

14 February 2013

Ceres Power Holdings plc

Interim results for the six months ended 31 December 2012

Ceres Power Holdings plc ("Ceres", "Ceres Power", "the Company" or "the Group") announces its interim results for the six months ended 31 December 2012.

Highlights

- Stack and fuel cell module achieving targeted degradation rates of <0.5%/1000 hrs
- Core technology platform demonstrating robustness to thermal and redox cycling
- Business restructuring completed, on-going cash burn substantially reduced
- Successfully raised £3.3 million via placing and open offer
- £7.9 million in net cash as at 31 December 2012

After the period end

- Initial engagement with potential new commercial partners commenced
- Technology development on track to meet the expected commercialisation requirements
- £2.7 million income tax credit received in cash in January 2013

Financial Highlights:

	Six months ended 31 December 2012 (Unaudited) £'000	Six months ended 31 December 2011 (Unaudited) £'000
Revenue	502	136
Other operating income	-	134
Operating loss	(8,461)	(9,382)
Interest receivable	17	121
Loss for the financial period	(7,611)	(8,154)
Loss per share	(6.83)p	(9.46)p
Cash and cash equivalent	7,949	18,616

Alan Aubrey, Chairman of Ceres Power, commented:

“I am delighted with the progress we have made in refinancing and restructuring the Company and implementing the new business model. Building on demonstrable continued improvements in Ceres technology platform, I am confident that we will secure appropriate engagements with commercial partners to exploit the Group’s robust, low-cost technology across a range of market applications in multiple geographies.”

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Chairman's statement

On 30 November 2012, the Company announced a capital raise of £3.3 million (before expenses) in conjunction with a restructuring of the business and the adoption of a new business strategy. In December 2012 the Company's shareholders approved the £3.3 million fund raise and a new Board of Directors, led by myself as Chairman, was appointed to implement the new strategy to commercialise the Group's unique core technology platform.

I am pleased to report that the senior management team led by acting Chief Executive Officer, Steve Callaghan, has successfully completed the restructuring plan. This has included reducing the overall headcount to approximately 50 people, substantially reducing the on-going cash burn and refocusing operations on the development and testing of the core technology platform. The first half has been a challenging period for the Group and I would like to thank Steve and his senior management team for successfully delivering this restructuring.

As set out in the circular sent to shareholders in December 2012, the Company's new strategy is to exploit its unique, metal-supported core fuel cell technology across a broad range of product and market applications by partnering with multiple Original Equipment Manufacturers ('OEM'). This strategy avoids the Company having to finance the development of complete end-user products, potentially enabling the Group's core technology to be adopted more quickly and more extensively than would have been possible under the previous m-CHP product strategy. Importantly, the Group has retained significant technical and operational capability across the fuel cell, fuel cell stack and Fuel Cell Module ('FCM') to be able to offer OEM partners the opportunity to integrate Ceres technology into their products more quickly and effectively. This business model offers OEM partners a lower cost and lower risk approach than developing their own alternative technology in-house. In return, the Board expects that Ceres will earn revenues from a combination of development licences and on-going fees for services and royalties on OEM sales of mass market products incorporating Ceres technology.

The process to secure new commercial partners for the Company's technology is well underway and I am pleased with the significant level of interest we are receiving from prospective commercial partners. The key advantages of the Group's core technology, low cost and real-world robustness, are well understood by OEMs. The Board is confident that new commercial relationships will be secured exploiting Ceres technology in a range of mass market applications to the mutual commercial advantage of our partners and our shareholders.

We continue to make progress demonstrating the core technology platform can meet the durability, robustness and cost requirements of our potential commercial partners' product commercialisation programmes. We anticipate making further technical progress throughout 2013, building on the substantial progress made last year as confirmed by the independent assessment completed by Dr Nguyen Minh, a former Chief Scientist at GE Global Research.

As previously reported Rex Vevers and Phil Whalen step down from the Board with immediate effect as Finance Director and Technology Director respectively. They will both remain with the Company

for a short transitional period. Richard Preston, previously Financial Controller, is appointed to the Board as Finance Director. Mark Selby is appointed Director of Technology of Ceres Power Limited.

I would like to thank Rex and Phil both for their individual contributions to the business. They have both demonstrated selfless dedication over the years and their guidance, professionalism and loyalty has been exemplary.

The global opportunity for cost-effective technologies that can deliver low carbon, distributed energy products, such as that enabled by Ceres core technology platform, continues to grow. As the market for these products develops, the need for lower cost, robust enabling technologies is critical; Ceres technology can meet this growing need.

I would like to thank all of our staff for their enormous efforts in delivering the substantial technical progress during a difficult and uncertain period over the last six months.

We have made excellent progress in implementing our new business model and securing the required cost savings to deliver shareholder value. I look forward to reporting on both technical and commercial progress over the coming months.

Alan Aubrey

Chairman

Chief Executive Officer's Report

Restructuring and change in business model

Following the successful £3.3 million capital raising approved by shareholders on 17 December 2012, I am pleased to report that the new management team has successfully completed the restructuring of the Company, resizing its operations and refocusing its activities to deliver the targeted technology and commercial progress.

The new business strategy focuses on continuing the development of the Group's core fuel cell/stack and fuel cell module (FCM) technology platform to meet the 'go-to-market' requirements of partners that wish to incorporate the unique Ceres technology in a variety of low carbon distributed power generation products. By no longer seeking to develop, test and sell complete m-CHP products the Group has been able to reduce significantly the size and complexity of its operations and its cash operating costs going forward. The Board believes focusing the Company's efforts on its core capabilities and licensing its technology platform to multiple partners is the best way to achieve value for shareholders.

The new business model will involve Ceres offering its technology (through components including fuel cells, stacks and FCMs) to multiple customers to be incorporated into their own low carbon products for a variety of mass market applications in all regions, including m-CHP. Ceres will work with partners to further develop and optimise its technology platform to meet the requirements of customers for these different product applications. The Group has retained significant design, development and testing capability at fuel cell/stack and FCM level and has end-to-end pilot-scale fuel cell manufacturing at its facility in Horsham. This will enable Ceres to provide commercial partners with prototype volumes to support the system engineering and validation testing required to develop robust, cost-effective mass market products. In turn, Ceres will earn royalties and other fees from the mass market commercial exploitation of its technology.

Core Technology Platform

Ceres unique metal-supported solid oxide fuel cell technology uses low temperature Ceria electrolyte enabling the fuel cells to operate at less than 600C. This low temperature of operation has the advantage of allowing the use of low cost materials such as stainless steels in the fuel cell stack and the balance of plant components in the FCM and the complete product. The use of mechanically tough steel cell substrates and interconnects enables the use of robust laser welding to provide the critical fuel-side sealing in the stack. Inter-cell and air-side sealing is achieved through the use of simple high temperature gaskets resulting in a full stack that is extremely tolerant to thermal cycling. The low temperature of operation also reduces the level of insulation required, reducing cost, size and weight of products incorporating Ceres technology.

The Group has invested more than \$100 million in developing the core technology platform with more than 30 global patent families protecting the cell, stacks and key elements of the system design. Know-how and trade secrets provide further protection in areas including cell materials and manufacturing and system design and controls. The Group continues to grow its portfolio of patents, know-how and trade secrets and invest in the protection and development thereof.

Building on the significant technical progress made during 2012, the Group has continued to develop the core technology platform at cell, stack and FCM level. During the last six months the Group has demonstrated:

- Targeted steady state degradation rates of less than 0.5% per 1,000 hrs continue to be achieved at stack and FCM levels,
- Improved thermal integration of the prototype FCM leading to DC electrical efficiencies of ~50% at lower heating value,

The Group is continuing to demonstrate the robustness of the stack to thermal and redox cycling through real-world on-off cycles and emergency stops and develop further improvements to the cell, interconnect production methods and to the stack architecture. Taking the above progress together with the recent improvements in the anode, the Board believes that the technology platform can meet the performance and long term durability requirements of a number of mass market applications including residential m-CHP.

Commercial

The Group's strategy to commercialise its technology platform and reference prototype m-CHP design is well underway with initial commercial discussions with multiple OEMs. Building on the significant technical progress achieved last year, the Company is receiving a high level of interest from potential commercial partners looking to use the Ceres technology platform at the heart of a range of mass market low-carbon power generation products, particularly in the 1-5kW range. Whilst these discussions are at an early stage, they underpin the Board's confidence in the global opportunities for Ceres' technology and the demand for Ceres' application engineering services and system-level IP. Ceres' technology cost leadership, as confirmed by Dr Nguyen Minh in his report, will be a key driver in the adoption of Ceres technology by OEM partners seeking to sell large volumes of commercially viable fuel cell products.

The business-to-business partnering model adopted by the Company can deliver significant benefits to the Group's commercial partners. Licensing in the Ceres technology platform (including cells, stacks, FCMs, control software and reference prototype m-CHP product designs) together with supporting technical and engineering services, will accelerate and de-risk our partners' product development and commercialisation programmes. In addition, Ceres OEM partners will benefit from reduced in-house technology and product development risks leading to lower overall cost and time to market. Ceres will earn revenue from a combination of development licence fees, fees for on-going engineering, testing and other services and royalties on OEM product sales into mass markets. As noted in the circular, the Group will need to raise further funds before the Board expects revenue earned from commercial partners delivers profitability.

The initial applications being targeted by the Group include mains natural gas residential m-CHP (including tri-generation) in the 1-5kW range followed by back-up power in the 1-50kW range for applications including telecoms, light industrial and rural power. Potential opportunities also exist for auxiliary power units for transport applications. The main geographical focus of the Group is Japan, South Korea, North America and parts of Western Europe. The key drivers for the Group to focus its commercial efforts in these regions are the widespread availability of government programmes to drive market uptake of fuel cell technologies and OEM partners with the required

advanced engineering and product development capabilities to develop fuel cell-based alternative energy products.

Following the change in the Group's business model and Ceres' near term focus on mains natural gas fed applications, Calor Gas and Ceres Power have agreed to end the existing agreement to develop and supply an LPG-fuelled product for sale in the UK market in 2013.

The Board believes that the core technology has the potential to be the lowest cost, most compact fuel cell platform for 1-5kW stationary power applications using a range of readily available fuels such as natural gas.

Operations

As part of the restructuring, the Group has implemented a programme to consolidate all of its cell, stack and FCM testing activities in Horsham. The pilot-scale fuel cell manufacturing and FCM assembly facility in Horsham has been maintained. This Horsham facility has full traceability and statistical process control and can manufacture up to ten thousand fuel cells per annum, using the current manufacturing equipment and shift pattern; a capacity sufficient to validate the volume-capable cell manufacturing processes for transfer to manufacturing partners and to satisfy the requirements of OEM partner development programmes.

People

The last 6 months have been a challenging time and I would like to thank all members of staff for their efforts and their continued professionalism. The business could not have achieved the substantial technical progress without them. I would also like to thank those members of staff that have left the Group as part of the restructuring for their past contributions and wish them well in the future.

Financial

For the six month period covered by these interim results, the Group pursued the original business strategy of developing and testing complete m-CHP products. As part of the successful capital raising in December the Group's strategy is now based on licensing the Group's core technology platform. Accordingly these interim financial results are not considered representative of the new business model going forward.

During the period the Group recognised £0.5m of revenue relating to the conclusion of the contract with Calor Gas. No revenue was recognised from the Group's other m-CHP development contracts based on the percentage of completion of the product development (2011: £0.1m). Accordingly, deferred income, being the unamortised portion of the up-front, non-returnable milestone payments previously received from customers, reduced to £1.8 million as at 31 December 2012 (2011: £2.3m), and will be recognised as revenue in future periods based on the remaining work, if any, to be completed.

There were no on-going government grant-funded programmes resulting in no operating income being recognised in the period (2011: £0.1m).

The Group incurred one-off costs of £3.5m related to the restructuring and refinancing of the Group's activities implemented during the period. These one-off costs include redundancy and other costs of reducing the Group's headcount by approximately 50%, expenses related to the capital raising and provisions for the write down of fixed assets and unavoidable premises-related costs that are no longer required by the Group going forward. The Board does not anticipate any additional restructuring costs will be incurred in the second half of the current financial year. Excluding these one-off costs, operating costs for the period decreased to £5.5m (2011: £9.7m) primarily due to a reduction in the testing and development activities of the m-CHP product programme in the period and the on-going cost savings arising from the earlier reduction in headcount implemented in Q2 2012. Going forward, the Board expects a further significant reduction in operating costs as a result of the headcount reduction and restructuring following the capital raise in December 2012, although this could change if new commercial opportunities requiring additional expenditure are entered into as part of the Group's new commercialisation strategy.

Interest receivable fell to £nil (2011: £0.1m) primarily reflecting the continued low interest rates and reduction in net cash held. An income tax credit of £0.8m (2011: £1.1m) has been recognised in the period, consisting of an estimated income tax recovery of £0.6m in respect of the current financial year and an additional recovery of £0.2m in respect of the previous financial year.

The loss attributable to shareholders was less than the prior period at £7.6m (2011: £8.2m) with the reduction in the size of the business, the reduced level of operations and the increase in revenue largely offset by the one-off restructuring charges incurred in the period.

As part of the £3.3 million capital raising completed in December 2012, the Group issued 330 million new ordinary shares at 1 pence each. In order to effect the fund raise at 1 pence per share, the Company implemented a capital reorganisation, subdividing and re-designating each of the existing 86.2 million ordinary shares as 1 new ordinary share of 1 pence and 1 deferred share of 4 pence each. The new ordinary shares have the same rights and benefits as the existing ordinary shares. The deferred shares are not listed and are effectively valueless and will be surrendered for no value and/or cancelled in due course. Accordingly, the average number of ordinary shares in issue over the period increased from 86.2 million to 111.5 million. The loss per ordinary share fell to 6.83 pence (2011: 9.46p) as a result of the reduced loss for the financial period and the increased average shares in issue.

During the period, the Group's net cash used in operating activities decreased by £1.8m to £5.5m (2011: £7.3m). This net reduction arose from the lower operating loss in the period of £0.8 million and a favourable net movement in working capital of £2.5 million, partly offset by the income tax recovery not being received until after the end of the period. After taking into account a reduction in the purchase of property, plant and equipment in the period to £nil (2011: £1.0 m) and the £3.3 million fund raising, the Group held £7.9 million (2011: £18.6m) in net cash as at 31 December 2012. The Group received a cash income tax credit £2.7 million in January 2013.

Outlook

With the restructuring and refocusing of the Group's business activities now completed and the on-going cash spend reduced to reflect the existing cash resources, the Company is now focusing all

efforts on continuing to develop and test the core technology platform whilst engaging with potential OEMs and other partners to commercialise the technology. I am confident that as we demonstrate the significant cost, robustness and other advantages of Ceres' technology platform and how these advantages will enable the development of cost-effective, low carbon products, we will secure several commercial partners across a broad range of market applications and geographies.

Steve Callaghan

Chief Executive

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2012

	Note	Six months ended 31 December 2012 (Unaudited) £'000	Six months ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Revenue		502	136	226
Operating costs	2	(8,963)	(9,652)	(18,480)
Other operating income		-	134	182
Operating loss		(8,461)	(9,382)	(18,072)
Interest receivable		17	121	165
Loss before income tax		(8,444)	(9,261)	(17,907)
Income tax credit		833	1,107	3,007
Loss for the financial period / year and total comprehensive loss		(7,611)	(8,154)	(14,900)
Losses per £0.05 ordinary share expressed in pence per share:				
Basic and diluted loss per share	3	(6.83)p	(9.46)p	(17.28)p

The accompanying notes are an integral part of these interim financial statements.

CONSOLIDATED BALANCE SHEET

As at 31 December 2012

	Note	31 December 2012 (Unaudited) £'000	31 December 2011 (Unaudited) £'000	30 June 2012 (Audited) £'000
Assets				
Non-current assets				
Property, plant and equipment		2,761	4,762	4,216
Other receivables		53	81	81
Total non-current assets		2,814	4,843	4,297
Current assets				
Trade and other receivables		476	789	583
Derivative financial instruments		-	-	7
Current tax receivable		3,233	500	2,400
Cash and cash equivalents	6	7,949	18,616	10,178
Total current assets		11,658	19,905	13,168
Liabilities				
Current liabilities				
Trade and other payables		(2,315)	(2,899)	(1,768)
Total current liabilities		(2,315)	(2,899)	(1,768)
Net current assets		9,343	17,006	11,400
Non-current liabilities				
Other payables		(1,901)	(2,052)	(2,354)
Provisions for other liabilities and charges		(1,429)	(290)	(365)
Total non-current liabilities		(3,330)	(2,342)	(2,719)
Net assets		8,827	19,507	12,978
Equity				
Share capital	4	7,631	4,311	4,311
Share premium account		64,821	64,821	64,821
Other reserve		7,463	7,463	7,463
Profit and loss account (deficit)		(71,088)	(57,088)	(63,617)
Total equity		8,827	19,507	12,978

The interim financial statements on pages 10 to 16 were approved by the Board of Directors on 13 February 2013 and were signed on its behalf by:

Steve Callaghan
Director

The accompanying notes are an integral part of these interim financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2012

	Share capital (Unaudited) £'000	Share premium account (Unaudited) £'000	Other reserve (Unaudited) £'000	Profit and loss account (deficit) (Unaudited) £'000	Total (Unaudited) £'000
At 1 July 2011	4,309	64,821	7,463	(49,185)	27,408
Comprehensive loss					
Loss for the period	-	-	-	(8,154)	(8,154)
Total comprehensive loss	-	-	-	(8,154)	(8,154)
Transactions with owners					
Issue of shares, net of costs	2	-	-	-	2
Share-based payments charge	-	-	-	251	251
Total transactions with owners	2	-	-	251	253
At 31 December 2011	4,311	64,821	7,463	(57,088)	19,507
Comprehensive loss					
Loss for the period	-	-	-	(6,746)	(6,746)
Total comprehensive loss	-	-	-	(6,746)	(6,746)
Transactions with owners					
Share-based payments charge	-	-	-	217	217
Total transactions with owners	-	-	-	217	217
At 30 June 2012	4,311	64,821	7,463	(63,617)	12,978
Comprehensive loss					
Loss for the period	-	-	-	(7,611)	(7,611)
Total comprehensive loss	-	-	-	(7,611)	(7,611)
Transactions with owners					
Issue of shares	3,320	-	-	-	3,320
Share-based payments charge	-	-	-	140	140
Total transactions with owners	3,320	-	-	140	3,460
At 31 December 2012	7,631	64,821	7,463	(71,088)	8,827

The accompanying notes are an integral part of these interim financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2012

	Note	Six months ended 31 December 2012 (Unaudited) £'000	Six months ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Cash flows from operating activities				
Cash used in operations	5	(5,534)	(9,405)	(17,515)
Income tax received		-	2,107	2,107
Net cash used in operating activities		(5,534)	(7,298)	(15,408)
Cash flows from investing activities				
Purchase of property, plant and equipment		(30)	(970)	(1,335)
Movement in short-term investments		-	8,000	8,000
Finance income received		19	189	238
Net cash (used in)/ generated from investing activities		(11)	7,219	6,903
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		3,320	2	2
Net cash generated from financing activities		3,320	2	2
Net decrease in cash and cash equivalents		(2,225)	(77)	(8,503)
Exchange (losses)/gains on cash and cash equivalents		(4)	6	(6)
		(2,229)	(71)	(8,509)
Cash and cash equivalents at beginning of period		10,178	18,687	18,687
Cash and cash equivalents at end of period		7,949	18,616	10,178
Reconciliation to net funds				
Opening net funds		10,178	26,687	26,687
Net decrease in cash and cash equivalents		(2,229)	(71)	(8,509)
Decrease in short-term investments		-	(8,000)	(8,000)
Closing net funds (note 6)		7,949	18,616	10,178

The accompanying notes are an integral part of these interim financial statements.

Notes to the interim financial statements for the six months ended 31 December 2012

1. Basis of preparation

The financial information has been prepared in accordance with all IFRS and IFRS Interpretations Committee (“IFRIC”) interpretations that had been published by 31 December 2012 as endorsed by the European Union (EU). The Standards that will be applicable for the year ending 30 June 2013 are not known with certainty at the time of preparing the interim results. Accordingly, the accounting policies for that accounting period will be determined finally only when the annual financial statements for the year ending 30 June 2013 are prepared.

This interim report, which comprises the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes, is unaudited and does not constitute audited accounts within the meaning of the Companies Act 2006. The accounts for the year ended 30 June 2012, on which the auditors gave an unqualified audit opinion, have been filed with the Registrar of Companies.

The accounting policies adopted are consistent with those of the financial statements for the year ended 30 June 2012, as described in those financial statements. As at the date of signing the interim financial statements, there are no new Standards likely to affect the financial statements for the year ending 30 June 2013.

2. Operating costs

Operating costs are split as follows:

	Six months ended 31 December 2012 (Unaudited) £'000	Six months ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Research and development costs	3,136	7,161	13,205
Administrative expenses	5,827	2,491	5,275
	8,963	9,652	18,480

Notes to the interim financial statements for the six months ended 31 December 2012

3. Loss per share

	Six months ended 31 December 2012 (Unaudited) £'000	Six months ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Loss for the financial period / year attributable to shareholders	(7,611)	(8,154)	(14,900)
Weighted average number of shares in issue	111,476,532	86,183,955	86,202,251
Loss per £0.01 ordinary share (basic & diluted)	(6.83)p	(9.46)p	(17.28)p

4. Share capital

Ceres Power Holdings plc had called-up share capital totalling 86,215,662 ordinary shares of £0.05 each at 30 June 2012, as disclosed in the statutory financial statements of Ceres Power Holdings plc for the year ended 30 June 2012.

A resolution to reorganise the share capital was passed by the shareholders on 17 December 2012. Each ordinary share of £0.05 each was subdivided into and redesignated as 1 new ordinary share of £0.01 each and 1 deferred share of £0.04 each, with the new ordinary shares having the same rights and benefits as the existing ordinary shares. The deferred shares are not listed and will be surrendered for no value and/or cancelled in due course.

During the period £3,300,000 of additional capital was raised by the issue of 330,000,000 new ordinary shares of £0.01 each. Also 2,000,000 new ordinary shares of £0.01 each were issued on exercise of share options for cash consideration of £20,000.

Ceres Power Holdings plc had called-up share capital totalling 418,215,662 ordinary shares of £0.01 each at 31 December 2012.

Notes to the interim financial statements for the six months ended 31 December 2012

5. Cash used in operations

	Six months ended 31 December 2012 (Unaudited) £'000	Six months ended 31 December 2011 (Unaudited) £'000	Year ended 30 June 2012 (Audited) £'000
Loss before income tax	(8,444)	(9,261)	(17,907)
Adjustments for:			
Other finance income	(17)	(121)	(165)
Depreciation of property, plant and equipment	1,362	790	1,560
Share-based payments charge	140	251	468
Operating cash flows before movements in working capital	(6,959)	(8,341)	(16,044)
Decrease in trade and other receivables	140	111	307
Increase/(decrease) in trade and other payables	221	(1,237)	(1,915)
Increase in provisions	1,064	62	137
Decrease / (increase) in working capital	1,425	(1,064)	(1,471)
Cash used in operations	(5,534)	(9,405)	(17,515)

6. Cash and cash equivalents

	31 December 2012 (Unaudited) £'000	31 December 2011 (Unaudited) £'000	30 June 2012 (Audited) £'000
Cash at bank and in hand	968	653	716
Short-term bank deposits < 3 months	1,802	2	2
Money market funds	5,179	17,961	9,460
Cash and cash equivalents	7,949	18,616	10,178

The Group typically places surplus funds into pooled money market funds and bank deposits with durations of up to twelve months and UK Government gilts with durations of up to twelve months. The Group's treasury policy restricts investments in short-term sterling money market funds to those which carry short-term credit ratings of at least two of AAAM (Standard & Poor's), Aaa/MR1+ (Moody's) and AAA V1+ (Fitch) and deposits with banks having a minimum long-term rating of A/A-/A3 and short-term rating of F-1/A-2/P-2 for banks which the UK Government holds less than 25% ordinary equity.