

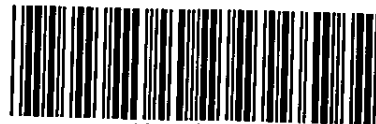
Rocfuel Limited

**Directors' Report and Financial
Statements**

Registered number 6281859

31 May 2011

TUESDAY



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COMPANIES HOUSE

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Directors' Report

The directors present their Directors' Report and Financial Statements for the year ended 31 May 2011

Principal activities

The principal activity of the Company is the provision of renewable energy solutions

The results for the year are set out on page 6

Risks and uncertainties

The risks and uncertainties facing the Company are inherently linked to those of the Group. The principal risks and uncertainties of the Group which includes those of this Company are discussed in detail in the 'Statement on Risks Relating to the Group's Business' in the Financial Review in the Group Annual Report and Accounts

Current trading and outlook

The markets in which the Company trades and has core competence are always subject to fluctuations. Government indecision regarding subsidies for renewable power generation have impacted revenue, resulting in a trading loss for the year. Management remain confident in the future outlook for the Company as part of the ongoing shift to renewable energy.

Dividends

The directors do not recommend the payment of a dividend (2010 £nil)

Directors

The directors who held office during and subsequent to the year were as follows

RJ Kennedy
SL Anson
GFC Banham
ID Cockburn

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board



ID Cockburn
Director

West Terrace
Esh Winning
Co Durham
DH7 9PT

29 November 2011

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

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



KPMG Audit Plc

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent Auditor's Report to the Members of Rocfuel Limited

We have audited the financial statements of Rocfuel Limited for the year ended 31 May 2011 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 set out on page 3, 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 (APB'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 APB's website at www.fic.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 31 May 2011 and of its loss for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of Rocfuel Limited *(continued)*

Matters on which we are required to report by exception

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

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



MR Thompson (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

29 November 2011

Profit and Loss Account
for the year ended 31 May 2011

	<i>Note</i>	2011 £000	2010 £000
Turnover	<i>1 2</i>	1,621	689
Cost of sales		(1,676)	(789)
Gross loss		(55)	(100)
Administrative expenses		(132)	(197)
Operating loss		(187)	(297)
Interest payable	<i>5</i>	(20)	-
Loss on ordinary activities before taxation	<i>2-5</i>	(207)	(297)
Tax on loss on ordinary activities	<i>6</i>	1	86
Loss for the financial year	<i>11</i>	(206)	(211)

All results are from continuing operations

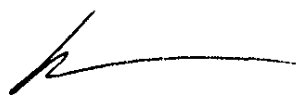
There were no recognised gains or losses in either the current or preceding year other than the result for that year

Balance Sheet

at 31 May 2011

	<i>Note</i>	2011 £000	2010 £000
Current assets			
Stock	7	1,427	1,393
Debtors	8	1,757	405
Cash at bank and in hand		111	-
		<hr/>	<hr/>
Creditors amounts falling due within one year	9	3,295 (3,418)	1,798 (1 715)
		<hr/>	<hr/>
Net (liabilities)/assets		(123)	83
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(124)	82
		<hr/>	<hr/>
Shareholders' (deficit)/funds	12	(123)	83
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 29 November 2011 and were signed on its behalf by



ID Cockburn
Director

Registered number 6281859

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The current economic conditions create an element of uncertainty over demand for the Company's products but the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company is expected to have a sufficient level of financial resources available through current banking and other facilities, including amounts owed to group undertakings, and therefore the directors believe that the Company is well placed to manage its business risks successfully despite the economic uncertainty. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover represents amounts receivable in relation to the provision of renewable energy solutions.

Turnover is recognised when goods and services are delivered and title has passed.

2 Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Notes to the profit and loss account

	2011 £000	2010 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
<i>Auditors' remuneration</i>		
Audit of these financial statements	3	3

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Hargreaves Services plc.

4 Remuneration of directors

No remuneration was paid to the directors during the current or preceding year.

5 Interest payable

	2011 £000	2010 £000
On bank loans and overdrafts	20	-

Notes (continued)

6 Taxation

	2011 £000	2010 £000
<i>Analysis of credit in year</i>		
UK corporation tax		
Current tax on loss for the year	-	(82)
Adjustments in respect of prior period	(1)	(4)
	<u>(1)</u>	<u>(86)</u>
Tax on loss on ordinary activities	<u>(1)</u>	<u>(86)</u>

Factors affecting the tax credit for the current period

The current tax credit for the year is lower (2010 higher) than the standard rate of corporation tax in the UK 27.67% (2010 28%). The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(207)	(297)
	<u>(57)</u>	<u>(83)</u>
Current tax at 27.67% (2010 28%)	(57)	(83)
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	1
Unrelieved tax losses	57	-
Adjustments in respect of prior period	(1)	(4)
	<u>(1)</u>	<u>(86)</u>
Total current tax credit	<u>(1)</u>	<u>(86)</u>

Factors that may affect future tax expenses

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. As these changes in tax rate were substantively enacted prior to the year end, their effect on the deferred tax balances at 31 May 2011 have been included in the figures.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by 1% per annum to 23% by 1 April 2014, but these changes were not substantively enacted during the year and therefore are not included in the figures above.

At the year end the company had unrelieved UK corporation tax losses available to carry forward of approximately £208,000 (2010 £nil).

No deferred tax asset has been recognised in respect of these losses due to uncertainty surrounding their future recovery against taxable profits.

Notes (continued)

7 Stock

	2011 £000	2010 £000
Raw materials	-	28
Finished goods	1,427	1,365
	<u>1,427</u>	<u>1,393</u>

8 Debtors

	2011 £000	2010 £000
Other debtors	1	1
Corporation tax	-	69
Amounts due from Group undertakings	1,756	335
	<u>1,757</u>	<u>405</u>

9 Creditors, amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	-	3
Trade creditors	112	22
Other creditors	67	80
Amounts owed to Group undertakings	3,157	1,610
Accruals and deferred income	8	-
VAT	74	-
	<u>3,418</u>	<u>1,715</u>

10 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
A Ordinary shares of £1 each	500	500
B Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
A Ordinary shares of £1 each	500	500
B Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The A and B ordinary shares rank equally in all respects

Notes (continued)

11 Reserves

	Profit and loss account £000
At beginning of year	82
Loss for the year	(206)
	<hr/>
At end of year	(124)
	<hr/>

12 Reconciliation of movements in shareholders' (deficit)/funds

	2011 £000	2010 £000
Loss for the year	(206)	(211)
Opening shareholders' funds	83	294
	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(123)	83
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13 Related party disclosures

The company is owned 50.1% by Hargreaves (UK) Limited, a 100% owned subsidiary of Hargreaves Services plc and 49.9% owned by RJ Kennedy. Rocfuel Limited became a subsidiary undertaking of the Hargreaves Services plc Group on 9 April 2009.

The group has three joint venture undertakings, Eastgate Materials Handling Limited, Tower Regeneration Limited, and MIR Trade Services BV.

Transactions with these undertakings during the year and balances outstanding at the end of the year were as follows:

	Purchases from	2011 Sales to	Balance outstanding debtor/ (creditor)
	£000	£000	£000
Lastgate Materials Handling Limited	-	-	-
Tower Regeneration Limited	-	-	-
MIR Trade Services BV	-	-	-
Rocpower Limited	-	1,198	1,755
Hargreaves Services plc	-	-	(1,048)
Hargreaves (UK) Limited	-	-	(145)
Hargreaves (UK) Services Limited	-	306	(1,933)
The Monekton Coke & Chemical Co Limited	-	-	-
Coal 4 Energy Limited	-	-	1
Imperial Tankers Limited	9	-	(31)
	<hr/>	<hr/>	<hr/>

Notes (continued)

13 Related party disclosures (continued)

Six joint venture undertakings were disposed of on 28 May 2010. These undertakings were Hargreaves Coal Combustion Products Limited, Hargreaves Building Products limited, Hargreaves Coal Combustion Products Holdings Limited, Hargreaves Building Products Holdings Limited, Evonik Power Minerals Limited and XYZ Newco Limited. Transactions with these undertakings while they were joint venture undertakings during 2010 and balances outstanding at the end of 2010 were as follows:

	Purchases from	2010 Sales to	Balance outstanding debtor/ (creditor)
	£000	£000	£000
Eastgate Materials Handling Limited	-	-	-
Tower Regeneration Limited	-	-	-
Hargreaves Coal Combustion Products Limited	-	-	-
Hargreaves Building Products Limited	-	-	-
Hargreaves Coal Combustion Products Holdings Limited	-	-	-
Hargreaves Building Products Holdings Limited	-	-	-
Evonik Power Minerals Limited	-	-	-
XYZ Newco Limited	-	-	-
Rocpower Limited	-	-	335
Hargreaves Services plc	-	-	(158)
Hargreaves (UK) Limited	-	-	(106)
Hargreaves (UK) Services Limited	-	-	(1,327)
The Monckton Coke & Chemical Co Limited	-	-	(19)

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Hargreaves Services plc. Hargreaves Services plc is the Company's ultimate controlling party. The Company's immediate controlling party is Hargreaves (UK) Limited.

The only group in which the results of the Company are consolidated is that headed by Hargreaves Services plc. The consolidated financial statements of this company are available to the public and may be obtained from Companies House.