

**Fuel Cell Service Solutions Limited**

**Directors' report and financial  
statements**

**Registered number 06637208**

**31 March 2011**

MONDAY



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## Director's report

The director presents his director's report and financial statements for the year ended 31 March 2011

### Principal activities

Fuel Cell Service Solutions Limited (FCSS) specialises in the supply and service of fuel cell power packs. In addition to the commercialisation of existing fuel cell systems FCSS also develop new technology and components.

### Results and dividends

The company made a loss for the year after taxation of £40,960 (2010 £61,024). The directors cannot recommend the payment of a dividend.

### Directors

The directors shown below have held office during the year

J Thompson  
Dr GS Hillier (resigned 31 March 2011)  
NP Hamlin (resigned 31 March 2011)

### Political and charitable donations

The company made no political or charitable donations during the year (2010 £nil).

### Post balance sheet event

On 1 November 2011 the Director made the decision that the company will cease to trade. These accounts have not been prepared on a going concern basis.

### Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and he 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 auditor is aware of that information.

## Director's report *(continued)*

### Auditor

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

The directors report has been prepared taking advantage of the small companies' exemption under Section 415A of the Companies Act 2006

By order of the board

  
J Thompson  
Director

Wilton Centre  
Wilton  
Redcar  
Cleveland  
TS10 4RF

1 December 2011

## **Statement of director's responsibilities in respect of the Director's Report and the financial statements**

The director is responsible for preparing the Director's Report and the 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 he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 of the profit or loss of the company for that period. In preparing these financial statements, the director is 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. (As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.)

The director is responsible for keeping proper 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 its financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG LLP**

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

**Independent auditor's report to the members of Fuel Cell Service Solutions Limited**

We have audited the financial statements of Fuel Cell Service Solutions Limited for the year ended 31 March 2011 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reasons set out in note 1 to the financial statements but under the accounting policies set out therein.

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

**Respective responsibilities of director and auditor**

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 web-site at [www.frc.org.uk/apb/scope/private.cfm](http://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 31 March 2011 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

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

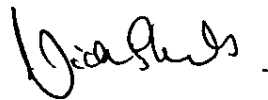
**Independent auditor's report to the members of Fuel Cell Service Solutions Limited** *(continued)*

**Opinion**

**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.



**Nick Plumb (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

1 December 2011

**Profit and Loss Account**  
*for the year ended 31 March 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Turnover</b>		-	3,000
Cost of sales		-	(3,268)
		<hr/>	<hr/>
<b>Gross loss</b>		-	(268)
Administrative expenses		(32,748)	(54,553)
		<hr/>	<hr/>
<b>Operating loss</b>	2	(32,748)	(54,821)
Interest payable and similar charges	3	(8,212)	(6,203)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(40,960)	(61,024)
Tax on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>Loss for the financial year after taxation</b>		<b>(40,960)</b>	<b>(61,024)</b>
		<hr/>	<hr/>

The results for the year are derived from discontinued operations

The company has no recognised gains or losses other than the loss above and therefore no statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents



**Balance Sheet**  
*at 31 March 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Current assets</b>			
Debtors	5	452	8,197
Cash at bank and in hand		83,078	121,442
		<hr/>	<hr/>
		83,530	129,639
<b>Creditors: amounts falling due within one year</b>	6	(125,885)	(43,119)
		<hr/>	<hr/>
<b>Net current (liabilities)/assets</b>		(42,355)	86,520
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		(42,355)	86,520
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	7	(59,627)	(147,542)
		<hr/>	<hr/>
		(101,982)	(61,022)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	(101,984)	(61,024)
		<hr/>	<hr/>
<b>Shareholders' funds</b>	10	(101,982)	(61,022)
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 1 December 2011 and were signed on its behalf by

  
**J Thompson**  
 Director

Registered number 06637208

## 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 company's financial statements

#### *Basis of preparation*

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

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

The director has taken the decision post year end to cease trading and therefore have not prepared the financial statements on a going concern basis. The director has reconsidered all assets and liability carrying values to be consistent with valuations based on a discontinuation of business, and not on a continuing use basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements

#### *Taxation*

The charge for taxation is based on the profit for the year 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

#### *Turnover*

Turnover represents net invoiced sales of goods, excluding value added tax

### 2 Operating loss

The operating loss is stated after charging

	2011 £	2010 £
Auditor's remuneration	1,000	600
Directors' remuneration and other benefits etc	-	-

There are no employees other than the directors who receive no remuneration in respect of their services to the company

## Notes (continued)

### 3 Interest payable and similar charges

	2011 £	2010 £
On loans	8,212	6,203

### 4 Taxation

#### Analysis of charge in period

	2011 £	2010 £
<i>UK corporation tax</i>		
UK corporation tax based on the profit for the period at 21% (2010 21%)	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2010 higher) than the standard rate of corporation tax in the UK, 21% (2010 21%). The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	(40,960)	(61,024)
Current tax at 21% (2010 21%)	(8,601)	(12,815)
<i>Effects of</i>		
Unrelieved tax losses	8,601	12,815
Total current tax charge (see above)	-	-

#### Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £20,377 (2010 £17,087) in relation to unutilised losses. These have not been recognised due to uncertainty over recoverability of these amounts

The company qualifies for small companies' relief which in the current year was 21%. From 1 April 2011 the UK corporation small companies tax rate changed to 20%

**Notes (continued)**

**5 Debtors: amounts falling due within one year**

	2011 £	2010 £
Other debtors	452	8,197

**6 Creditors: amounts falling due within one year**

	2011 £	2010 £
Amounts owed to participating interests	-	30,229
Other creditors	20,854	12,890
Other loans	105,031	-
	<u>125,885</u>	<u>43,119</u>

**7 Creditors: amounts falling due after more than one year**

	2011 £	2010 £
Amounts owed to participating interests	2,500	5,000
Other loans	57,127	142,542
	<u>59,627</u>	<u>147,542</u>

	2011 £	2010 £
Maturity of debt		
Due within one year	105,031	-
Due between one and two years	57,127	90,415
Due between two and five years	-	57,127
	<u>162,158</u>	<u>147,542</u>

The company has a Three Pillars Fund loan from North East Finance Limited, totalling £162,158 at the year end, including £12,158 interest accrued to date. North East Finance Limited has the option to, on written notice, convert all or part of the loan balance into share capital in the company at any time prior to the date upon which Fuel Cell Service Solutions Limited has either made repayment in full or has been released from its obligations of repayment.

Interest on this loan is payable at the UK reference rate plus 400 basis points, compounded annually.

**Notes (continued)**

**8 Called up share capital**

	2011 £	2010 £
<i>Allotted and issued</i>		
2 ordinary shares of £1	2	2
	<u>2</u>	<u>2</u>

**9 Reserves**

	Profit and loss account £
At beginning of year	(61,024)
Loss for the year	(40,960)
	<u>(101,984)</u>
<b>At 31 March 2011</b>	<b><u>(101,984)</u></b>

**10 Reconciliation of movement in total shareholders' funds**

	2011 £	2010 £
Loss for the financial year	(40,960)	(61,024)
	<u>(40,960)</u>	<u>(61,024)</u>
Net change in total shareholders' funds	(40,960)	(61,024)
Opening total shareholders' (deficit)/funds	(61,022)	2
	<u>(101,982)</u>	<u>(61,022)</u>
<b>Closing total shareholders' deficit</b>	<b><u>(101,982)</u></b>	<b><u>(61,022)</u></b>

## Notes (continued)

### 11 Related party disclosures

Cellspace Energy Systems Limited, a company registered in the UK, was a 50% shareholder in the company during the year. On 31 March 2011 they became a 100% shareholders of the company. Cellspace Energy Systems limited and has had the following transactions with the company during the year:

- Consultancy services have been provided during the year, charged at market rates, which total £13,443. Of this amount £547 remains unpaid and is shown within amounts owed to participating interests at the year end.
- An interest free loan of £2,500 was made to the company on 31 July 2009. This is repayable when the company has sufficient distributable profits. This is shown within amounts falling due after more than one year.

CPI Innovation Services Limited, a company registered in the UK, which was the parent company of the other 50% shareholder, Fuel Cell Services Limited, until 31 March 2011 has had the following transactions with the company during the year:

- During the year labour and other sundry costs were charged, at cost, totalling £16,557.

### 12 Ultimate controlling party

During the year Fuel Cell Services Limited and Cellspace Energy Systems Limited held equal control in the company by virtue of both holding 50% of the share capital. Fuel Cell Services Limited is a wholly owned subsidiary of CPI Innovation Services Limited which in turn is a wholly owned subsidiary of Centre for Process Innovation Limited. Both of these companies are registered in the UK. On 31 March 2011 Cellspace Energy Systems Limited acquired the shares held by Fuel Cell Services Limited. At 31 March 2011 the company became a wholly owned subsidiary of Cellspace Energy Systems Limited.