Cella Acquisition Limited

Report and consolidated financial statements for the period 30 April 2014 to 31 March 2015

Registered in England and Wales number 9019506

Contents

Strategic report

Cella Acquisition Limited, the "Company" was incorporated on 30 April 2014.

Business Overviews and Principal activities

Cella Acquisition Limited, trading as Cella Energy, is an advanced material and hydrogen storage technology business. The principal activities are the research and development and manufacture of new materials and hydrogen gas generators for use with fuel-cells to provide clean and lightweight power used in a wide range of applications in military and commercial markets. The material that Cella produces is safe, compact and stable, and is able to store hydrogen without the need for high-pressures or cryogenic temperatures.

Business overview and key performance indicators

During the period to 31 March 2015 the Company acquired the business and assets, including the trading name "Cella Energy", of Cella Energy Limited. Equity funding was raised at the time of the acquisition and subsequently through two closed rounds. The funds were used to fund development of prototypes, setting up dedicated facilities including a new laboratory fit out, improvements in manufacturing capability, ongoing working capital requirements and overheads.

During the reporting period the Company began development of prototype gas generators which can be used to supply a controlled flow of hydrogen to fuel cells initially in Aerospace and UAV applications. Part of this work was funded by Safran S.A., a leading international high technology group, under an exclusive arrangement for Aerospace applications. Subsequent to the period end the Company has signed a Memorandum of Understanding for a 5 year contract with Safran to continue Aerospace development work. The Company also received grant funding from Innovate UK towards the cost of developing a small power system in association with the Scottish Association for Marine Science for an Unmanned Aerial Vehicle. After the period end Cella entered into an agreement to develop a prototype power system for a larger UAV with Israel Aerospace Industries funded by a grant award from Space Florida.

Cella also partnered on joint development programs in the automotive sector for Hydrogen for Long Range Electric Vehicles and Hydrogen Diesel Co-combustion; these programs are part funded by Innovate UK.

During the period the Company made improvements to material manufacturing techniques, production scale up and sourcing. Work was also done on post processing techniques to form the material into different shapes and volumes such as small pellets or cartridges. Other research and development work included hydrogen filtration techniques, as well as the development of thermal management and control systems.

In March 2015 the Company moved into new leased premises in the UK, the dedicated building includes a specialist laboratory as well as co-located office space. The US operations continue to be located at the Kennedy Space Centre, Florida.

The key performance indicators for the business are delivery of technology demonstrators and prototypes, improvements in the underlying material performance and manufacturability, generation of intellectual property rights, and establishing commercial relationships to deliver the longer term business plan.

Strategic report *(continued)*

Financial Results

The Company made a consolidated loss before taxation of £594,508.

Principle Risks and Uncertainties

The Company is pre revenue and as such the principle risks and uncertainties relate to the Companys' ability to raise equity and development funding and match spending accordingly and the ultimate commercialisation of the unique Cella material and gas generators into identified markets.

By order of the board

Stephen Bennington
Director

Building 148, Sixth Street
Thomson Avenue, Harwell Campus
Didcot, Oxfordshire
OX11 0TR

Directors' report

The Directors present their annual report and the audited financial statements for the period ending 31 March 2015.

Research and development

During the period research and development work included development of the gas generator from concept to demonstrators, material forming techniques, improvements in manufacturing techniques, and emission abatement.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period were as follows:

Mr Jaime Lifton	(appointed 8 May 2014)
Mr Alexander Sorokin	(appointed 8 May 2014)
Mr Stephen Bennington	(appointed 17 June 2014)
Mr Nicholas Brunero	(appointed 19 January 2015)
Mr David Moard	(appointed 19 January 2015)
Mr Frank DiBello	(appointed 28 April 2015)

Disclosure of information to auditor

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

Disclosure of information to auditor

The company made no political contributions or charitable donations during the period.

Auditor

KPMG LLP were appointed as auditors during the period. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board
14 January 2016

Stephen Bennington
Director

Building 148, Sixth Street
Thomson Avenue, Harwell Campus
Didcot, Oxfordshire
OX11 0TR

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (Financial Reporting Standard 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
Arlington Business Park
Theale
Reading, RG7 4SD

Independent auditor's report to the members of Cella Acquisition Limited

We have audited the financial statements of Cella Acquisition Limited for the period from 30 April 2014 (the date of incorporation) to 31 March 2015 set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Financial Reporting Council's website at 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 group's and of the parent company's affairs as at 31 March 2015 and of the group's loss for the period from 30 April 2014 (the date of incorporation) to 31 March 2015;have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

- In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's and parent company's ability to continue as a going concern. The group incurred a net loss of £479 494 during the period ended 31 March 2015. In particular, the uncertainty as to the continued availability of equity funding as explained in note 1 to the financial statements indicates the existence of a material uncertainty that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the parent company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

KPMG

KPMG LLP
Arlington Business Park
Theale
Reading, RG7 4SD

Independent auditor's report to the members of Cella Acquisition Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

James Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants, Arlington Business Park, Theale, Reading, RG7 4SD

18 January 2016

Consolidated profit and loss account
For the period ended 31 March 2015

	Note	**Period from 30 April 2014 to 31 March 2015** **£**
Turnover	*1*	-
Administrative expenses	*4-6*	(1,180,178)
Other operating income	*3*	587,902
Loss before interest and tax		(592,276)
Interest receivable and similar income		-
Interest payable and similar charges	*7*	(2,232)
Loss on ordinary activities before taxation		(594,508)
Tax on loss on ordinary activities	*8*	115,014
Loss for the period		**(479,494)**
Exchange gain on translation of subsidiary results		2,141
Total Comprehensive Income		**(477,353)**

All of the above transactions are from continuing activities. There were no recognised gains or losses for the period other than the results reported above.

Consolidated balance sheet
As at 31 March 2015

	Note		**2015**
		£	**£**
Fixed assets			
Intangible assets	*2,9*		10,706
Tangible assets	*10*		352,727
Current assets			
Debtors due with one year	*13*	249,650	
Cash at bank and in hand	*14*	544,033	
		793,683	
Creditors: amounts falling due within one year	*15*	(270,912)	
Net current assets			522,771
Creditors: amounts falling due after more than one year	*16,17*	(69,524)	
Net assets			816,680
Capital and reserves			
Called up share capital	*19*		34,013
Share premium account			1,260,020
Profit and loss account			(477,353)
Shareholders' equity			816,680

These financial statements were approved by the board of directors on 14 January 2016 and were signed on its behalf by:

Stephen Bennington
Director

The notes on pages 13 to 28 form part of these financial statements

Company balance sheet
As at 31 March 2015

	Note		2015
		£	£
Fixed assets			
Intangible assets	*2,9*		10,706
Tangible assets	*11*		278,853
Investments	*12*		21,308
			310,867
Current assets			
Debtors due with one year	*13*	320,149	
Cash at bank and in hand		527,097	
		847,246	
Creditors: amounts falling due within one year	*15*	(254,353)	
Net current assets			592,893
Net assets			903,760
Capital and reserves			
Called up share capital	*19*		34,013
Share premium account			1,260,020
Profit and loss account			(390,273)
Shareholders' equity			903,760

These financial statements were approved by the board of directors on 14 January 2016 and were signed on its behalf by:

Stephen Bennington
Director

Consolidated Statement of changes in Equity
For the period ended 31 March 2015

	Notes	Called up share capital	Share Premium	Profit and loss account	Total Equity
		£	£	£	£
Total comprehensive income for the period					
Loss for the period		-	-	(479,494)	(479,494)
Exchange gain on translation of subsidiary results		-	-	2,141	2,141
Total comprehensive income for the period		-	-	(477,353)	(477,353)
Transactions with owners, recorded directly in equity					
Issued share capital in the period	*19*	34,013	1,260,020	-	1,294,033
Balance as at 31 March 2015		34,013	1,260,020	(477,353)	816,680

The notes on pages 13 to 28 form part of these financial statements

Company Statement of changes in Equity
For the period ended 31 March 2015

	Notes	Called up share capital	Share Premium	Profit and loss account	Total Equity
		£	£	£	£
Total comprehensive income for the period					
Loss for the period		-	-	(390,273)	(390,273)
Total comprehensive income for the period		-	-	(390,273)	(390,273)
Transactions with owners, recorded directly in equity					
Issued share capital in the period	*19*	34,013	1,260,020	-	1,294,033
Balance as at 31 March 2015		34,013	1,260,020	(390,273)	903,760

The notes on pages 13 to 28 form part of these financial statement

Consolidated cash flow statement

For the period ended 31 March 2015

	Note	**Period from 30 April 2014 to 31 March 2015**
		£
Cash flows from operating activities		
Loss before tax		(594,508)
Adjustments for:		
Depreciation and amortisation charges		44,371
Foreign exchange losses		4,265
Interest payable and similar charges		2,232
		(543,640)
(Increase)/decrease in trade and other debtors		(96,186)
(Decrease)/increase in trade and other creditors		109,581
(Decrease)/increase in provisions and employee benefits		7,496
		(522,749)
Tax paid		-
Net cash from operating activities		(522,749)
Cash from investing activities		
Acquisition of a business		(58,735)
Acquisition of tangible fixed assets		(174,597)
Net cash from investing activities		(233,332)
Cash flows from financing activities		
Proceeds from the issue of share capital		1,294,033
Net cash from financing activities		1,294,033
Net increase/(decrease) in cash and cash equivalents		537,952
Cash and cash equivalents at 30 April 2014		-
Cash acquired		6,081
Cash and cash equivalents at 31 March 2015	14	544,033

The notes on pages 13 to 28 form part of these financial statements

Notes

Forming part of the financial statements

1 Accounting policies

Cella Acquisition Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling.

The directors consider that the accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

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

The financial statements are prepared on the historical cost basis. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Going concern

These Financial Statements have been prepared on a going concern basis notwithstanding the group's consolidated loss before taxation for the period under review of £594,508.

The Directors have prepared profit and cash flow forecasts for the Company from the date of approval of these accounts to 31 March 2017. These projections indicate that the Company will have adequate cash resources to meets its obligations as they fall due assuming that customer funded follow on development programs are secured and additional equity funding is raised. The principle source of development funding is from a long term agreement with Safran S.A., subsequent to the period end the Company signed a Memorandum of Understanding for a further five years of development work with a start date no later than 31 March 2016. A $10m equity funding round is ongoing as at the date of approval of these financial statements and the Directors are in dialogue with interested parties about short and longer term investment. No commitment has been received as yet and the round is expected to close between March and June 2016.

The directors have concluded that because the funding round has not yet closed this represents a material uncertainty that casts significant doubt upon the group's and the parent company's ability to continue as a going concern and that, therefore the group and parent company may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless after considering the uncertainties described above, the directors have a reasonable expectation that the funding round will be successful and that the group and parent company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the period. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Notes *(continued)*

1 Accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

All leases are classified as operating leases. Rental charges for operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Computers & associated software licences	-	33.3% per annum
Office furniture & equipment	-	20% per annum
Laboratory equipment	-	25% per annum
Leasehold improvements	-	25% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company. At the acquisition date, the company recognises goodwill at the acquisition date as: the sum of the fair value of the consideration transferred, contingent consideration, fair value of equity instruments issued and directly attributable transaction costs less the net recognised amount of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Amortisation

Goodwill is amortised on a straight line basis over its useful life and the goodwill has no residual value.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Notes *(continued)*

1 Accounting policies *(continued)*

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Turnover

Turnover comprises revenue recognised by the Group in respect of goods and services supplied during the year, exclusive of VAT and other sales taxes and trade discounts.

Other operating income

The Company received Government grant funding from Innovate UK towards the costs of three research and development projects. Income is recognised on a performance basis. The projects were ongoing at the period end. Also included within government grants are Research and Development Expenditure Credits relating to the period.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Acquisitions of businesses

On 11 June 2014, the Company acquired the business and assets of Cella Energy Limited out of administration. Cella Energy Limited was an advanced research and development materials business with intellectual property in hydrogen storage materials. The results for the period relate wholly to the acquired business.

	Book values	Fair value adjustments	Recognised values on acquisition £000
Acquiree's net assets at the acquisition date:			
Tangible fixed assets	186,931	(116,732)	70,199
Investments	632	20,676	21,308
Trade and other debtors	27,938	10,274	38,212
Trade and other creditors	-	(42,920)	(42,920)
Net identifiable assets and liabilities	215,501	(128,702)	86,799
Total cost of business combination:			
Consideration paid:			
Initial cash price paid			25,000
Costs directly attributable to the business combination			74,394
Total consideration			99,394
Goodwill on acquisition			12,595

The basis of the fair value adjustments are as follows:

Fixed assets includes specific items of laboratory equipment in the UK valued at £24,999 by the Company being their estimated realisable value at the date of acquisition, and an asset under third party construction valued at £45,200. An investment in a subsidiary company, Cella Energy U.S., Inc of £21,308 was valued at the fair value of the net assets translated at the exchange rate on the date of the acquisition. Prepaid items totalling £659 were written off as non-recoverable and accrued income was written up to £37,686, being the amounts subsequently received in cash after the date of acquisition. The fair value of creditors of £42,901 is the value of the liability assumed in respect of delivery the fixed asset under third party construction less the dividends received in respect of this liability.

The useful economic life of the goodwill of five years has been estimated based on forward business projections.

Notes *(continued)*

3. Other operating income

	11 months to 31 March 2015 £
Customer funded research and development	494,997
Government grants	92,905
	587,902

4 Expenses and auditor's remuneration

	11 months to 31 March 2015 £
Included in the loss are the following:	
Research and development expenditure	550,218
Auditors' remuneration for audit services	10,000
Auditors' remuneration for tax services	5,900

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

	11 months to 31 March 2015 £
Directors	1
UK Employees	7
US Employees	3
	11

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	11 months to 31 March 2015
	£
Wages and salaries	472,076
Social security costs	44,447
Contributions to defined benefit plans	7,067
	523,590

6 Remuneration of directors

	11 months to 31 March 2015
	£
Directors' emoluments	101,963
Company contributions to money purchase pension schemes	2,000

Only one director received any emoluments during the period which were in respect of management services and amounted to £103,963, including pension benefits of £2,000.

7 Interest payable and similar charges

	11 months to 31 March 2015
	£
Interest payable	2,232

Notes *(continued)*

8 Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	11 months to 31 March 2015
Current tax	£
Current tax on loss for the period	(115,014)
Total current tax	(115,014)
Deferred tax (see note 18)	
Origination and reversal of timing differences	-
	-
Total tax	(115,014)

	£ Current tax	£ Deferred tax	£ Total tax
Recognised in Profit and loss account	(115,014)	-	(115,014)
Recognised in other comprehensive income	-	-	-
Recognised directly in equity	-	-	-
Total tax	(115,014)	-	(115,014)

Analysis of credit in the period

	11 months to 31 March 2015 £
UK corporation tax	(115,014)
Foreign tax	-
Total current tax credit	(115,014)

Notes *(continued)*

8 Total tax expense recognised in the profit and loss account, other comprehensive income and equity *(continued)*

Reconciliation of effective tax rate

	11 months to 31 March 2015
	£
Loss for the period	(479,494)
Total tax credit	(115,014)
Loss excluding taxation	(594,508)
Tax using the UK corporation tax rate of 21 %	(124,847)
Expenses not deductible for tax purposes	286
Additional deduction for R&D expenditure	(92,540)
Surrender of tax losses for R&D credit refund	51,557
Depreciation in excess of capital allowances	2,412
Unutilised tax losses carried forward	48,118
Total tax expense included in profit or loss	(115,014)

As at 31 March 2015 tax losses amounted to approximately £139,908 in the UK and £80,000 in the US which are available to be relieved against future profits of the relevant entity.

Deferred tax assets and liabilities are not provided for in the financial statements and are set out in note 18. Unprovided deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates in the relevant territory that have been enacted or substantially enacted at the balance sheet date. Reductions in UK corporation tax from 21% to 20% effective from 1 April 2015 were substantively enacted on 2 July 2013 and the UK deferred tax assets have been calculated based on a rate of 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

9 Intangible fixed assets : Goodwill

	Total £
Cost	
Balance at 30 April 2014	-
Acquisitions through business combinations	12,595
At end of period	12,595
Depreciation	
Balance at 30 April 2014	-
Charged in period	1,889
At end of year	1,889
Net book value	
At 31 March 2015	**10,706**
At 30 April 2014	-

The amortisation charge is recognised in administration costs in the profit and loss account.

Notes *(continued)*

10 Tangible fixed assets – Group

	Office Furniture & Equipment	Laboratory Equipment	Computer Equipment	Leasehold Improve-ments	Total
	£	£	£	£	£
Cost					
Balance at 30 April 2014	-	-	-	-	-
Acquisitions through business combinations	-	150,908	513	-	151,421
Additions	1,825	51,808	12,091	169,511	235,235
Exchange adjustment	-	10,609	67	-	10,676
At 31 March 2015	1,825	213,325	12,671	169,511	397,332
Depreciation					
Balance at 30 April 2014	-	-	-	-	-
Depreciation charge for the period	61	38,951	1,180	2,289	42,481
Exchange adjustment	-	2,094	30	-	2,124
At 31 March 2015	61	41,045	1,210	2,289	44,605
Net book value					
At 31 March 2015	**1,764**	**172,280**	**11,461**	**167,222**	**352,727**
At 30 April 2014	-	-	-	-	-

Notes *(continued)*

11 Tangible fixed assets – Company

	Office Furniture & Equipment £	Laboratory Equipment £	Computer Equipment £	Leasehold Improve-ments £	Total £
Cost					
Balance at 30 April 2014	-	-	-	-	-
Acquisitions through business combinations	-	70,199	-	-	70,199
Addditions	1,825	38,918	10,541	169,510	220,794
At 31 March 2015	1,825	109,117	10,541	169,510	290,993
Depreciation					
Balance at 30 April 2014	-	-	-	-	-
Depreciation charge for the period	61	9,083	707	2,289	12,140
At 31 March 2015	61	9,083	707	2,289	12,140
Net book value					
At 31 March 2015	**1,764**	**100,034**	**9,834**	**167,221**	**278,853**
At 30 April 2014	-	-	-	-	-

Notes *(continued)*

12 Fixed Asset Investments – Company

	2015 £
Investment in Cella Energy U.S., Inc	21,308

During the period the Company acquired 100% of the Common Stock of Cella Energy U.S.,Inc registered in the USA as part of the acquisition of the business and assets of Cella Energy Limited. Cella Energy U.S.,Inc is a trading company carrying out research and development into hydrogen storage materials. There are no provisions against this investment and there were no other acquisitions or disposals during the period.

During the period Cella Energy U.S.,Inc incurred a loss of £89,221 translated into the functional currency using average rates during the period and had aggregate capital and reserves of £86,792 translated using the balance sheet exchange rate as at 31 March 2015. Excluding amounts owed to the parent Company the adjusted net assets as at 31 March 2015 were £15,759. No provisions have been made to the carrying value of the investment.

13 Debtors

	Group 2015 £	Company 2015 £
Amounts owed by group undertakings	-	81,530
Taxation and social security	220,806	220,806
Other debtors	10,700	12,997
Deferred tax assets	-	-
Prepayments and accrued income	18,144	4,816
	249,650	320,149

All debtors are due within one year.

14 Cash and cash equivalents

	2015 £
Cash at bank and in hand	544,033
Cash and cash equivalents per the cash flow statements	544,033

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group 2015 £	Company 2015 £
Trade creditors	159,713	146,476
Taxation and social security	20,411	20,411
Other Creditors	15,395	15,395
Accruals	75,393	72,071
	270,912	254,353

16 Creditors: amounts falling due in more than one year

	Group 2015 £	Company 2015 £
Loan note (see note 17)	69,524	-
	69,524	-

17 Interest-bearing loans and borrowings

	Group 2015 £	Company 2015 £
Non-current		
Loan notes - 4% unsecured promissory note	69,524	-

Space Florida, an Independent Special District of the State of Florida, is the holder of an unsecured promissory loan note issued by Cella Energy U.S.,Inc prior to Cella Energy U.S., Inc being acquired by Cella Acquisition Limited. Space Florida are the land lord for facilities rented by the Cella Energy U.S.,Inc a group company at Kennedy Space Centre and they are also shareholders in the Company. The note carries a 4% annual interest rate and a term of ten years at which time the principle and accrued interest are repayable. At 31 March 2015 the level of accrued interest was £2,232

Notes *(continued)*

18 Deferred tax

	£
At beginning and end of period	-

The amounts provided for deferred taxation, and the amounts not provided, are set out below:

	Group - 2015		Company – 2015	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Depreciation in excess of capital allowances	-	2,297	-	2,297
Trading losses carried forward	-	86,293	-	27,982
	-	88,590	-	30,279

19 Called up share capital

	2015
	£
Allotted, called up and fully paid	
3,401,322 Ordinary shares of £0.01 each	34,013

All shares are classified in shareholders' funds. During the period the Company issued 3,401,322 £0.01p Ordinary Shares for cash consideration of £1,343,645.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015
	£
Less than one year	11,187
Between one and five years	143,348
More than five years	-

During the period £115,099 was recognised as an expense in the profit and loss account in respect of operating leases.

Notes *(continued)*

21 Commitments

The Companys' contractual commitments as at 31 March 2015 are set out in note 20.

22 Related party disclosures

Related party transactions
During the period, Persephone Capital Partners LLP, a company wholly owned and controlled by two Directors of Cella Acquisition Limited, Mr Jaime Lifton and Mr Alexander Sorokin participated in funding rounds and subscribed for 152,921 ordinary shares at a share price of £0.01 and 648,902 ordinary shares at a share price of £0.58. All shares were fully paid up as at 31 March 2015. During the period the Directors approved the award of a warrant to Persephone Capital Partners LLP in connection with leading the refinancing of the acquired Cella business out of administration and providing additional back stop financing during the period. The warrant was executed in April 2015 and provides that the holder has the right to subscribe for 1,558,580 ordinary shares at a share price of £0.58 within a three year period.

Mr Jaime Lifton, a Director of Cella Acquisition Limited, participated in a funding round and subscribed for 8,414 ordinary shares at a share price of £0.58. All shares were fully paid up as at 31 March 2015.

Mr Alexander Sorokin, a Director of Cella Acquisition Limited, participated in a funding round and subscribed for 22,697 ordinary shares at a share price of £0.58. All shares were fully paid up as at 31 March 2015.

Mr Nicholas Brunero, a Director of Cella Acquisition Limited, participated in a funding round and subscribed for 86,766 ordinary shares at a share price of £0.58. All shares were fully paid up as at 31 March 2015.

Mr Frank DiBello, a Director of Cella Acquisition Limited, is also the President of Space Florida an Independent Special District of the State of Florida, created by Chapter 331, Part II, Florida Statutes, for the purposes of fostering the growth and development of a sustainable and world-leading space industry in Florida. Space Florida participated in a funding round and subscribed for 578,422 ordinary shares at a share price of £0.58. All shares were fully paid up as at 31 March 2015. Space Florida are the land lord for facilities rented by the Cella Energy U.S.,Inc a group company located at the Kennedy Space Centre. Space Florida invoiced charges totalling £4,206 during the period related to the use of the facilities. As at 31 March 2015 £4,189 was owed to Cella Energy U.S.,Inc in relation to rent payments advanced and held as security by the lessor.

The Directors consider there to be no one controlling shareholder of the Company.

Related party listing
Persephone Capital Partners LLP
Space Florida, an Independent Special District of the State of Florida

Total compensation of key management personnel
Total compensation of key management personnel (including the management services of one Director) in the period amounted to £181,928. The other Directors did not receive any compensation for their services.