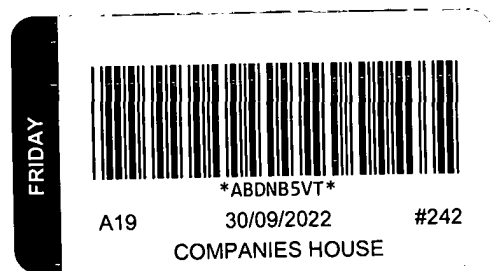


Autonomous Robotics Limited

Report and Financial Statements

For the year ended 31 December 2021

Registered No. 08704658



Report and financial statements

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Directors and other information

Directors

C D Soukup
D A Grant
A Holloway

Registered office

Eastleigh Court
Bishopstrow
Warminster
Wiltshire
BA12 9HW

Registered No. 08704658

Bankers

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EY

Auditors

Jeffreys Henry LLP
Finsgate 5-7 Cranwood Street
London
EC1V 9EE

2

Directors' report

The directors have pleasure in presenting their report for the year ended 31 December 2021.

Principal activities, review of business and future prospects

The principal activity of the company in the year under review was that of research and development of geophysical node technology.

A full review of the year is shown in the parent company Thalassa Holdings Ltd's Group accounts which are available on their website www.thalassaholdingsltd.com.

Results and Dividends

The loss for the year ended 31 December 2021 was £158,981 (2020 loss: £278,763). The directors do not propose to pay a dividend.

Going Concern

The financial statements have been prepared on the going concern basis. This contemplates the realisation of the assets and liabilities in the ordinary course of business. The company's ultimate holding company, Thalassa Holdings Ltd, has agreed to provide financial support and not demand repayment to enable the company to meet its future liabilities as they fall due. A letter confirming this has been obtained.

Directors

The Directors of the Company during the year ended 31 December 2021 were as follows:

C D Soukup

D A Grant

A Holloway

J Hedges (resigned 6/7/21)

Disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director, including making appropriate enquiries of the company's auditor for that purpose, in order to make themselves aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditor is aware of that information.

Small company provisions

Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006 in the preparation of the Directors' Report and from the requirement to prepare a strategic report.

By Order of the Board



.....
C D Soukup

Director

26 September 2022

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Accounting Standards as adopted by the UK and applicable law. The financial statements must, in accordance with IFRS as adopted by the European Union, present fairly the financial position and performance of the company; such references to the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Autonomous Robotics Limited

We have audited the financial statements of Autonomous Robotics Limited which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-Adopted International Accounting Standards ("IFRS") and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report

to the members of Autonomous Robotics Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

Independent auditor's report

to the members of Autonomous Robotics Limited

guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment, health and safety legislation and anti-money laundering regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries with specific attributes to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

Independent auditor's report

to the members of Autonomous Robotics Limited

- review of legal expenditure incurred during the year;
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

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.



Sanjay Parmar

Senior Statutory Auditor

For and on behalf of

Jeffreys Henry LLP (Statutory Auditors)

Finsgate

5-7 Cranwood Street

London

EC1V 9EE

26 September 2022

Statement of comprehensive income

for the year ended 31 December 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Revenue	3	109,565	-
Cost of Sales		(48,342)	5,818
Gross Loss		61,223	5,818
Administrative Expenses		(342,370)	(490,886)
Operating loss before depreciation		(281,147)	(485,068)
Depreciation and amortisation		(12,389)	(11,965)
Operating loss	4	(293,536)	(497,033)
Finance costs	6	(822)	130,420
Loss before taxation		(294,358)	(366,613)
Income tax	7	135,377	87,850
Total comprehensive expense for the year		(158,981)	(278,763)

There are no items of other comprehensive income.

The notes on pages 13 to 25 form an integral part of the financial statements.

Statement of financial position

for the year ended 31 December 2021

	Notes	As at 31 December 2021 £	As at 31 December 2020 £
Non-current assets			
Intangible assets	8	888,739	471,313
Property, plant and equipment	9	31,670	43,351
		<u>920,409</u>	<u>514,664</u>
Current assets			
Trade and other receivables	10	209,410	110,511
Cash and cash equivalents	11	30,561	129,748
		<u>239,971</u>	<u>240,259</u>
Total Assets		<u>1,160,380</u>	<u>754,923</u>
Capital and Reserves			
Share capital	17	100	100
Other reserves	13	7,078,017	6,493,527
Accumulated losses		(6,069,411)	(5,910,430)
Total Equity & Shareholders Funds		<u>1,008,706</u>	<u>583,197</u>
Current liabilities			
Trade and other payables	12	132,225	142,910
Total current liabilities		<u>132,225</u>	<u>142,910</u>
Non-current liabilities			
Lease liability	14	19,449	28,816
Total non-current liabilities		<u>19,449</u>	<u>28,816</u>
Total liabilities		<u>151,674</u>	<u>171,726</u>
Total equity and liabilities		<u>1,160,380</u>	<u>754,923</u>

The notes on pages 13 to 25 form an integral part of the financial statements. These accounts were approved by the Board of Directors and authorised for issue on 26 September 2022 and were signed on its behalf by



C D Soukup Director

Company No: 08704658

Statement of changes in equity

for the year ended 31 December 2021

	Share capital	Other reserves	Accumulated losses	Shareholders' funds
	£		£	£
Balance as at 31 December 2019	100	-	(5,631,667)	(5,631,567)
Total comprehensive expense for the period	-	-	(278,763)	(278,763)
Balance as at 31 December 2020	100	-	(5,910,430)	(5,910,330)
Reclassify parent company capital contribution	-	6,493,527	-	6,493,527
Total comprehensive expense for the year	-	-	(158,981)	(158,981)
Increase in parent company capital contribution	-	584,490	-	584,490
Balance as at 31 December 2021	100	7,078,017	(6,069,411)	1,008,706

The notes on pages 13 to 25 form an integral part of the financial statements.

Statement of cash flows

for the year ended 31 December 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash flows from operating activities			
Loss for the year before taxation		(294,358)	(366,613)
Depreciation and amortisation	4	12,389	11,965
Interest expense	6	-	(130,420)
Decrease /(Increase) in trade and other receivables		(57,064)	(6,903)
Increase/(decrease) in trade and other payables		(20,050)	(32,454)
Taxation received		93,541	91,763
Net cash flow from operating activities		(265,542)	(432,662)
Cash flows from investing activities			
Acquisition of fixed assets	9	(708)	(5,057)
Capitalised development costs	8	(417,426)	(339,746)
Net cash flow from investing activities		(418,135)	(344,803)
Cash flows from financing activities			
Drawdown of capital contribution from parent company		584,490	662,763
Net cash flow from financing activities		584,490	662,763
Net increase in cash and cash equivalents		(99,187)	(114,702)
Cash and cash equivalents at the start of the year		129,748	244,450
Cash and cash equivalents at the end of the year	11	30,561	129,748

Notes to the financial statements

for the year ended 31 December 2021

1. Authorisation of financial statements

Autonomous Robotics Ltd is a private company limited by shares incorporated on 25 September 2013 under the laws of the United Kingdom and domiciled in England and Wales. The registered office is Eastleigh Court 2nd Floor, Bishopstrow, Warminster, BA12 9HW.

The principal accounting policies adopted by the company are set out in note 2. The principal activity of the company is that of research and development of geophysical node technology.

2. Accounting policies and statement of compliance

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRSs") and the Companies Act 2006.

Going concern

The financial statements have been prepared on the going concern basis. This contemplates the realisation of the assets and liabilities in the ordinary course of business. The company's ultimate holding company, Thalassa Holdings Ltd, has agreed to provide financial support to enable the company to meet its future liabilities as they fall due. A letter confirming this financial support has been obtained.

Further information in relation to the business activities is set out in the Directors' report. Information on strategies surrounding managing foreign exchange rate risk, liquidity risk, capital risk and credit risk can be found in note 15.

Key sources of estimation uncertainty

The key assumptions and judgement areas relate to the depreciation and carrying value of the plant and equipment. There are no key estimates.

Foreign currency

The functional currency of the Company is sterling GBP. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Financial assets

Financial assets are cash or a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity. In addition, contracts that result in another entity delivering a variable number of its own equity instruments are financial assets. The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Research & development

Management judgement is required to determine whether any of the Company's individual research and development projects reached the development stage during the year in accordance with IAS 38 and whether any amounts should be capitalised as intangible assets based on management's assessment of the technical, commercial and financial viability of the individual projects.

Trade and other receivables

Trade receivables are initially measured at fair value and are subsequently measured at amortised cost less appropriate provisions for estimated irrecoverable amounts. Such provisions are recognised in the statement of income. Provision for losses are made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies and statement of compliance (continued)

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable economic conditions. In addition contracts which result in the Company delivering a variable number of its own equity instruments are financial liabilities. Equity instruments containing such obligations are classified as financial liabilities.

Trade and other payables

Trade and other payables are not interest-bearing and are initially valued at their fair value and are subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Intangible assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Company and that its cost can be measured reliably. Such intangible assets are carried at cost less amortisation. Amortisation is charged to Administrative expenses in the Statement of Comprehensive Income on a straight-line basis over the intangible assets useful economic life. The amortisation is based on a straight-line method typically over a period of 1-10 years depending on the life of the related asset.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development costs are capitalised as an intangible asset only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefit;
- the development cost of the asset can be measured reliably;
- it meets the Company's criteria for technical and commercial feasibility; and
- sufficient resources are available to meet the development costs to either sell or use as an asset.

Tangible fixed assets

Tangible assets are stated at cost less depreciation and any provision for impairment. Cost includes the purchase price, including import duties, non-refundable purchase taxes and directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Cost also includes capitalised interest on borrowings, applied only during the period of construction.

Fixed assets are depreciated on a straight line basis between 3 and 15 years from the point at which the asset is put into use.

Impairment of assets

An assessment is made at each reporting date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in a prior period may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the statement of income in the period in which it arises.

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies and statement of compliance (continued)

Impairment of assets (continued)

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation / amortisation), had no impairment loss been recognised for the asset in a prior period. A reversal of an impairment loss is credited to the statement of income in the period in which it arises.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments with maturities of three months or less at inception that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Taxes

Autonomous Robotics Ltd is incorporated in the UK and is therefore subject to UK tax regulations. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

Deferred tax is provided in full using the liability method on all timing differences which result in an obligation at the reporting date to pay more tax, or the right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not provided when the amounts involved are not significant.

Revenue recognition

Turnover represents the provision of goods and services, excluding value added tax. Revenue is recognised when the right to consideration is obtained through performance of contractual obligations. Generally performance represents daily operations under an individual contract, except to the extent that specific costs are recharged as incurred.

Finance income

Income is recognised as interest accrued using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Pension scheme

The company operates a defined contribution pension scheme and costs are expensed as incurred.

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies and statement of compliance (continued)

Leases

For any new contracts the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset, or restore a property, at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It will also be remeasured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements

for the year ended 31 December 2021

3. Revenue

The Company is in the progressing stages of a research and development. The revenue reported is grant income.

	2021	2020
	£	£
Grant income	109,565	-
	109,565	-

4. Operating loss

This is stated after charging:

	2021	2020
	£	£
Depreciation and amortisation	12,389	11,965
Research and Development	68,390	39,722
Defined Contribution Pension costs	12,163	11,032
Audit fees	10,000	10,000

5. Staff costs and directors' emoluments

(a) Staff costs

	2021	2020
	£	£
Wages and salaries	263,196	226,844
Social security costs	27,483	20,229
Other pension costs	12,163	11,032
	302,842	258,105

The average monthly number of employees during the period was made up as follows:

	2021	2020
	No.	No.
Development	5	5
Admin	6	4
	11	9

Notes to the financial statements

for the year ended 31 December 2021

(b) Directors' emoluments

	2021	2020
	£	£
Remuneration for qualifying services	100,805	148,077
Social security costs	6,786	9,243
	<u>107,591</u>	<u>157,320</u>
	No.	No.
Number of Directors	3	4

The remuneration of the highest paid Director was £46,422 (2020: £58,500).

6. Finance Costs

	2021	2020
	£	£
Lease Liability Interest	822	1,088
Loan interest expense	-	(131,508)
	<u>822</u>	<u>(130,419)</u>
At 31 December		

Notes to the financial statements

for the year ended 31 December 2021

7. Taxation

(a) Tax on profit on ordinary activities

	2021	2020
	£	£
Current tax	-	-
Tax rebate on R&D activities	(135,377)	(87,850)
	<u>(135,377)</u>	<u>(87,850)</u>
Loss before tax	294,358	366,613
Tax at 19%	55,928	69,656
Tax rebate on current and prior year R&D activities	(135,377)	(87,850)
Losses carried forward	(55,928)	(69,656)
	<u>(135,377)</u>	<u>(87,850)</u>

(b) Deferred Tax

The company has unprovided trading losses carried forward of approximately £4.4m available for utilisation against future trading profits.

A deferred tax asset has not been recognized due to the uncertainty of future profits against which the losses may be utilized.

Notes to the financial statements

for the year ended 31 December 2021

8. Intangible assets

	Development Costs 2021	Development Costs 2020
	£	£
Cost at 1 January	471,313	131,567
Additions	417,426	339,746
Disposals	-	-
Cost at 31 December	<u>888,739</u>	<u>471,313</u>
Amortisation at 1 January	-	-
Charge for the year	-	-
Disposals	-	-
Amortisation as at 31 December	<u>-</u>	<u>-</u>
Closing net book value at 31 December	<u>888,739</u>	<u>471,313</u>

9. Property, plant and equipment

	Fixtures & Fittings 2021	Fixtures & Fittings 2020
	£	£
Cost at 1 January	91,396	86,339
Additions	708	5,057
Cost at 31 December	<u>92,104</u>	<u>91,396</u>
Depreciation at 1 January	48,045	36,080
Charge for the year	12,389	11,965
Depreciation at 31 December	<u>60,434</u>	<u>48,045</u>
Closing net book value at 31 December	<u>31,670</u>	<u>43,351</u>

10. Trade and other receivables

Notes to the financial statements

for the year ended 31 December 2021

	2021	2020
	£	£
Corporation tax receivable	128,893	87,057
Other receivables	80,517	23,454
	209,410	110,511

11. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at 31 December:

	2021	2020
	£	£
Cash at bank and in hand	30,561	129,748
	30,561	129,748

Cash and cash equivalents are measured at fair value.

12. Trade and other payables

	2021	2020
	£	£
Trade payables	11,387	30,709
Accruals	84,161	62,787
Lease Liability	9,367	9,136
Other payables	27,310	40,278
	132,225	142,910

Notes to the financial statements

for the year ended 31 December 2021

13. Parent company capital contribution

	2021	2020
	£	£
Parent company capital contribution	7,078,017	6,493,527

The company has been funded by a parent company drawdown loan facility of up to £10,000,000 paid in tranches for the purpose of the purchase and/or research and development of the Autonomous Robotics Limited autonomous underwater vehicle product and any derivatives thereof. The loan was subject to interest at 5% per annum to June 2019 after which further interest is no longer chargeable. The advance is for an initial term of 12 months, renewable for further periods of 12 months unless terminated by either party with 6 months prior written notice.

14. Leases as lessee

The company entered into a lease for the rent of the top floor of Eastleigh Court near Warminster for £10,000 per annum. However, the rent is being accrued and will only become payable upon successful completion of the fundraising exercise.

Right-of-use asset

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 9).

	Leasing 2021	Leasing 2020
	£	£
Balance at 1 January	37,038	46,297
Depreciation charge for the year	(9,259)	(9,259)
Balance at 31 December	27,779	37,038
Lease liabilities		
Current	9,367	9,136
Non-current	19,449	28,816
	28,816	37,952

Amounts recognised in profit or loss

	2021	2020
	£	£
Depreciation charge of right-of-use assets - Buildings	(9,259)	(9,259)
Interest expenses (included in finance cost)	(864)	(1,088)

Notes to the financial statements

for the year ended 31 December 2021

15. Financial instruments

The company's financial instruments comprise cash and cash equivalents together with various items such as trade payables etc, that arise directly from its operations. The fair value of the financial assets and liabilities approximates the carrying values disclosed in the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The company's principal financial instruments comprise cash and trade payables.

Interest rate risk

The company does not undertake any hedging against interest rate risk. The company finances its operations from parent company loans. The Group has no external borrowings as at 31 December 2021.

Credit risk

The Company currently has no customers.

Liquidity risk

The company is financed by parent company loans and the credit terms afforded by trade payables.

Cash flow forecasts are produced to assist management in identifying liquidity requirements and are stress tested for possible scenarios. Cash balances are readily available to settle short-term liabilities or fund capital additions.

The table below summarises the maturity profile of the company's financial liabilities at 31 December 2021 and 31 December 2020 based on contractual undiscounted payments.

Year end 31 December 2021

	<i>On demand</i>	<i>Less than 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	£	£	£	£	£	£
Trade payables	-	11,387	-	-	-	11,387
Lease liabilities	-	2,320	7,047	19,449	-	28,816

Year end 31 December 2020

	<i>On demand</i>	<i>Less than 3 months</i>	<i>3-12 months</i>	<i>1-5 years</i>	<i>More than 5 years</i>	<i>Total</i>
	£	£	£	£	£	£
Trade payables	-	30,709	-	-	-	30,709
Lease liabilities	-	2,263	6,873	28,816	-	37,952

Trade payables include amounts owed to third parties and fellow group Companies as analysed in note 12.

Notes to the financial statements

for the year ended 31 December 2021

15. Financial instruments (continued)

Foreign currency risk

Transactions with overseas customers and suppliers are minimal and thus exposure to foreign currency risk is currently immaterial.

Fair values of financial assets and liabilities

At the end of 31 December, the company financial assets comprise cash balances with its book value and fair value amounting to £30,561. The fair value of financial assets and liabilities approximate to their carrying value.

16. Capital management

The company's capital comprises ordinary share capital and accumulated losses. The Group has access to funding via a parent company loan which is sufficient to meet expenditure and ongoing commitments. The company does not have any externally imposed capital requirements.

17. Issued share capital

	2021	2020
	£	£
Share Capital	100	100
	<u>100</u>	<u>100</u>

Issued capital comprises:

	2021	2020
Authorised, issued and fully paid		
Shares issued	100	100
	£	£
Fully paid ordinary £1 shares	100	100

18. Related Party Transactions

The Company owed rent of £10,000 during the period for trading premises from Eastleigh Court Limited. The beneficiaries of Eastleigh Court Ltd include D Soukup, a director during the period.

Key Management Personnel Compensation

Key management personnel during the period are deemed to be the directors Mr D Grant, A Holloway and J Hedges (resigned 6/7/21). The remuneration for these individuals is disclosed in note 5(b).

Notes to the financial statements

for the year ended 31 December 2021

The company has been funded by a parent company loan, reclassified as capital contribution. Further details of this loan are disclosed in note 13.

19. Ultimate Controlling Party

The ultimate and immediate controlling party is deemed to be Thalassa Holdings Ltd, a Company incorporated in the BVI, and whose shares are trading on London Stock Exchange plc's main market for listed securities.

20. Copies of the Group Financial Statements

The ultimate parent company is Thalassa Holdings Ltd. The consolidated group financial statements are available on the Thalassa Holdings' website: www.thalassaholdingsltd.com.