b>			
Debtors		-	-
<b>CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		-	-
<b>NET CURRENT ASSETS</b>		-	-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		-	-
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	27,866,238	27,866,238
Profit and loss account		(27,866,238)	(27,866,238)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		-	-

The notes on pages 7 to 8 are an integral part of these financial statements

**Audit Exemption Statement**

For the year ending 31 December 2013, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements on pages 4 to 8 were approved by the Board of Directors on 3 January 2014

  
James Cooke  
Director

**Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2013**

	Share Capital	Retained Earnings	Total Shareholders' Equity
	£	£	£
<b>As at 31 December 2011</b>	<b>27,866,238</b>	<b>(530,907)</b>	<b>27,335,331</b>
Loss for year	-	(27,335,331)	(27,335,331)
<b>As at 31 December 2012</b>	<b>27,866,238</b>	<b>(27,866,238)</b>	<b>-</b>
Result for year	-	-	-
<b>As at 31 December 2013</b>	<b>27,866,238</b>	<b>(27,866,238)</b>	<b>-</b>

The notes on pages 7 to 8 are an integral part of these financial statements

**Notes to the financial statements for the year ended 31 December 2013**

**1. Accounting policies**

On 2 September 2013, the Company changed its name to Hytwo UK Limited from IdaTech UK Limited. Hytwo UK Limited was incorporated on 13 July 2006. On 20 July 2006, the Company acquired H2Pt, Inc (formerly IdaTech Technologies, Inc), the parent company of H2PowerTech, LLC (formerly IdaTech, LLC) and its subsidiary IdaTech Fuel Cells GmbH.

**Basis of preparation and going concern**

On 26 September 2013, the Company sold its holding in H2Pt, Inc which included H2Pt, Inc's subsidiary, H2PowerTech, LLC together, the "US Business". H2PowerDevelopment, LLC, an entity owned and controlled by Harol Koyama, up until 26 September 2013 a Director of the Company, purchased the US Business for a nominal sum of US\$1 and an agreement to pay an earnout of 20% of any proceeds from future licensing transactions until 30 July 2015 to Hytwo Limited. An independent committee of the Board of Hytwo Limited, the sole shareholder of the Company, believed the proposal to be fair to the equity holders of the ultimate parent company of the Group, Hytwo Limited, given their assessment of the market and the inability of the Group to secure additional funding to fulfill its obligations to current licenses and secure additional business. Shareholders of Hytwo Limited approved the sale of the US Business on 20 September 2013.

The financial statements have been prepared on a non-going concern basis with the assets and liabilities recorded on a net realisable basis. For assets, net realisable basis is the estimated value on a sale and for liabilities the basis is the total cost to the Company to extinguish such liabilities. The profit and loss account and balance sheet has been prepared on the basis that the Company is no longer a going concern.

The Company is exempt from the requirement to present consolidated financial statements under section 400 of the Companies Act 2006. The financial statements of the Company have been included in the consolidated financial statements of its ultimate parent Company, Hytwo Limited (formerly IdaTech Limited).

**Related party transactions**

Financial Reporting Standard (FRS) 8, "Related Party Transactions", requires the disclosure of the details of material transactions between the reporting entity and related parties. The Company has taken advantage of exemptions under FRS 8 not to disclose transactions between Company companies. Hytwo Limited (formerly IdaTech Limited) is the ultimate holding company.

**Taxation**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

**Investments**

Investments in subsidiaries are stated at cost less any provision for impairment.

**Cash Flow statement**

The Company is included in the consolidated financial statements of Hytwo Limited (formerly IdaTech Limited). Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

**Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange or the rate at which the transaction is contracted to be settled in the future. Exchange differences arising on transactions are taken to the profit and loss account.



**Notes to the financial statements for the year ended 31 December 2013 (continued)**

**2 Directors and employees**

The Company has no employees. The costs of the services of the Directors are borne by Hytwo Limited, the holding company of Hytwo UK Limited.

**3. Taxation**

The Company has historical losses. These have not been recognized in these financial statements as it is the intention of the Directors to place the Company into members' voluntary liquidation.

**4. Investments**

Hytwo UK Limited subsidiaries

<u>Subsidiary</u>	<u>Country of Incorporation</u>	<u>Date disposed</u>	<u>Proportion of Share Capital Held and Voting Rights</u>	<u>Nature of Business</u>
H2Pt, Inc (formerly IdaTech Technologies, Inc)	USA	26 September 2013	99.9%	Holding company
H2PowerTech, LLC (formerly IdaTech, LLC)	USA	26 September 2013	100%	Development of fuel cell technology
IdaTech Fuel Cells GmbH	Germany	26 September 2013	100%	In liquidation

**Investments in subsidiaries**

	£
As at 31 December 2012 and 2011	-
Movement in year	-
As at 31 December 2013	-

**5. Share capital**

	<b>As at 31 December 2012</b>	<b>As at 31 December 2011</b>
	£	£
Authorised		
100,000,000 Ordinary shares of £1 each	<b>100,000,000</b>	<b>100,000,000</b>
Allotted, called up and fully paid		
27,866,238 Ordinary shares of £1 each	<b>27,866,238</b>	<b>27,866,238</b>

All issued shares are fully paid