

Financial Statements

Advanced Fuel Technologies UK Limited

For the financial year ended 31 March 2022

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 financial position, the Statement of changes in equity for the financial year ended 31 March 2022, 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 assets, liabilities and financial position of the company as at 31 March 2022 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 (UK)') 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 the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. We have fulfilled our other 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report.

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.

A further description of an auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Environmental Regulations, and Health and Safety laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of the board of directors meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including

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

estimating an allowance for the impairment of bad debt; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

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.



Louise Kelly (Senior statutory auditor)

for and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants & Statutory Auditors
Belfast

20 December 2022

Statement of financial position
As at 31 March 2022

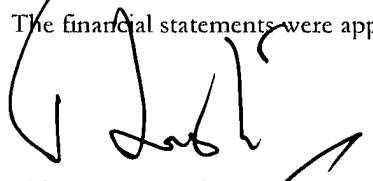
	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	5	8,229	7,875
Cash at bank and in hand	6	161	53
		<u>8,390</u>	<u>7,928</u>
Creditors: amounts falling due within one year	7	(190,622)	(180,721)
Net current liabilities		<u>(182,232)</u>	<u>(172,793)</u>
Total assets less current liabilities		<u>(182,232)</u>	<u>(172,793)</u>
Creditors: amounts falling due after more than one year	8	(89,539)	(86,039)
Net liabilities		<u>(271,771)</u>	<u>(258,832)</u>
Capital and reserves			
Called up share capital	9	24	24
Share premium account	10	99,992	99,992
Profit and loss account	10	(371,787)	(358,848)
Shareholders' deficit		<u>(271,771)</u>	<u>(258,832)</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 financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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: 20 December 2022

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 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	24	99,992	(358,848)	(258,832)
Loss for the year	-	-	(12,939)	(12,939)
At 31 March 2022	24	99,992	(371,787)	(271,771)

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 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	24	99,992	(346,301)	(246,285)
Loss for the year	-	-	(12,547)	(12,547)
At 31 March 2021	24	99,992	(358,848)	(258,832)

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 2022

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 Newton, 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 2022

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 2022

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. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Impairment of receivables

Estimates are made in respect of the recoverable value of receivables. When assessing the level of provision required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

Notes to the financial statements

For the financial year ended 31 March 2022

5. Debtors

	2022 £	2021 £
Other debtors	8,229	7,875
	<u>8,229</u>	<u>7,875</u>

All amounts are repayable within one year.

6. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	161	53
	<u>161</u>	<u>53</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	636
Amounts owed to group undertakings	189,512	177,154
Accruals and deferred income	1,110	2,931
	<u>190,622</u>	<u>180,721</u>

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

	2022 £	2021 £
Amounts owed to group undertakings	30,756	28,034
Accruals and deferred income	8,788	8,010
Share capital treated as debt	49,995	49,995
	<u>89,539</u>	<u>86,039</u>

Notes to the financial statements

For the financial year ended 31 March 2022

9. Share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
24 (2021 - 24) Ordinary shares of £1.00 each	24	24
	<hr/>	<hr/>
	2022 £	2021 £
Shares classified as debt		
Allotted, called up and fully paid		
49,995 (2021 - 49,995) Preference shares of £1.00 each	49,995	49,995
	<hr/>	<hr/>

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 2022

11. Related party transactions

At 31 March 2022, the company owed Coinstone Limited, the parent company of Advanced Fuel Technologies UK Limited, £148,999 (2021: £143,555), due to advances received in prior years and a culmination of annual cumulative preference share dividends declared, with £778 (2021: £778) declared in the current year.

At 31 March 2022, the company owed Shipton Mill Ltd an amount of £26 (2021: £13) due to expenses paid on behalf of the company. The companies are related by virtue of common directorship and ultimate common shareholding.

At 31 March 2022, the company owed Shiptinvest Ltd an amount of £71,243 (2021: £58,898) due to advances received in the current and previous years. The companies are related by virtue of common directorship and ultimate common shareholding.

12. Post balance sheet events

There are no post balance sheet events of note.

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 to the public and may be obtained from the Registrar of Companies in England.

The ultimate controlling party is Shipton Mill Settlement Trust 2001.