

Financial Statements

Aldwych 2011 Limited (formerly QuantaSol Limited)

For the 18 month period ended 30 June 2011

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COMPANIES HOUSE

Registered number: 05882326

Aldwych 2011 Limited (formerly QuantaSol Limited)

Company Information

Directors	S Mahon R Bahns
Company number	05882326
Registered office	5 Terry Road High Wycombe Buckinghamshire HP13 6QJ
Solicitors	Manches LLP 9400 Garsington Road Oxford Business Park Oxford OX4 2HN
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road IQ Winnersh Wokingham Berkshire RG41 5TS

Aldwych 2011 Limited (formerly QuantaSol Limited)

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Aldwych 2011 Limited (formerly QuantaSol Limited)

Directors' report

For the 18 month period ended 30 June 2011

The directors present their report and the financial statements for the 18 month period ended 30 June 2011

Directors' responsibilities statement

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 judgments and 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.

Principal activities

The principal activity of the company is that of the development and manufacture of solar cells.

On 6 July 2011 the trade, assets and intellectual property of the company were sold to JDS Uniphase Corporation and the company changed its name to Aldwych 2011 Limited.

Directors

The directors who served during the 18 month period were

P Vickery (resigned 6 July 2011)

C Shannon (appointed 1 September 2010 & resigned 6 July 2011)

K Barnham (resigned 6 July 2011)

S Mahon

R Bahns

P Holbeche (resigned 6 July 2011)

I Jenks (appointed 29 June 2010 & resigned 6 July 2011)

Aldwych 2011 Limited (formerly QuantaSol Limited)

Directors' report

For the 18 month period ended 30 June 2011

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Re-appointment of auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on **19 March 2012** and signed on its behalf



R Bahns
Director



Independent auditor's report to the members of Aldwych 2011 Limited (formerly QuantaSol Limited)

We have audited the financial statements of Aldwych 2011 Limited (formerly QuantaSol Limited) for the 18 month period ended 30 June 2011, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its loss for the 18 month period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the uncertainty as to the company's ability to meet its obligations as they fall due.

In view of the significance of this uncertainty, we consider that it should be brought to your attention but our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial 18 month period for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of Aldwych 2011 Limited (formerly QuantaSol Limited)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Grant Thornton UK LLP

Paul Creasey (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Reading

Date *28 March 2012*

Aldwych 2011 Limited (formerly QuantaSol Limited)

**Profit and loss account
For the 18 month period ended 30 June 2011**

	Note	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Turnover	1,2	155,999	50,113
Administrative expenses		(2,887,808)	(2,007,568)
Operating loss	3	(2,731,809)	(1,957,455)
Interest receivable and similar income		3,701	236
Interest payable and similar charges	5	(1,114,621)	(345,856)
Loss on ordinary activities before taxation		(3,842,729)	(2,303,075)
Tax on loss on ordinary activities	6	153,613	(554)
Loss for the financial period	13	(3,689,116)	(2,303,629)

The notes on pages 7 to 15 form part of these financial statements

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the loss for the year as set out above

Aldwych 2011 Limited (formerly QuantaSol Limited)
Registered number: 05882326

Balance sheet
As at 30 June 2011

	Note	£	30 June 2011 £	31 December 2009 £
Fixed assets				
Tangible assets	7		31,334	80,445
Investments	8		1	1
			31,335	80,446
Current assets				
Debtors	9	57,316		66,762
Cash at bank		177,684		1,681,628
		235,000		1,748,390
Creditors' amounts falling due within one year	10	(4,207,300)		(2,080,685)
Net current liabilities			(3,972,300)	(332,295)
Total assets less current liabilities			(3,940,965)	(251,849)
Creditors' amounts falling due after more than one year	11		(4,138,301)	(4,138,301)
Net liabilities			(8,079,266)	(4,390,150)
Capital and reserves				
Called up share capital	12		1,042	1,042
Other reserves	13		(15)	(15)
Profit and loss account	13		(8,080,293)	(4,391,177)
Shareholders' deficit			(8,079,266)	(4,390,150)

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

19th March 2012

R Bahns
Director

R Bahns

The notes on pages 7 to 15 form part of these financial statements

Aldwych 2011 Limited (formerly QuantaSol Limited)

Notes to the financial statements For the 18 month period ended 30 June 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

On 6 July 2011 the company sold its trade, assets and intellectual property to JDS Uniphase Corporation. At the year end the company's current liabilities contain approximately £350k of trade creditors and trade accruals. Management's forecasts show that the company has sufficient cash to meet these liabilities as they fall due. The remaining £3.8m of current liabilities are convertible loan notes and the interest which has accrued on these loan notes. Since the year end £0.8m of these loan notes have been repaid. The loan note holders have confirmed to the directors that it is not their intention to request repayment of any further loans or interest for a period of at least 12 months from the date of signing the financial statements.

The creditors falling due in more than one year include participating preference shares. The participating preference shareholders have confirmed to the directors that it is their intention not to redeem the preference shares or request payment of the interest which is accruing on the preference shares for a period of at least 12 months from the date of signing the financial statements.

Therefore the directors consider that it is appropriate to adopt the going concern basis of accounting.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods supplied during the 18 month period, exclusive of Value Added Tax and trade discounts.

Turnover is recognised at the point at which the customer takes ownership of the stock item and the company's obligation to deliver the product has been fulfilled.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	3 years straight line
Fixtures & fittings	-	3 years straight line
Office equipment	-	3 years straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

**Notes to the financial statements
For the 18 month period ended 30 June 2011**

1. Accounting policies (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.8 Research and development

Research and development expenditure is written off in the year in which it is incurred

Development expenditure is written off in the same way, unless the directors are satisfied as to the technical, commercial and financial viability of the project to which it relates. In this situation the expenditure is deferred and amortised over the period in which the company is expected to receive the benefit

1.9 Government grants

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions

Government grants relating to costs are deferred and recognised in the profit and loss account over the period necessary to match them with the costs that they are intended to compensate

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income profit and loss account on a straight-line basis over the expected lives of the related assets

Aldwych 2011 Limited (formerly QuantaSol Limited)

Notes to the financial statements For the 18 month period ended 30 June 2011

1. Accounting policies (continued)

1.10 Employee benefit trust

In accordance with Urgent Issues Task Force (UITF) Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the company does not include the assets and liabilities of the employee benefit trust within its balance sheet. In the event of the winding up of the company, neither the shareholders nor the creditors would be entitled to the assets of the employee benefit trust.

Investments in own shares held in connection with the company's employee benefit trust are deducted from the shareholders' funds in accordance with FRS 25 "Financial Instruments: Disclosure and Presentation" until such time as they vest unconditionally to participating employees.

1.11 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, these financial statements are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

2. Turnover

All the turnover is attributable to geographical markets outside the United Kingdom.

3. Operating loss

The operating loss is stated after charging/(crediting)

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Depreciation of tangible fixed assets		
- owned by the company	71,957	37,973
Auditors' remuneration	8,450	6,250
Research and development expenditure written off	848,170	650,852
Difference on foreign exchange	1,367	(1,950)
Amortisation - intangible fixed assets	-	139,053
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Aldwych 2011 Limited (formerly QuantaSol Limited)

**Notes to the financial statements
For the 18 month period ended 30 June 2011**

4. Directors' remuneration

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Aggregate emoluments	302,609	142,084

The highest paid director received remuneration of £267,253 (2009 - £142,084)

5. Interest payable

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
Interest on borrowings	471,627	119,853
Appropriations on shares classified as financial liabilities	642,994	226,003
	1,114,621	345,856

6. Taxation

	18 month period ended 30 June 2011 £	Year ended 31 December 2009 £
UK corporation tax (credit)/charge on loss for the 18 month period/year	(153,613)	554

The tax credit in the current period arises due to a research and development tax credit

A deferred tax asset has not been recognised in respect of timing differences relating to certain losses not utilised and carried forward at the period end as there is insufficient evidence that the asset will be recovered

The amount of the asset not recognised is £1,439,586 (2009- £899,091) The asset would only be recovered if the company were to make taxable profits from the same trade in future years

Aldwych 2011 Limited (formerly QuantaSol Limited)

**Notes to the financial statements
For the 18 month period ended 30 June 2011**

7. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 January 2010	44,624	57,490	29,997	132,111
Additions	-	2,630	20,216	22,846
At 30 June 2011	44,624	60,120	50,213	154,957
Depreciation				
At 1 January 2010	14,752	25,846	11,068	51,666
Charge for the 18 month period	17,567	23,651	30,739	71,957
At 30 June 2011	32,319	49,497	41,807	123,623
Net book value				
At 30 June 2011	12,305	10,623	8,406	31,334
At 31 December 2009	29,872	31,644	18,929	80,445

8. Fixed asset investments

	Shares in subsidiary undertaking £
Cost	
At 1 January 2010 and 30 June 2011	1
Net book value	
At 30 June 2011	1
At 31 December 2009	1

Subsidiary undertaking

The following was a subsidiary undertaking of the company

Name	Country of registration	Class of shares held	Holding
Quantasol EBT Limited	England and Wales	Ordinary	100%

The aggregate of the share capital and reserves for Quantasol EBT Limited as at 30 June 2011 and at 31 December 2009 was £1. This subsidiary had no reported profit or loss for either period.

Aldwych 2011 Limited (formerly QuantaSol Limited)

**Notes to the financial statements
For the 18 month period ended 30 June 2011**

9. Debtors

	30 June 2011 £	31 December 2009 £
Other debtors	45,707	39,067
Prepayments and accrued income	11,609	27,695
	<u>57,316</u>	<u>66,762</u>

**10. Creditors:
Amounts falling due within one year**

	30 June 2011 £	31 December 2009 £
Convertible loan notes	2,500,000	1,500,000
Trade creditors	288,062	260,464
Social security and other taxes	24,759	12,984
Accruals	1,390,916	258,036
Other creditors	3,563	49,201
	<u>4,207,300</u>	<u>2,080,685</u>

During the year the company issued £1,000,000 of additional loan notes. Interest arises on the convertible loans at 15% p a.

**11. Creditors:
Amounts falling due after more than one year**

	30 June 2011 £	31 December 2009 £
Share capital treated as debt (Note 12)	6,747	6,747
Share premium on share capital treated as debt	4,131,554	4,131,554
	<u>4,138,301</u>	<u>4,138,301</u>

Aldwych 2011 Limited (formerly QuantaSol Limited)

**Notes to the financial statements
For the 18 month period ended 30 June 2011**

**11. Creditors:
Amounts falling due after more than one year (continued)**

Share capital treated as debt consists of convertible participating preference shares. Included within share premium on the convertible participating preference shares is £148,308, (2009- £148,308) in respect of costs of issuing the preference shares.

The terms attaching to the convertible participating redeemable preference shares of £0.01 each are, as follows:

- Each preference shareholder has the same voting rights as each ordinary shareholder. On a poll, each preference shareholder holding one or more preference shares is entitled to exercise the number of votes which he would have been entitled to exercise if all the preference shares held by him had been converted into ordinary shares immediately before the holding of the general meeting at the then applicable conversion rate.
- The ordinary shares and the preference shares rank *pari passu* in all respects as to income as if all the preference shares in issue had been converted into ordinary shares at the then applicable conversion rate.
- The shares rank above the ordinary shares on winding up and the shareholders have a right to receive the full original issue price of the shares in preference to any payments being made to the ordinary shareholders. The balance of any asset remaining once the preference shareholders have had their capital returned is distributed amongst the holders of the preference shares and the ordinary shares (*pari passu* as if the same constituted one class of share) *pro rata* according to the number of shares held by each shareholder, such number to be calculated as if all the preference shares in issue had been converted into ordinary shares at the then applicable conversion rate.
- If at 31 May 2012, no sale or listing of the company has occurred any holder of preference shares may, thereafter, give notice to the company requiring that all or some of his shares shall be redeemed on a specified date at an amount per preference share equal to the aggregate of the original issue price of that share and an additional amount that equals any accrued dividends and interest of 10% *p.a.* from the date of issue to the date of redemption.
- Any holder of preference shares shall be entitled to require conversion of their entire holding of preference shares into ordinary shares at any time at the applicable conversion rate, being that for each preference share, one ordinary share will be received in return. The exception to this is that, upon a listing, all of the preference shares shall, immediately prior to admission, automatically convert into ordinary shares. The number of ordinary shares into which the preference shares so convert is such number as gives the same proportion of the total number of ordinary shares after such conversion as the proportion of the cash payable to all shareholders which the preference shareholders would have received on a sale.

Aldwych 2011 Limited (formerly QuantaSol Limited)

**Notes to the financial statements
For the 18 month period ended 30 June 2011**

12. Share capital

	30 June 2011 £	31 December 2009 £
Shares		
Authorised, allotted, called up and fully paid		
104,249 Ordinary shares of £0.01 each	<u>1,042</u>	<u>1,042</u>
Shares classified as debt		
Authorised, allotted, called up and fully paid		
674,722 Preference shares of £0.01 each	<u>6,747</u>	<u>6,747</u>

13. Reserves

	Other reserves £	Profit and loss account £
At 1 January 2010	(15)	(4,391,177)
Loss for the 18 month period		(3,689,116)
At 30 June 2011	<u>(15)</u>	<u>(8,080,293)</u>

Quantasol EBT Limited, a company set up to run an EMI share option plan for the employees of Aldwych 2011 Limited (formerly Quantasol Limited) owns 1,500 (2009- 1,500) ordinary shares of £0.01 each of Aldwych 2011 Limited (formerly Quantasol Limited)

The EMI share option plan was established in order to motivate employees and encourage a loyal corporate structure. Details of the scheme are as follows:

	At January 2010	Granted during the year	Exercised during the year	Cancelled during the year	At 30 June 2011
Number	<u>5,715</u>	<u>272,487</u>	<u>-</u>	<u>-</u>	<u>278,202</u>

As at 30 June 2011 there were 17 (2009- 5) employees who subscribed to the company's share option scheme.

Aldwych 2011 Limited (formerly QuantaSol Limited)

Notes to the financial statements
For the 18 month period ended 30 June 2011

Reserves (continued)

Directors' interests in share options are set out below

	At January 2010	Granted during the year	Exercised during the year	Cancelled during the year	At 30 June 2011
I Jenks	-	37,094	-	-	37,094
P Holbeche	-	9,124	-	-	9,124
P Vickery	-	9,124	-	-	9,124
C Shannon	-	129,828	-	-	129,828
Total	-	185,170	-	-	185,170

The shares are subject to vesting, which is over a one year period from the earlier of grant date or employee hire date, as applicable until vesting is complete. The options are exercisable at any time prior to a sale or a listing.

Share options will be granted to employees and directors of the company on achievement of targets.

Unless, and until specifically transferred, the shares issued to Quantasol EBT Limited will remain under the legal ownership of the scheme. Running costs of the scheme are charged to the profit and loss account of the company as and when they are incurred.

14. Operating lease commitments

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows

	30 June 2011 £	31 December 2009 £
Expiry date:		
Within 1 year	-	31,000

15. Post balance sheet events

On 6 July 2011, the trade, assets and intellectual property of the company were sold to JDS Uniphase Corporation.