7 October 2015

Ceres Power Holdings plc

Final results for the year ended 30 June 2015

Ceres Power Holdings plc ("Ceres", "Ceres Power", “the Company” or "the Group") (AIM: CWR.L) announces its final results for the year ended 30 June 2015.

Highlights:

During the reporting period

- Signed Joint Development Agreement with a global Japanese power system company
- Successful deployment of the technology at customer sites in Japan and South Korea meeting all test requirements
- Fundraising of £20 million in July 2014 and £18 million net cash and short–term investments at 30 June 2015 maintain the Group’s financial strength
- Steel Cell power output improvement of 40% and efficiency increase to 47% of the technology – further validating the route to affordable fuel cell products
- Leadership team strengthened with the addition of Aidan Hughes as Non-Executive Director, and James Falla as Chief Operating Officer

After the year end

- Formal release of latest V3 cell technology to customers with degradation enabling 7 year product life
- Expansion of Commercial team with Tony Cochrane appointed as Chief Commercial Officer based in North America and opening of South Korean office
- Successful completion of the first year of the Joint Development Agreement with global Japanese power system company

Financial Highlights:

	Year Ended 30 June 2015 £'000	Year Ended 30 June 2014 £'000
Total revenue, comprising	**324**	**1,224**
Release of deferred revenue	**-**	*738*
Underlying revenue [1]	***324***	*486*
Other operating income	**621**	581
Total underlying revenue and other operating income	**945**	**1,067**
Cost of sales and operating costs	**(12,667)**	(10,393)
Operating loss	**(11,722)**	(8,588)
Equity free cash flow [2]	**(9,084)**	(7,740)
Net cash and short term investments	**18,184**	7,699

Phil Caldwell, CEO, commented:

"We have successfully demonstrated the ability of the Steel Cell technology to meet the most demanding performance requirements in our partner programmes in Japan and South Korea. We continue to focus on securing further agreements with key commercial partners and I expect to announce progress on this in the near future."

Alan Aubrey, Chairman, added:

"Over the year our reputation has strengthened as one of the leading technology companies in the industry. I am delighted that we've been able to attract individuals with strong international and operational experience to the leadership team in preparation for the next phase of the Company's growth."

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1 Underlying revenue is total revenue less the release of deferred revenue relating to historic agreements

2 Equity free cash outflow (EFCF) is the net change in cash and cash equivalents in the year less net cash generated from financing activities less the movement in short term investments

Chairman's statement

Over the past 12 months we have witnessed the ongoing evolution of the energy sector, marking the grand transition towards distributed generation and the world market for distributed generation is predicted to approximately double in the next eight years[1]. Whilst the majority of this distributed

generation currently comprises a variety of technologies – including renewables such as solar – fuel cells are increasingly becoming part of this energy mix as an enabling technology for renewables and allowing people to generate their own power cleanly and efficiently at the point of use. This shift away from the traditional business model of centralised power utilities is helping to bring fuel cells closer to commercialisation.

Driven by cost reduction through technology innovation, the stationary fuel cell market continues to grow with market revenues of US$40bn forecast by 2022[2]. The fuel cell technologies that dominate this growth are commercially available in Asia and the US and run on widely available fuels such as Natural Gas, Biogas and LPG. As a result, these technologies are not held back by a lack of hydrogen infrastructure, as we have seen in automotive fuel cell applications. With infrastructure not a limiting factor for commercialisation and scale-up, widespread adoption of the Steel Cell technology is directly achievable as long as we continue to demonstrate we can hit the cost, lifetime and performance targets required by the world's leading power system companies.

The Steel Cell technology is a relatively new and disruptive technology compared to the established fuel cell offerings, but one that is proving itself repeatedly against the most demanding performance targets set by market leaders in the power sector. We have met all customer testing requirements at sites in Japan and South Korea and our latest V3 technology has been released to customers after extensive in-house validation beyond 10,000 hours of testing. We have also hit key technical milestones in our development roadmap showing considerable uplifts in efficiency and power density in early stage development. These achievements are key to ensuring we have the best overall economic offering for our customers and we intend to bring through some of these additional benefits in our V4 release next year.

Strategically, we have positioned Ceres as one of the few independent technology providers that is able to offer low-cost solutions to a wide variety of players across different sectors and geographies for different product applications. This breadth and versatility enables the Company to benefit as the industry continues to consolidate and markets mature. We have the capability to support businesses operating at a range of different stages and speeds of development: whether they might be aspiring power system companies in need of reliable fuel cell technology to play catch-up with existing players; or the established companies themselves, struggling to realise the performance and cost targets needed for a truly mass-market offering and so seeking next-generation technology to transform existing products.

The latest development in the stack and system technology has been brought together in the Steel Gen platform, a 1kW class power only prototype comparable to the Japanese Ene-Farm products, which is compact, highly efficient and meets the most stringent of global emission standards. This will be released to customer programmes early next year.

We are continuing to expand the reach and scope of our technology and are developing a multi-kW system to operate at electrical efficiencies above 50%, as we intend to extend our offering beyond residential to the light-commercial and power only applications in response to prospective customer enquiries.

In terms of developing the talent base at the Company essential to future growth, we have further strengthened the team with the appointment of James Falla as Chief Operating Officer and more recently Tony Cochrane as Chief Commercial Officer. James joined Ceres after 15 years establishing operations in Asia for leading Tier 1 automotive companies. Tony joins us from Ballard Power Systems, with over 17 years' direct experience in the fuel cell sector, where he led the commercialisation of the stationary power business. We also welcomed Aidan Hughes as a Non-Executive Director who brings with him considerable experience of growing technology companies throughout his career and is a significant addition to the Board as Chair of the Audit Committee.
The ability to attract colleagues of the quality and experience of Aidan, James and Tony shows the growing market appeal and reputation of Ceres in the industry under the leadership of Phil Caldwell as CEO.

I have been working with Phil now for two years and we have a great team in place. We have invested in the core technology and are demonstrating significant technical progress, both internally and on customer sites worldwide. Initial evaluations at some of our customer sites have taken longer than planned which has impacted commercial progress and therefore we have not seen the anticipated revenue growth in the year. However, as long as we continue to hit our key technical milestones it is no longer a case of 'if' this technology will come to market but just a matter of 'when'. As part of the exciting energy evolution rolling out across the globe we see Ceres now becoming established as one of the leading independent technology companies in this rapidly growing distributed generation sector.

Alan Aubrey
Chairman

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1 'Global Distributed Generation Deployment Forecast', Navigant Research, 2014.

2 'Fuel Cells Annual Report 2014, Navigant Research

It has been an exciting year for us as well as a demanding one, working with some of the world's best companies in Japan and South Korea, which set extremely high standards for the performance of fuel cell technology. As the energy sector evolves and the distributed generation market matures, we have continued to invest in process and technical innovation in pursuit of our commercial aspirations, building the necessary capability, capacity and competence to compete on the global stage. It is only in doing so that we can meet the ambition we have for Ceres in establishing the Steel Cell as the standard for Solid Oxide Fuel Cell (SOFC) technology in the industry.

The market opportunity for our Steel Cell technology is greater than ever as we see significant deployment of fuel cells in our primary target markets in Japan, South Korea and the US. The Steel Cell enables mass market adoption of fuel cells as it provides all of the performance of the established older generation fuel cells in the industry, but with a unique robustness to cycling and offers customers a low-cost solution that can be manufactured using standard techniques and commodity materials. The ability to manufacture ceramics on Steel is unique to Ceres in the industry and key to our licensing strategy.

We therefore find ourselves exclusively positioned in having a disruptive low-cost next-generation Steel Cell technology, which is available to all power system companies in the sector. This allows us to embed the technology into as many applications and geographies as possible with the common building block of the Steel Cell at the core of future power systems.

Whilst we continue to demonstrate the low-cost potential to existing partners for the residential market, we have also made significant technical progress over the past year which will enable us to widen the applicability of this technology to higher-power systems for the light-commercial and power only sectors, broadening our target markets and ultimately the value we can create for our shareholders.

Commercial

Over the past year we have focused on two areas in our customer engagements: Firstly demonstrating that this relatively new and disruptive technology is mature enough for commercialisation by leading power system companies; secondly, that it has the potential to increase both in efficiency and power density to enable its application to other product applications beyond our residential platform.

We have reached a point now in the technology's maturity where we are able to engage with more customers globally, across a range of geographies, in response to increasing interest in the Steel Cell for a variety of applications.

In order to best realise this market potential we are investing in our commercial team globally and I am pleased to welcome Tony Cochrane to the business as Chief Commercial Officer. Brought in to spearhead our commercial activities, Tony has considerable experience in the fuel cell sector from his time in Ballard Power Systems, where he led the commercialisation of their Stationary Power business. Tony is based in North America, further boosting access to this market segment.

Expanding our presence and platform in Asia and building on the progress made through our local office in Japan, we recently opened an office in Seoul, South Korea. Forecast as having revenue potential of US$15bn alone by 2022[1], South Korea is a key target market for us, both to support our existing business relationships and to address further opportunities there.

'Progress on partnerships'

Working to the highest customer standards, we have seen successful deployment this year of our technology across several different markets, such that in Japan, South Korea and the UK, we have met all of the technical requirements set for the technology to date.

In Japan: In October last year, we announced a Joint Development with a leading Japanese Power system company and I am pleased to say we have met all our objectives after two years of working together and we expect to broaden this relationship in the near future.

We are also progressing further evaluations with several other Japanese companies for both residential and light-commercial applications and we have a healthy pipeline of new opportunities.

In South Korea: We successfully completed all testing at KD Navien's facility in Seoul, under the Technology Assessment Agreement, including aggressive accelerated testing for cycleability and steady state running. At KDN's request we have provided an additional system to provide parallel testing for both steady state and cycleability, as extended validation.

In the UK: IE CHP (a joint venture between SSE and Intelligent Energy) completed system testing of the technology in a simulated typical UK home environment, demonstrating the potential benefits for a UK customer. We expect to undergo further assessments of the technology in the UK this year.

Overall, I am satisfied with the commercial progress this year, even though this has not translated into revenue growth yet, as some of our customer evaluations have extended longer than anticipated. In the coming year, I expect we shall see an increasing number of these pipeline opportunities come through as new commercial relationships, in addition to the continued progress shown with our existing partners.

Technology

Internal and external validation of our technology has been a key focus over the past year. It is important to our customers that we can evidence lifetime and robustness equivalent to more established, early generation fuel cell technologies, while simultaneously demonstrating the significant uplift in performance and low cost of the Steel Cell. This has been a Company-wide effort and called for significant additional investment in our test and operations capability.

1 Stationary Fuel Cells: Global Market Analysis and Forecasts, 2014, Navigant Research

The technical progress we have made resulted in the recent release of our V3 technology to customers following extensive internal testing and validation proving durability and lifetime through accelerated and steady state testing. This validation included multiple stack testing over 10,000 hours achieving degradation rates equivalent to those required for product life of over 7 years and comparable to fuel cell competitors in Japan. Stack tests on earlier generations of the technology also surpassed 20,000 hours providing greater confidence in the long lifetime potential of the Steel Cell technology.

With robustness to cycling representing another key differentiator over conventional early generation SOFC, we have also completed aggressive accelerated testing (including redox and thermal cycling tests) equivalent to 10+ years of performance.

We are now working on our V4 release which is due to reach customers in 2016 and serves two primary purposes: preparing the technology for scale-up, as well as improving performance and reducing cost further.

In terms of performance, high electrical efficiency relative to other technologies, particularly at small scale, is a key driver for the adoption of SOFC technology. We have already demonstrated performance equivalent to the best available systems in Japan and aim to achieve over 50% net electrical efficiency in the next year.

Such performance not only enhances the already significant benefit to the residential consumer, but more importantly, widens the potential of the technology to other markets such as power-only and back-up power applications for the commercial and light-industrial business sectors.

The technology team has also been continuously improving the power output of the Steel Cell. We have shown power density improvements of 40% in the year and expect this to translate into lower-cost product offerings to customers in future releases of our technology.

At a system level we have also made great progress and expect to release the latest version of our prototype system architecture, the Steel Gen, which is fully compliant with all emission standards and probably the most compact SOFC system design available. This meets the key requirements to access the wider markets for installations in high-rise apartments in Asia.

In response to customer interest in higher-power products for light-commercial applications (such as the commercial market of 5-10kW power-only products), we have begun to develop multi-kW systems and I anticipate further progress in this area during the year.

All of the above improvements in performance, robustness and cost result in an improved economic payback for the end user, at an affordable price point and serve to strengthen our USP and competitive position.

Operations and Manufacturing

We are competing with – and in some instances looking to partner with – a number of the largest ceramics companies in the world, hence the quality and scalability of our manufacturing processes is

key and represents a source of great commercial value. Accordingly, we continue to invest in our manufacturing processes in Horsham which are unique to Ceres and a valuable asset.

I am also very pleased to have strengthened our team with the recent addition of James Falla as Chief Operating Officer. James joins Ceres with a track record in establishing operations in Asia for leading Tier 1 automotive companies.

Significant progress has been made on production scale-up projects, designed to demonstrate and validate production processes suitable for high-volume fuel cell manufacture. These are on track for delivery early next year through the V4 programme.

A good example of progress is the development of a high-speed screen print line which has been procured and part funded with an Innovate UK grant. Print-cycle time will reduce from 30 seconds to just 3 seconds.

In an example of innovation driving down costs still further, the latest cell design release also incorporates a change to the electrolyte deposition from spraying to screen printing. This key technical advance serves to replace a cost-intensive process with a faster, more economical and controllable printing process.

Looking ahead, we are in discussions with several manufacturing partners to scale the business in line with OEM demand with a particular focus on Asia as a first market.

Financial

Ceres is well financed to deliver its business plan, having raised £19.6M in equity, mostly from new investors at the start of the financial year, in an oversubscribed private placing. The Company ends the year with £18.2M in cash and cash equivalents and short-term investments (2014: £7.7M).

During the year equity free cash outflow (EFCF)[1] was £9.1M (2014: £7.7M). This planned increase was driven predominantly by the Company's investment in its people and technology development, as it increased its average number of employees from 72 to 96 and incurred recurring 'cash operating costs'[2] of £10.5M (2014: £8.2M). EFCF was also influenced by additions to the Group's test and manufacturing infrastructure as it incurred £1.2M capital expenditure (2014: £0.5M).

The Company's commercial progress has not translated directly into the revenue streams that we expected in the year. As a result our underlying revenue, which is primarily generated from customer evaluation and joint development agreements, and other operating income, fell in the year from £1.1M to £0.9M.

We continue to make use of available government grants, which remain flat at £0.6M, while underlying revenue fell from £0.5M to £0.3M[3]. Overall revenue has declined to £0.3M (2014: £1.2M) as in 2014 the Group released £0.7M of deferred revenue to the income statement due to the ending of a legacy agreement with Bord Gais Eirann.

1 Equity free cash outflow (EFCF) is the net change in cash and cash equivalents in the year less net cash generated from financing activities less the movement in short term investments.

2 Cash operating costs being operating costs less depreciation and share based payments charge.

3 Underlying revenue is total revenue less the release of deferred revenue relating to historic agreements

An important form of funding to the business comes in the form of R&D tax credits. We received £1.2M of tax credit relating to the prior year within the year (2014: £1.0M) and we aim to increase this going forward in line with the R&D activity of the business.

The Company's loss for the financial year rose from £7.4M in 2014 to £10.0M, in line with internal expectations as we have invested significantly in test, validation and engineering capability as we grow the business. As the weighted average number of shares in issue increased from 537M to 753M, the loss per ordinary share decreased from 1.38p to 1.33p.

Outlook

Over the past year we have deployed our technology in Japan, South Korea and the UK, completing all testing to date successfully, adding to our growing reputation in the industry.

This has required us to demonstrate considerable maturity as an organisation in order to compete with some of the world-leading ceramics companies and engage with global power systems players.

We have hit and surpassed key technical milestones, with the highlight being the release to customer programmes of the latest version of our cell and system technology. In order to do this we have invested in manufacturing and test capabilities in Horsham and also significantly in key hires for the team, broadening and deepening our capabilities and competences.

Looking ahead I expect to convert a number of our evaluation initiatives into significant development programmes and increase the number of partners we have in all stages of engagement. We continue to build relationships with a focus on securing the right strategic partners and I expect to announce further progress in our key relationships in the near future.

In particular, we shall target securing partners for new applications outside of our traditional residential market and plan to demonstrate a multi-kW platform capability in the coming year which will open up new markets based on the common platform of the Steel Cell technology.

As a technology company we expect to continuously improve our technology in accordance with our roadmap. Over the coming year I expect to announce further improvements at both core technology and system level with a focus on increasing power and efficiency as we look to improve further the economic proposition to our customers.

I should like to thank the whole team at Ceres for their continued focus and hard work over the year, without which this progress would not have been possible. I believe we now have a great team in place and we are at a point where our investment in the core technology will come through into our customer programmes.

Philip Caldwell
Chief Executive Officer

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2015

	Note	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Revenue		324	1,224
Cost of sales		(191)	(265)
Gross profit		**133**	**959**
Operating costs	2	(12,476)	(10,128)
Other operating income		621	581
Operating loss		**(11,722)**	**(8,588)**
Interest receivable		110	73
Loss before income tax		**(11,612)**	**(8,515)**

Income tax credit		1,571	1,122
Loss for the financial year and total comprehensive loss		**(10,041)**	**(7,393)**
Losses per £0.01 ordinary share expressed in pence per share:			
Basic and diluted loss per share	3	(1.33)p	(1.38)p

All activities relate to the Group's continuing operations and the loss for the financial year is fully attributable to the owners of the Parent.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2015

	Note	30 June 2015 £'000	30 June 2014 £'000
Assets			
Non-current assets			
Property, plant and equipment		2,080	1,657
Other receivables		-	58
Total non-current assets		**2,080**	**1,715**
Current assets			
Trade and other receivables		982	1,219
Current tax receivable		1,519	1,166
Short-term investments	6	6,000	-
Cash and cash equivalents	6	12,184	7,699
Total current assets		**20,685**	**10,084**
Liabilities			
Current liabilities			
Trade and other payables		(1,708)	(1,143)
Provisions for other liabilities and charges		(305)	(242)
Total current liabilities		**(2,013)**	**(1,385)**
Net current assets		**18,672**	**8,699**
Non-current liabilities			
Accruals and deferred income		(1,121)	(1,175)
Provisions for other liabilities and charges		(950)	(1,166)
Total non-current liabilities		**(2,071)**	**(2,341)**
Net assets		**18,681**	**8,073**
Equity			
Share capital	4	7,725	5,369

Share premium account	90,120	72,907
Capital redemption reserve	3,449	3,449
Other reserve	7,463	7,463
Profit and loss account (deficit)	(90,076)	(81,115)
Total equity	**18,681**	**8,073**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2015

	Share capital £'000	Share premium account £'000	Capital Redemption reserve £'000	Other reserve £'000	Profit and loss account (deficit) £'000	Total £'000
At 1 July 2013	8,817	72,906	-	7,463	(74,578)	14,608
Comprehensive loss						
Loss for the year	-	-	-	-	(7,393)	(7,393)
Total comprehensive loss	-	-	-	-	(7,393)	(7,393)
Transactions with owners						
Issue of shares, net of costs	1	1	-	-	-	2
Cancellation of deferred shares, net of costs	(3,449)	-	3,449	-	-	-
Share-based payments charge	-	-	-	-	856	856
Total transactions with owners	(3,448)	1	3,449	-	856	858
At 30 June 2014	**5,369**	**72,907**	**3,449**	**7,463**	**(81,115)**	**8,073**
Comprehensive loss						
Loss for the year	-	-	-	-	(10,041)	(10,041)
Total comprehensive loss	-	-	-	-	(10,041)	(10,041)
Transactions with owners						
Issue of shares, net of costs	2,356	17,213	-	-	-	19,569
Share-based payments charge	-	-	-	-	1,080	1,080
Total transactions with owners	2,356	17,213	-	-	1,080	20,649
At 30 June 2015	**7,725**	**90,120**	**3,449**	**7,463**	**(90,076)**	**18,681**

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

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2015

	Note	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Cash flows from operating activities			
Cash used in operations	5	(9,182)	(8,252)
Income tax received		1,218	1,000
Net cash used in operating activities		**(7,964)**	**(7,252)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,243)	(520)
Movement in short-term investments		(6,000)	6,207
Finance income received		110	75
Net cash (used in)/generated from investing activities		**(7,133)**	**5,762**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		20,035	2
Net expenses of shares issued		(466)	-
Net cash generated from financing activities		**19,569**	**2**
Net increase/(decrease) in cash and cash equivalents		**4,472**	**(1,488)**
Exchange gains/(losses) on cash and cash equivalents		13	(43)
		4,485	(1,531)
Cash and cash equivalents at beginning of period		7,699	9,230
Cash and cash equivalents at end of period		**12,184**	**7,699**

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

Notes to the financial statements for the year ended 30 June 2015

1. Basis of preparation

The consolidated financial statements of the Group have been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, the IFRS Interpretations Committee (IFRS-IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on a historical cost basis except for certain items that have been measured at fair value as detailed in the individual accounting policies.

The financial information contained in this final announcement does not constitute statutory accounts as defined by in Section 434 of the Companies Act 2006. The financial information has been extracted from the financial statements for the year ended 30 June 2015 which have been approved by the Board of Directors, and the comparative figures for the year ended 30 June 2014 are based on the financial statements for that year.

The accounts for 2014 have been delivered to the Registrar of Companies and the 2015 accounts will be delivered after the Annual General Meeting.

The Auditor has reported on both sets of accounts without qualification, did not draw attention to any matters by way of emphasis without qualifying their report, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

The accounting policies adopted are consistent with those of the financial statements for the year ended 30 June 2014, as described in those financial statements.

The Directors have a reasonable expectation that the Group and Company have adequate resources to progress their established strategy for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

2. Operating costs

Operating costs are split as follows:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Research and development costs	9,146	7,138
Administrative expenses	3,330	2,990
	12,476	**10,128**

3. Loss per share

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loss for the financial year attributable to shareholders	**(10,041)**	**(7,393)**
Weighted average number of shares in issue	753,164,756	536,831,883
Loss per £0.01 ordinary share (basic & diluted)	(1.33)p	(1.38)p

4. Share capital

Ceres Power Holdings plc has called-up share capital totalling 772,537,841 £0.01 ordinary shares as at 30 June 2015 (536,831,973 ordinary shares of £0.01 each at 30 June 2014).

During the period 235,705,868 ordinary shares of £0.01 each were issued as a placing on AIM for cash consideration of £20,035,000. Expenses of the issue were £466,000.

5. Cash used in operations

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loss before income tax	(11,612)	(8,515)
Adjustments for:		
Other finance income	(110)	(73)
Depreciation of property, plant and equipment	926	1,069
Share-based payments charge	1,080	856
Operating cash flows before movements in working capital	**(9,716)**	**(6,663)**
Decrease/(increase) in trade and other receivables	295	(773)
Increase/(decrease) in trade and other payables	392	(670)
Decrease in provisions	(153)	(146)
Decrease/(increase) in working capital	534	(1,589)
Cash used in operations	**(9,182)**	**(8,252)**

6. Net cash, short-term investments and financial assets

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Cash at bank and in hand	1,135	982
Money market funds	11,049	6,717
Cash and cash equivalents	12,184	7,699
Short-term investments (bank deposits > 3 months)	6,000	-
	18,184	**7,699**

The Group typically places surplus funds into pooled money market funds and bank deposits with durations of up to 12 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 with 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.