

REGISTERED NUMBER: 05955337 (England and Wales)

**OXFORD ENERGY TECHNOLOGIES LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR TO 31 DECEMBER 2014**

TUESDAY



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COMPANIES HOUSE

OXFORD ENERGY TECHNOLOGIES LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS  
For the year to 31 December 2014

	Page
Company information	2
Report of the director	3
Report of the independent auditors	5
Statement of comprehensive income	7
Statement of change in equity	8
Statement of financial position	9
Cash flow statement	10
Notes to the financial statements	11

**OXFORD ENERGY TECHNOLOGIES LIMITED**

**COMPANY INFORMATION**  
**For the year to 31 December 2014**

**DIRECTOR:** Philip Spinks

**SECRETARY:** Philip Spinks

**REGISTERED OFFICE:** Centre for Innovation and Enterprise  
Begbroke Science Park  
Woodstock Road  
Begbroke Hill  
Begbroke  
Oxfordshire OX5 1PF

**AUDITORS:** Nexia Smith & Williamson  
Chartered Accountants  
Portwall Place  
Portwall Lane  
Bristol BS1 6NA

**REGISTERED NUMBER:** 05955337 (England and Wales)

# OXFORD ENERGY TECHNOLOGIES LIMITED

## DIRECTOR'S REPORT

For the year ended 31 December 2014

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

### BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

### GOING CONCERN

The director confirms that he is satisfied that the company has access to adequate resources to continue in business for the foreseeable future, mainly through current cash reserves. For this reason he continues to adopt the going concern basis in preparing the financial statements.

### PRINCIPAL ACTIVITY

Oxford Energy Technologies Limited (OET) is a research and development company with proprietary technology solutions to create engineered materials and address surface modification applications in the electronics display, solar and ophthalmic markets.

### REVIEW OF BUSINESS

Following suspension of investment in the VISARC™ anti-reflective coating technology the business focused on how it could generate value from its knowhow and patents in mesoporous silica nanoparticles and antireflective coatings.

Following a detailed review the company has allowed the antireflective patent applications to lapse and has focused on the sale of the mesoporous silica patent. This sale process still continues, however it is unlikely to generate significant value for the business.

No revenues were earned for the year ended 31 December 2014 (2013: £nil). Oxford Advanced Surfaces Group plc has agreed to permanently waive the loan made by them.

OET was acquired by Oxford Advanced Surfaces Limited (OAS) (both OET and OAS are subsidiaries of Oxford Advanced Surfaces Group plc) on 3 September 2014 in a share for share deal with Oxford Advanced Surfaces Group plc and on 1 December 2014 the assets of the business were transferred to OAS at book value.

This resulted in a loss of £115,000 (2013: loss of £611,000). It is anticipated that ongoing costs will be much reduced. OET does not currently employ any staff.

### DIVIDENDS

No dividends were distributed during the period under review (2013: £nil).

### DIRECTORS

The directors during the period under review were:  
Adrian Meldrum (resigned 14 July 2014)  
Philip Spinks

### STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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 directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

The director is 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 and, as regards the company financial statements, Article 4 of the IAS Regulation. He is 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.

#### **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

The director who was in office at the date of approval of these financial statements has confirmed that, as far as he is aware, there is no relevant audit information (as defined by Section 418(2) of the Companies Act 2006) of which the company's auditors are unaware, and that the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Nexia Smith & Williamson, who were appointed during the year have indicated their willingness to continue in office and a resolution for re-appointment in accordance with Section 489(1) of the Companies Act 2006 will be proposed at the annual general meeting.

#### **ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Philip Spinks  
Director  
16 June 2015

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD ENERGY TECHNOLOGIES LIMITED**

We have audited the financial statements of Oxford Energy Technologies Limited for the year ended 31 December 2014 which comprise the Income Statement and the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 4, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.



**Carl Deane**

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

Portwall Place

Portwall Lane

Bristol BS1 6NA

16 June 2015

OXFORD ENERGY TECHNOLOGIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year to 31 December 2014**

	Note	2014 £'000	2013 £'000
Research and development costs		(54)	(525)
Other administrative costs		(61)	(170)
Share based payments		-	1
		<hr/>	<hr/>
<b>Total administrative costs</b>		(115)	(694)
		<hr/>	<hr/>
<b>LOSS BEFORE TAX</b>	4	(115)	(694)
Income tax credit	5	-	83
		<hr/>	<hr/>
<b>LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		(115)	(611)
		<hr/> <hr/>	<hr/> <hr/>

There were no items of other comprehensive income for the year to 31 December 2014 or 2013 and therefore the loss for the year is also the total comprehensive loss for the year net of tax.



OXFORD ENERGY TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year to 31 December 2014

	Share Equity £'000	Share premium £'000	Share based payment reserve £'000	Retained earnings £'000	Total Equity £'000
Balance at 1 January 2014	152	470	-	(440)	182
<b>For the year ended 31 December 2014</b>					
Total comprehensive loss for the year	-	-	-	(115)	(115)
<b>Balance at 31 December 2014</b>	<b>152</b>	<b>470</b>	<b>-</b>	<b>(555)</b>	<b>67</b>

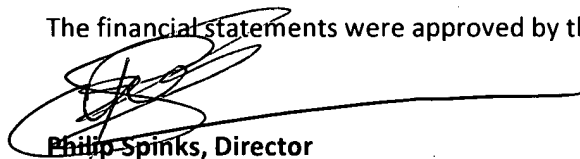
	Share capital £'000	Share premium account £'000	Share based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2013	152	470	6	(2,073)	(1,445)
<b>For the year ended 31 December 2013</b>					
Total comprehensive loss for the year	-	-	-	(611)	(611)
Capital contribution from parent company on waiver of loan	-	-	-	2,239	2,239
Cancellation of share options	-	-	(5)	5	-
Share-based payments (note 15)	-	-	(1)	-	(1)
<b>Balance at 31 December 2013</b>	<b>152</b>	<b>470</b>	<b>-</b>	<b>(440)</b>	<b>182</b>

OXFORD ENERGY TECHNOLOGIES LIMITED

STATEMENT OF FINANCIAL POSITION  
31 December 2014

	Notes	2014 £'000	2013 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible fixed assets	6	-	-
Plant and equipment	7	-	110
		<hr/>	<hr/>
		-	110
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	48	89
Cash and cash equivalents	9	21	11
		<hr/>	<hr/>
		69	100
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	2	21
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		67	79
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	-	7
		<hr/>	<hr/>
<b>NET ASSETS</b>		67	182
<b>SHAREHOLDERS' FUNDS</b>			
Called up share capital	11	152	152
Share premium		470	470
Retained earnings		(555)	(440)
Share based payments reserve		-	-
		<hr/>	<hr/>
<b>TOTAL FUNDS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		67	182
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Director on 16 June 2015 and were signed by:

  
Philip Spinks, Director

**CASH FLOW STATEMENT**  
**For the year to 31 December 2014**

	Notes	2014 £'000	2013 £'000
Loss before tax		(115)	(694)
Depreciation and amortisation charges		56	77
Write-off of intangible assets		-	129
(Gain) / loss on disposal of plant and equipment		(4)	2
Loss of forfeit of loan to parent		61	-
Share based payment credit		-	(1)
		(2)	(487)
Decrease in trade and other receivables		7	8
Decrease in trade and other payables		(19)	(11)
<b>Cash flow from operations</b>		(14)	(490)
Income tax received		81	112
<b>Net Cash inflow / (outflow) from operating activities</b>		67	(378)
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		-	(50)
Purchase of plant and equipment		-	(34)
Proceeds on disposal of plant and equipment		4	-
<b>Net cash inflow / (outflow) from investing activities</b>		4	(84)
<b>Net cash from financing activities</b>			
(Outflow) / inflow from loan with parent		(61)	455
<b>Net cash inflow from financing activities</b>		(61)	455
Increase / (decrease) in cash and cash equivalents		10	(7)
Cash and cash equivalents at beginning of year		11	18
<b>Cash and cash equivalents at end of year</b>	9	21	11

## 1. ACCOUNTING POLICIES

### GENERAL INFORMATION

Oxford Energy Technologies Limited (OET) is a research and development company that provides companies with proprietary technology solutions to create engineered materials and address surface modification applications in the electronics display, solar and ophthalmic markets.

### VISARC™ Anti-Reflective Coatings

Our VISARC™ technology is a wet-process anti-reflective coating (ARC) which incorporates proprietary in-house manufactured nanoparticles with a low refractive index and anti-reflective properties. VISARC™ technology is applied using dip, spin or roll-to-roll coating techniques and is used with multiple substrates, including glass and polymers, making it suitable for multiple applications including electronic displays, ophthalmics and solar.

The research work undertaken by OET in relation to VISARC™ and the associated nanomaterials was suspended during a review by the Board in August 2013. This fundamental repositioning was due to market and competitive changes that occurred during our technical development period. A full evaluation of how best to generate value from our mesoporous silica (MPS) nanoparticle manufacture know-how which underpinned VISARC™, and the intellectual property portfolio we have established for this technology, is ongoing.

### Going Concern

The Director confirms that he is satisfied that the company has adequate resources to continue in business for the foreseeable future. Based on the access to resources (current cash available) for the foreseeable future the Director continues to adopt the going concern basis in preparing the financial statements.

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The company's functional and reporting currency is Sterling.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the company financial statements are disclosed later in this note.

### Taxes

#### Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all relevant taxable temporary differences. Deferred tax assets are recognised for all relevant deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Sales tax**

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **Research and development**

Research costs are charged against income as they are incurred. Certain development costs are capitalised as intangible assets, when it is probable that future economic benefits will flow to the company. Such intangible assets are amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for impairment at each balance sheet date. Other development costs are charged against income as incurred since the criteria for their recognition as an asset are not met.

The criteria for recognising expenditure as an asset are:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale; The company intends to complete the intangible asset and use or sell it;
- The company has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among many other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- That the company has available to it adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- That the company can reliably measure the expenditure attributable to the intangible asset during its development.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee (other than directors) costs incurred on technical development, testing and certification, materials consumed and any relevant third party costs. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

Careful judgement by the director is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date which includes the progress with third party pilot plants, testing and certification and progress on, for example, establishment of commercial arrangements with third parties. In addition, all internal activities related to research and development of new products is continuously monitored by the directors.

#### **Plant and equipment**

Plant and equipment are stated at cost, net of depreciation and provision for any impairment. Depreciation is calculated to write off the cost of all plant and equipment to estimated residual value on a straight line basis over their expected useful lives as follows:

Plant and machinery	4 years
Office furniture and fittings	4 years
Computer and IT equipment	3 years

#### **Impairment of assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised as an expense immediately.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**Financial assets and liabilities**

**Trade and other receivables**

Trade and other receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment.

**Trade and other payables**

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at hand.

**Leases**

Leases in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**Share-based payments**

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

Share options are valued at the date of grant using the Trinomial or Black-Scholes Merton option pricing model and are charged to operating profit over the vesting period of the award with a corresponding credit to the share based payment reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Where an equity-settled award is forfeited, no expense is recognised and any expense recognised up to the date of the forfeiture is reversed through the income statement.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate, share premium.

**Changes in accounting policy and disclosures**

There have been no changes in accounting policy from those of the previous financial year. None of the new or amended standards that were effective as of 1 January 2014 had any material impact on the Company or the presentation of its financial results.

**New accounting standards and interpretations**

The Company has reviewed new and amended standards and interpretations currently in issue but not effective as of 31 December 2014 and determined that none of these new standards and interpretations will have a significant impact on reported results.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Share based payments**

Employee and director compensation in the form of shares are provided under share option schemes. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The expense is based on a number of assumptions disclosed in note 15. The selection of different assumptions could affect the future results of the company. All share-based payment arrangements granted that had not vested prior to 31 December 2014 are recognised in the company financial statements.

**2. SEGMENTAL REPORTING**

The company only operates one class of business. At 31 December 2014 the company has one segment of operation - the development and commercialisation of advanced materials and technology solutions. The company's operations are all based in the UK and services are all performed in the UK. There is no geographic split of revenues by location of customer, as most customers are global corporations and the business is not considered to be seasonal.

The revenue earned during the year to 31 December 2014 was £nil (2013: £nil).

**3. EMPLOYEES AND DIRECTORS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs</b>		
Wages and salaries	-	270
Social security costs	-	28
Pension costs	-	2
Share based payments (note 15)	-	(1)
	<hr/>	<hr/>
	-	299
	<hr/>	<hr/>

The average monthly number of employees of the Company, (excluding executive directors) during the period was:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Technical	-	8
	<hr/>	<hr/>
	-	8
	<hr/>	<hr/>

No remuneration was earned by directors for either year in relation to this company. No pension contributions were made on behalf of the directors. Details regarding the share option scheme can be found under note 15.



**4. LOSS FROM OPERATIONS**

The loss from operations is stated after charging:

	2014 £'000	2013 £'000
Research and development costs	54	525
Share based payments	-	1
Depreciation of property, plant and equipment - owned	56	71
Impairment of intangible assets - patents	-	129
Amortisation of intangible assets - patents	-	6
<b>Auditor's remuneration</b>		
Fees payable to the company's auditor for audit of the company accounts	-	8

Fees payable to the company's auditor for the audit of the company accounts have been borne by the ultimate parent company, Oxford Advanced Surfaces Group plc.

**5. INCOME TAX CREDIT**

**a) Tax credited in the income statement**

	2014 £'000	2013 £'000
UK corporation tax credit	-	(83)

**b) Current tax**

The current tax credit in the income statement for the year is detailed below. Current tax credit is lower than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are reconciled below:

	2014 £'000	2013 £'000
Loss before tax	(115)	(694)
Loss on ordinary activities multiplied by the average standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(25)	(161)
Effects of:		
Expenses not deductible for tax	18	-
Additional deduction for R&D expenditure	-	(95)
Depreciation in excess of capital allowances	12	17
Income not taxable for tax purposes	1	(1)
Unrelieved tax losses and other deductions arising in the year	(6)	68
Losses surrendered for research and development	-	91
Prior year adjustment	-	(2)
<b>Tax credit</b>	-	(83)

Unrelieved tax losses of £1,592,000 at 31 December 2014 (2013: £1,622,000) remain available indefinitely to offset against future taxable trading profits of the companies in which the losses arose. No deferred tax asset has been recognised in respect of the losses as recoverability is uncertain.

OXFORD ENERGY TECHNOLOGIES LIMITED

**c) Deferred tax**

Unrecognised deferred tax assets at 20% (2013: 20%)

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Tax losses carried forward	334	324
Accelerated capital allowances	-	(15)
Share based payments	-	-
	334	309
<b>Deferred tax assets (unrecognised)</b>	<b>334</b>	<b>309</b>

The UK corporation tax rate is 21% effective from 1 April 2014 with a further 1% reduction from 1 April 2015 to 20%. Consequently the company will only recognise the impact of the rate change which is substantively enacted at that time in its financial statements. At the balance sheet date the corporation tax rate substantially enacted was 20% and therefore deferred tax assets and liabilities have been calculated at this rate.

**6. INTANGIBLE ASSETS**

	<b>Patents &amp; licenses</b>
	<b>£'000</b>
<b>COST</b>	
At 1 January 2013	92
Additions	50
	142
At 31 December 2013	142
Additions	-
	-
<b>At 31 December 2014</b>	<b>142</b>
<b>AMORTISATION AND IMPAIRMENT</b>	
At 1 January 2013	7
Amortisation for year	6
Impairment	129
	142
At 31 December 2013	142
Charge	-
	-
<b>At 31 December 2014</b>	<b>142</b>
<b>Net book value</b>	
<b>At 31 December 2014</b>	-
At 31 December 2013	-

OXFORD ENERGY TECHNOLOGIES LIMITED

**7. PLANT AND EQUIPMENT**

No assets were held under finance leases.

	Plant & machinery £'000	Computer equipment £'000	Total £'000
<b>COST</b>			
At 1 January 2013	331	24	355
Additions	34	-	34
Disposals	(6)	-	(6)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	359	24	383
Disposals	(21)	-	(21)
Transfers to related party entity	(338)	(24)	(362)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2014</b>	-	-	-
<b>DEPRECIATION</b>			
At 31 January 2013	191	15	206
Charge for year	65	6	71
Disposals	(4)	-	(4)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	252	21	273
Charge	53	3	56
Disposals	(21)	-	(21)
Transfers to related party entity	(284)	(24)	(308)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2014</b>	-	-	-
<b>Net book value</b>			
<b>At 31 December 2014</b>	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2013	107	3	110
	<hr/>	<hr/>	<hr/>

On 1 December 2014 all assets were transferred to Oxford Advanced Surfaces Limited, resulting in the recognition of a related party loan to that company (see note 8).

**8. TRADE AND OTHER RECEIVABLES**

	2014 £'000	2013 £'000
Current:		
Corporation tax due	-	81
VAT receivable	-	7
Related party receivables – parent company	47	-
Prepayments	1	1
	<hr/>	<hr/>
	48	89
	<hr/>	<hr/>

**OXFORD ENERGY TECHNOLOGIES LIMITED**

The director considers that the carrying amount of trade and other receivables approximates to their fair values. There was no provision for impairment at 31 December 2014 or 31 December 2013. There are no receivables past due.

On 1 December 2014 the plant and equipment was transferred to Oxford Advanced Surfaces Limited, resulting in the recognition of a related party loan to that company equal to the carrying value of the assets and the related decommissioning provision transferred.

**9. CASH AND CASH EQUIVALENTS**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	21	11

**10. TRADE AND OTHER PAYABLES**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Current:		
Trade Payables	1	8
Accrued expenses	1	13
	2	21
Non-current:		
Dilapidations	-	7

Dilapidations provisions relate to anticipated costs related to short term leases on laboratories and offices to return them to their pre-lease condition. The director considers that the carrying amounts of trade and other payables approximates to their fair values. On 1 December 2014 the decommissioning provision was transferred to Oxford Advanced Surfaces Limited.

**11. CALLED UP SHARE CAPITAL**

	<b>Number of</b>	<b>Share Capital</b>
	<b>Shares</b>	<b>£'000</b>
Issued and fully paid		
At 1 January and 31 December 2014 & 2013	15,222,502	152

## 12. FINANCIAL RISK MANAGEMENT

### Significant accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1 in the financial statements.

### Categories of financial instrument

	Year to 31 December 2014 £'000	Year to 31 December 2013 £'000
<b>Financial assets</b>		
Trade and other receivables (including cash and cash equivalents)	69	100
<b>Financial liabilities</b>		
Trade and other payables	2	28

<b>Financial assets maturity – 2014</b>	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	Total £'000
Trade and other receivables	-	-	48	48
Cash at bank and in hand	21	-	-	21
	21	-	48	69

<b>Financial assets maturity – 2013</b>	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	Total £'000
Trade and other receivables	-	8	81	89
Cash at bank and in hand	11	-	-	11
	11	8	81	100

<b>Financial liabilities maturity – 2014</b>	On demand £'000	Over 1 year £'000	Total £'000
Trade and other payables	2	-	2
	2	-	2

<b>Financial liabilities maturity – 2013</b>	On demand £'000	Over 1 year £'000	Total £'000
Trade and other payables	21	-	21
Dilapidations provision	-	7	7
	21	7	28

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such loans and receivables. There were no out of term financial assets or liabilities.

### Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions only independently rated parties with a strong credit rating are used. For credit exposures to customers the Company assesses

the likelihood of payment from various factors including external credit ratings, financial records and other relevant factors.

**Interest Rate Sensitivity**

Due to the minimal cash and cash equivalent balances held in the company the impact of any likely change in interest rates is immaterial.

**13. RELATED PARTY DISCLOSURES**

On 1 December 2014 the plant and machinery was transferred to Oxford Advanced Surfaces Limited, the new parent company, resulting in the recognition of a related party loan to that company equal to the carrying value of the assets and decommissioning provision transferred.

At the prior year-end the interest free loan from the ultimate parent company, Oxford Advanced Surfaces Group plc, had been forfeited and the balance stood at nil (2013: £nil). During the current year the company lent the ultimate parent company £61,000 (2013: £nil). This loan was forfeited in the restructuring of the group in September 2014. The loans carried no interest charge.

At the year end the ultimate controlling party, Oxford Advanced Surfaces Group plc did not consider any employees to be key to the Company other than the Director. The Director received no remuneration for the year or the prior period.

**14. ULTIMATE CONTROLLING PARTY**

The immediate parent company is Oxford Advanced Surfaces Limited, a company registered in England and Wales. The ultimate parent and controlling company is Oxford Advanced Surfaces Group plc.

**15. SHARE-BASED PAYMENT TRANSACTIONS**

EMI/Unapproved Group Option Scheme

The EMI/Unapproved Scheme covers all employees of the Company and is operated by the parent company, Oxford Advanced Surfaces Group plc. Options are exercisable at a price as agreed in the option documentation, which is typically the mid-market price the day before the day of issue of the option award. For the January 2013 award the option price was set at 10 pence with the mid-market price on the day preceding the day of issue being 10 pence.

	2014		2013	
	Number of options	Weighted Average Exercise Price pence	Number of options	Weighted Average Exercise Price pence
Outstanding at the beginning of the year	350,000	10.00	551,263	11.59
Issued	-	-	1,000,000	10.00
Lapsed/forfeited	-	-	(650,000)	10.00
Expired/Cancelled	(350,000)	10.00	(551,263)	11.59
Outstanding at the year end	-	-	350,000	10.00

For the options brought forward there are no vesting conditions other than continuation of service. For the January 2013 awards there are, in addition to the continuation of service, performance criteria relating to the achievement of share price targets ranging from 15.0 pence to 25.0 pence

OXFORD ENERGY TECHNOLOGIES LIMITED

over the coming 2 years. No options were outstanding at 31 December 2014. Of the 350,000 options outstanding at 31 December 2013, none were exercisable. The weighted average price of the exercisable shares for the year ended 31 December 2013 was 16.50 pence.

Share options outstanding at the end of the year have the following expiry dates and exercise prices.

Year of expiry	Range of exercise price pence	Number of options	2014	2013
			Weighted Average Exercise Price pence	Number of options Weighted Average Exercise Price pence
2023	-	-	-	350,000 10.00

The following table lists the inputs to the models used for the years ended 31 December 2014 and 31 December 2013.

	Performance linked grants		Non-performance linked grants	
	2014	2013	2014	2013
Expected volatility (%)	-	50.0%	-	-
Risk-free interest rate (%)	-	0.3% - 2.2%	-	-
Expected dividends	-	Nil	-	-
Expected life of options (years average)	-	-	-	-
Expected vesting multiple (of performance target price)	-	1.0	-	-
Weighted average exercise price (pence)	-	10.00p	-	-
Leavers	-	20%	-	-
Model used	-	Trinomial	-	-

Historically volatility has been calculated as the annualised standard deviation of the continuously compounded historical rates of return on all the shares listed on AIM. However for the October 2012 award onwards a volatility of 50% has been selected as a more appropriate estimate of the volatility for the Company. The 50% is based on the median volatility percentage of comparable companies in the chemistry industry sector and determined following a benchmarking exercise of companies deemed to be comparable (i.e. companies in the chemical industry sector listed on AIM and for companies who were less established (incorporated within the last 10 years) and based in the UK). The Directors are of the belief that using market based volatilities for any options is a more accurate measure to calculate the fair value as the Group's share price has suffered from unusual volatility due to issues such as liquidity and its stage of development.

The total credit arising in the year for share based payment transactions is £1,000 (2013: nil). There were no options outstanding at 31 December 2014. The options outstanding at 31 December 2013 had a weighted average remaining contractual life of 9.1 years. The fair value of the options issued during the year was £nil.