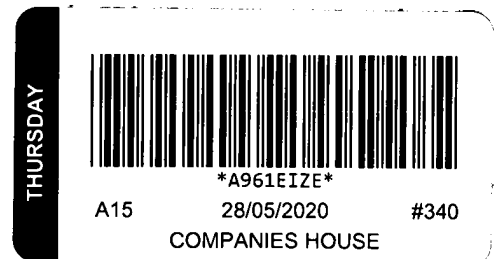


Registration number: 03266902

MINESTO UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



MINESTO UK LIMITED

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MINESTO UK LIMITED

COMPANY INFORMATION

Director	Martin Edlund
Company secretary	Goodwille Limited
Registered office	Celtic House 41-43 Market Street Holyhead Anglesey LL65 1UN
Independent Auditor	Harmer Slater Limited Statutory Auditor Salatin House 19 Cedar Road Sutton Surrey SM2 5DA

MINESTO UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his annual report on the affairs of Minesto UK Limited, together with the financial statements and auditor's report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is that of research into the development of a novel tidal power plant.

Director of the company

The director who served throughout the year and up to date of authorisation of this report was as follows:

Martin Edlund

Going concern

The director has considered financial projections for the company over the foreseeable future and has also reviewed the ongoing committed financial support from the company's parent undertaking and is confident that this will be available for the foreseeable future. After making enquiries, the director is satisfied that the company has sufficient resources to continue in operation for the foreseeable future, being at least 12 months from the date of signing the financial statements. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

Minesto UK Limited is reliant on the support of Minesto AB as the parent company which is committed to the UK market and has demonstrated its support through a letter of support.

Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.

Statement of disclosure to the auditors

Each director has taken steps that they ought to have taken as a director in order to make himself aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Reappointment of auditors

Harmer Slater Limited are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

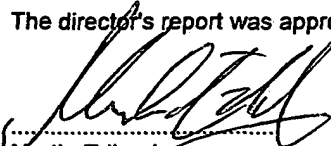
MINESTO UK LIMITED

**DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019
(CONTINUED)**

Small companies provision statement

The directors have taken advantage of the small companies exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the director's report on the grounds that the company qualifies as a small company but for being a member of an ineligible group.

The director's report was approved on 17 March 2020 and signed by:


.....
Martin Edlund
Director

MINESTO UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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 MEMBER OF MINESTO UK LIMITED

Opinion

We have audited the financial statements of Minesto UK Limited (the 'company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MINESTO UK LIMITED (CONTINUED)

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

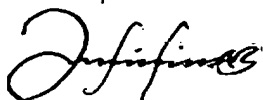
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MINESTO UK LIMITED (CONTINUED)

-
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
 - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's member, 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 member those matters we are required to state 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Ransford Agyei-Boamah (Senior Statutory Auditor)
For and on behalf of Harmer Slater Limited, Statutory Auditor

Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

17 March 2020

MINESTO UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Revenue	3	1,347,863	4,536,512
Research and development costs		(4,840,949)	(8,927,148)
Administrative expenses		(445,390)	(455,221)
Other operating income	4	<u>3,938,476</u>	<u>4,845,857</u>
Operating profit/(loss)	5	<u>-</u>	<u>-</u>
Profit/(loss) before tax		<u>-</u>	<u>-</u>
Profit/(loss) for the financial year		-	-
Retained earnings brought forward		<u>(166,432)</u>	<u>(166,432)</u>
Retained earnings carried forward		<u>(166,432)</u>	<u>(166,432)</u>

Continuing operations

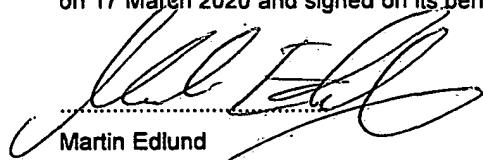
All results are derived wholly from continuing operations.

MINESTO UK LIMITED

(REGISTRATION NUMBER: 03266902) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Non-current assets			
Property, plant and equipment	10	44,736	52,749
Current assets			
Receivables	11	3,227,346	2,756,598
Cash at bank and in hand	12	209,838	67,622
		<u>3,437,184</u>	<u>2,824,220</u>
Payables: Amounts falling due within one year	13	<u>(3,478,000)</u>	<u>(2,873,049)</u>
Net current liabilities		<u>(40,816)</u>	<u>(48,829)</u>
Net assets		<u>3,920</u>	<u>3,920</u>
Equity			
Called up share capital	15	2	2
Capital contribution reserve	15	170,350	170,350
Retained earnings	15	<u>(166,432)</u>	<u>(166,432)</u>
Total equity		<u>3,920</u>	<u>3,920</u>

The financial statements of Minesto UK Limited were approved and authorised for issue by the Board on 17 March 2020 and signed on its behalf by:


 Martin Edlund
 Director

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 General information

Minesto UK Limited (the 'company') is a private company limited by share capital incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors report on page 2.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Going concern

The director has considered financial projections for the company over the foreseeable future and has also reviewed the ongoing committed financial support from the company's parent undertaking and is confident that this will be available for the foreseeable future. After making enquiries, the director is satisfied that the company has sufficient resources to continue in operation for the foreseeable future, being at least 12 months from the date of signing the financial statements. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

Minesto UK Limited is reliant on the support of Minesto AB as the parent company which is committed to the UK market and has demonstrated its support through a letter of support.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are presented in sterling (£).

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2 Accounting policies (continued)

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of its parent, Minesto AB, which may be obtained from Vita Gavelns Väg 6, 426 71 Västra Frölunda, Sweden. Minesto AB is listed on First North at NASDAQ Stockholm. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement, transactions with group entities and remuneration of key management personnel.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Government grants - Government grants of a revenue nature are credited to other operating income so as to match them with the expenditure to which they relate. The company makes grant claims quarterly to the Welsh Government which then carry out a review of the claim as required by EU regulations before it is approved and paid to the company. As at 31 December 2019, the company's trade receivables included £1,376,949 in respect of claims made to the Welsh Government which are subject to audit. These grant claims have been fully recovered since the year end.

In addition to the above, an accrued grant income of £1,590,063 was recognised at 31 December 2019. This accrual is an estimate based on previous grant claims and any difference between this accrual and the actual future income will be accounted for in the period in which the grant is received.

Deferred taxation - At 31 December 2019, the company had unrelieved tax losses of approximately £218,000. No deferred tax asset has been recognised in respect of these tax losses. In the director's opinion, there may not be other future taxable profits against which the tax losses will be relieved and consequently have not recognised any deferred tax asset.

Property, plant and equipment - The company makes provision for depreciation of property plant and equipment; this provision requires estimates of the useful economic lives and residual values for the underlying assets. These estimates are based on a variety of factors which may be uncertain. The carrying amount at the year end is £44,736 (2018 -£52,749).

Revenue recognition

Revenue represents the value of consideration receivable for the provision of research and development services to its parent undertaking, net of value added tax. Revenue from the provision of services is recognised when the services have been provided. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the company.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2 Accounting policies (continued)

Government grants

Government grants in respect of capital expenditure are deducted from the related assets, with a consequent reduction in the annual charge for depreciation/amortisation released to the statement of income and retained earnings over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to the income statement so as to match them with the expenditure to which they relate and are included in other operating income.

Research and development costs

The company expenses all research costs as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved processes, is capitalised as an intangible asset if the process is technically and commercially feasible and the company has sufficient resources and the intention to complete development. All other development expenditures and expenditures on research activities are recognised in the Statement of income and retained earnings.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into Sterling at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Taxation

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Property, plant and equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciation and any provision for impairment. Cost comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

2 Accounting policies (continued)

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Depreciation method and rate
Equipment and tools	10 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise bank current accounts that are subject to an insignificant risk of change in value.

Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the company. Contributions are recognised in the income statement in the period in which they become payable.

Financial instruments

The company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the company. Contributions are recognised in the income statement in the period in which they become payable.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

3 Revenue

In the opinion of the director, the company's revenue, profit before taxation and net assets are attributable to the company's one principal business in the United Kingdom only and not attributable to classes of business or geographical segments which differ substantially from each other. Consequently, no segmental information has been presented. Turnover derives wholly from the provision of services.

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019 £	2018 £
Government grants	3,626,989	4,845,210
Insurance claim	311,487	647
	<u>3,938,476</u>	<u>4,845,857</u>

5 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	8,013	8,013
Foreign exchange losses	(111,692)	(12,538)
Operating lease expense - other	<u>22,399</u>	<u>24,866</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Wages and salaries	1,022,999	946,861
Social security costs	130,042	103,275
Pension costs, defined contribution scheme	<u>54,578</u>	<u>45,594</u>
	<u>1,207,619</u>	<u>1,095,730</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

6 Staff costs (continued)

The average number of persons employed by the company/director/the director during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	6	5
Research and development	18	16
	<u>24</u>	<u>21</u>

7 Director's remuneration

No remuneration was paid to the director during the year (2018: £nil). He was remunerated by another group undertaking.

8 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>2,200</u>	<u>1,750</u>
Other fees to auditors		
All other non-audit services	<u>2,250</u>	<u>1,950</u>
	<u>2,250</u>	<u>1,950</u>

9 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

9 Taxation (continued)

The standard rate of UK corporation tax applied to reported profit before tax for the year is 19% (2018 - 19%).

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2019 £	2018 £
Profit/(loss) before tax	-	-
Corporation tax at standard rate	-	-
Effect of tax losses	(1,522)	(1,522)
Tax increase (decrease) from effect of capital allowances and depreciation	1,522	1,522
Total tax charge/(credit)	-	-

The company has tax losses of £210,800 (2018: £218,800) which are available to be utilised against future profits. No deferred tax asset has been recognised in respect of these losses.

10 Property, plant and equipment

	Equipment and tools £
Cost	
At 1 January 2019	80,125
At 31 December 2019	80,125
Depreciation	
At 1 January 2019	27,376
Charge for the year	8,013
At 31 December 2019	35,389
Carrying amount	
At 31 December 2019	44,736
At 31 December 2018	52,749

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

11 Receivables

	2019 £	2018 £
Trade receivables	1,407,935	1,198,273
Other receivables	136,554	176,329
Prepayments and accrued income	1,682,857	1,381,996
	<u>3,227,346</u>	<u>2,756,598</u>

Included within other receivables is a decommissioning and restoration security deposit of £20,000 (2018: £20,000) which is recoverable after more than one year.

12 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	<u>209,838</u>	<u>67,622</u>

13 Payables

	2019 £	2018 £
Due within one year		
Trade payables	46,303	199,487
Amounts owed to group undertakings	3,202,222	2,497,359
Social security and other taxes	51,897	33,866
Outstanding defined contribution pension costs	6,377	4,427
Other payables	-	15,356
Accrued expenses	171,201	122,554
	<u>3,478,000</u>	<u>2,873,049</u>

The amount owed to the parent undertaking disclosed as falling within one year is unsecured, payable on demand and is non-interest bearing.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

14 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £54,578 (2018 - £45,594). Contributions totalling £6,377 (2018 - £4,427) were payable to the scheme at the end of the year and are included in creditors.

15 Share capital and reserves

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The company has one class of share capital which carries no right to fixed income.

Reserves

Retained earnings represents cumulative profit or losses net of dividends paid and other adjustments. This reserve is distributable.

Capital contribution represents funding from the parent that carries no rights to repayment or control over usage. This reserve forms part of the company's distributable reserves.

16 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	93,711	22,399
Later than one year and not later than five years	424,792	-
Later than five years	<u>419,792</u>	<u>-</u>
	<u>938,295</u>	<u>22,399</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

16 Obligations under leases (continued)

The amount of non-cancellable operating lease payments recognised as an expense during the year was £22,399 (2018 - £24,866).

17 Related party transactions

The company is a wholly owned subsidiary member of its group and has therefore taken advantage of the provisions of Section 33. 1A of FRS 102 the "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are wholly owned members of the group.

There were no other related party transactions to disclose.

18 Parent and ultimate parent undertaking

The company's parent undertaking is Minesto AB; the address of its registered office is Vita Gavelns Väg 6 Västra Frölunda, 426 71, Sweden.

The most senior parent entity producing financial statements available for public use is Minesto AB. These financial statements are available from Vita Gavelns Väg 6, 426 71 Västra Frölunda, Sweden. Minesto AB is listed on First North at NASDAQ Stockholm.

The ultimate controlling party is Minesto AB.

19 Events after the financial period

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to, or disclosure in, the financial statements.