

# Financial Statements

## Advanced Fuel Technologies UK Limited

For the financial year ended 31 March 2020

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**Registered number: 07179967**

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# Independent auditor's report to the members of Advanced Fuel Technologies UK Limited

## Opinion

We have audited the financial statements of Advanced Fuel Technologies UK Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 March 2020, and the related notes to the financial statements, 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).

In our opinion, Advanced Fuel Technologies UK Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the company as at 31 March 2020 and of its financial performance for the financial year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

## Independent auditor's report to the members of Advanced Fuel Technologies UK Limited (continued)

### **Other information**

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, 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.

### **Opinions 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' report has 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 company and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Directors' 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, 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 take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

## Independent auditor's report to the members of Advanced Fuel Technologies UK Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the directors determine 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, management is responsible for assessing the 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

## Independent auditor's report to the members of Advanced Fuel Technologies UK Limited (continued)

### **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 Auditor's report that includes their 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

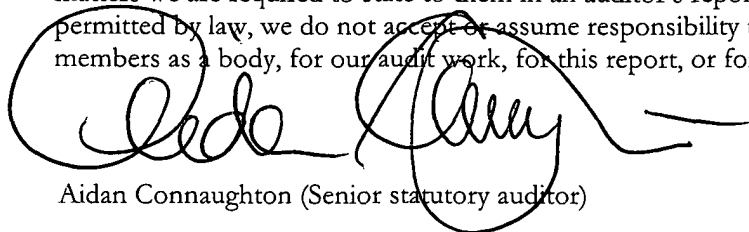
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

## Independent auditor's report to the members of Advanced Fuel Technologies UK Limited (continued)

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



Aidan Connaughton (Senior statutory auditor)

for and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Auditors

13-18 City Quay

Dublin 2

27 January 2021

## Statement of financial position

As at 31 March 2020

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	7,963	8,577
Cash at bank and in hand	6	463	254
		<u>8,426</u>	<u>8,831</u>
Creditors: amounts falling due within one year	7	(172,172)	(152,256)
<b>Net current liabilities</b>		<u>(163,746)</u>	<u>(143,425)</u>
<b>Total assets less current liabilities</b>		<u>(163,746)</u>	<u>(143,425)</u>
Creditors: amounts falling due after more than one year	8	(82,539)	(79,039)
<b>Net liabilities</b>		<u>(246,285)</u>	<u>(222,464)</u>
<b>Capital and reserves</b>			
Called up share capital	9	24	24
Share premium account	10	99,992	99,992
Profit and loss account	10	(346,301)	(322,480)
<b>Shareholders' deficit</b>		<u>(246,285)</u>	<u>(222,464)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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



John Lister  
Director

Date: 27 January 2021

The notes on pages 8 to 13 form part of these financial statements.



## Statement of changes in equity

For the financial year ended 31 March 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	24	99,992	(322,480)	(222,464)
Loss for the financial year	-	-	(23,821)	(23,821)
<b>At 31 March 2020</b>	<b>24</b>	<b>99,992</b>	<b>(346,301)</b>	<b>(246,285)</b>

The notes on pages 8 to 13 form part of these financial statements.

## Statement of changes in equity

For the financial year ended 31 March 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	24	99,992	(307,278)	(207,262)
Loss for the financial year	-	-	(15,202)	(15,202)
<b>At 31 March 2019</b>	<b>24</b>	<b>99,992</b>	<b>(322,480)</b>	<b>(222,464)</b>

The notes on pages 8 to 13 form part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 March 2020

## **1. General information**

Advanced Fuel Technologies UK Limited, is a limited company incorporated in England and Wales with a registered office at Shipton Mill, Long Newnton, Tetbury, Gloucestershire, GL8 8RP.

## **2. Accounting policies**

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including section 1A of Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS102), and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain instruments as specified in the accounting policies below.

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

The financial statements are prepared in Sterling (£).

The following principal accounting policies have been applied:

### **2.2 Going concern**

The financial statements have been prepared on a going concern basis because the company's parent undertaking, Coinstone Limited, has provided assurances that it will continue to provide the financial resources necessary to enable the company to continue in its normal course of business for a period of at least twelve months from the date of signing the financial statements.

### **2.3 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.

### **2.4 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.

### **2.5 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.

## Notes to the financial statements

For the financial year ended 31 March 2020

### 2. Accounting policies (continued)

#### 2.6 Financial instruments

The company only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 company would receive for the asset if it were to be sold at the reporting date.

#### 2.7 Government Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

#### 2.8 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# Notes to the financial statements

For the financial year ended 31 March 2020

## 2. Accounting policies (continued)

### 2.9 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### 2.10 Taxation

Tax is recognised in profit or loss 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 reporting date.

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

Management were not required to exercise any judgement in order to apply the above stated accounting policies. All figures in the primary financial statements are fully supportable and no estimation techniques were used.

## 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £NIL).

## 5. Debtors

	2020 £	2019 £
Other debtors	7,963	8,577
	<u>7,963</u>	<u>8,577</u>

# Notes to the financial statements

For the financial year ended 31 March 2020

## 5. Debtors (continued)

All amounts are repayable within one year.

## 6. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	463	254

## 7. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	6,926
Bills of exchange	2	1
Amounts owed to group undertakings	165,858	144,620
Accruals and deferred income	6,312	709
	172,172	152,256

Amounts owed to group undertakings are unsecured, interest free and repayable on demand except those which are financing in nature and have a market rate of interest applied.

## 8. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Amounts owed to group undertakings	25,312	22,590
Accruals and deferred income	7,232	6,454
Share capital treated as debt	49,995	49,995
	82,539	79,039

# Notes to the financial statements

For the financial year ended 31 March 2020

## 9. Share capital

	2020 £	2019 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
24 (2019 - 24) Ordinary shares of £1.00 each	24	24
	<u>24</u>	<u>24</u>
	2020 £	2019 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
49,995 (2019 - 49,995) Preference shares of £1.00 each	49,995	49,995
	<u>49,995</u>	<u>49,995</u>

The preference shares are cumulative convertible redeemable shares with a cumulative dividend rate of 7 per cent per annum. The preference dividend shall accrue from day to day from the date of allotment down to and including the date on which any such preference shares are redeemed.

The holders of the cumulative convertible redeemable preference shares shall be entitled to receive notice of, attend and speak at any general meetings of the company and will have no voting rights until the date falling six months from the date of allotment of such preference shares if they are not redeemed.

The company shall redeem the preference shares on (a) the date falling six months from the date of allotment of the preference shares or (b) immediately prior to an exit event or (c) immediately prior to the appointment of a receiver, manager, administrator or administrative receiver over the company or all or any part of its assets, whichever is earliest. The company shall pay on each preference share redeemed a sum equal to the amount paid up, or credited as paid up, together with a sum equal to all arrears, deficiencies or accruals of the preference dividend.

The preference shares have a fixed cumulative preference dividend attached and as such, are accrued but not paid until the company has sufficient available profits for distribution.

## 10. Reserves

### Called-up share capital

Represents the nominal value of shares that have been issued.

### Share premium account

Represents any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

### Profit and loss account

Represents all current and prior period retained profits and losses.

## Notes to the financial statements

For the financial year ended 31 March 2020

### **11. Related party transactions**

At 31 March 2020, the company owed Coinstone Limited, the parent company of Advanced Fuel Technologies UK Limited, £143,555 (2019: £140,833), due to advances received in prior years and a culmination of annual cumulative preference share dividends declared, with £2,772 declared in the current year.

At 31 March 2020, the company owed Shiptinvest Limited, a company related by virtue of common director and common shareholder, £47,589 (2019: £26,363), due to advances received during the current and previous year. A market rate of interest is charged on the loan, with a total of £2,575 being charged during the period.

At 31 March 2020, the company owed Shipton Mill Limited, a company related by virtue of common director and common shareholder, £26 (2019: £13).

There were no other transactions which occurred during the period which require disclosure under Financial Reporting Standard 8, "Related Party Disclosures".

### **12. Post balance sheet events**

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the directors note that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, given the nature of the company's activities, management do not believe that COVID-19 will have a detrimental impact on its business.

### **13. Ultimate parent undertaking and controlling party**

The company's parent undertaking is Coinstone Limited, a company incorporated in England and Wales, with a registered office at Shipton Mill, Long Newnton, Tetbury, Gloucestershire.

The smallest and largest group which the results of Advanced Fuel Technologies UK Limited are consolidated is that headed by Coinstone Limited. The consolidated financial statements of Coinstone Limited are available from the Companies House.

The ultimate controlling party is Shipton Mill Settlement Trust 2001.

### **14. Approval of financial statements**

The board of directors approved these financial statements for issue on 27 January 2021.