Registered number 05698169

SURREY AQUATECHNOLOGY LTD

Annual report and unaudited financial statements

For the year ended 31 December 2021

SURREY AQUATECHNOLOGY LTD

Annual report and financial statements

Contents

SURREY AQUATECHNOLOGY LTD

Company Information

Directors

Camillus Glover (appointed 19 April 2021)

Simon Humphrey (resigned 19 April 2021)

Secretary

Fiona Joyce (appointed 19 April 2021)

Bankers

Barclays Bank plc

1 Churchill Place

Canary Wharf

London

E14 5HP

Registered office

York Biotech Campus

Sand Hutton

York

England

YO41 1LZ

Registered number

05698169

SURREY AQUATECHNOLOGY LTD

Directors' Report

For the year ended 31 December 2021

The directors present their report and the unaudited financial statements for the year ended 31 December 2021.

Principal activities

The company's principal activity is the development of technology to purify saltwater and other liquid in an efficient and cost-effective manner.

Review of the business, research and development and future developments

The statement of comprehensive income is set out on page 4. The loss for the financial year was £22,379 (2019: £122,903). The directors are unable to recommend the payment of a dividend (2020: £Nil).

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 101 Reduced Disclosure Framework and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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.

Going concern

The directors have received confirmation that DeepVerge plc will continue to support the company for at least a year following the date of this report and hence believe that the going concern assumption of the basis of preparation of the financial statements remains appropriate, notwithstanding the net current liabilities position of the company.

Directors

The following persons served as directors during the year:

Camillus Glover (appointed 19 April 2021)
Simon Humphrey (resigned 19 April 2021)

Directors' liability insurance

DeepVerge plc has maintained liability insurance for the directors and officers of the company throughout the year and up to the date of approval of the financial statements. This is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board on 29 September 2022 and signed on its behalf.

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Camillus Glover

Director

SURREY AQUATECHNOLOGY LTD

Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021	2020
		£	£
Revenue	4	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	6	(22,379)	(122,903)
Operating loss		(22,379)	(122,903)
Loss before taxation		(22,379)	(122,903)
Tax on loss	7	-	-
Loss for the financial year		(22,379)	(122,903)
Other comprehensive income			
Gain on revaluation of land and buildings		-	-
Total comprehensive income for the year		**(22,379)**	**(122,903)**

The notes on pages 7 to 13 form part of these financial statements.

SURREY AQUATECHNOLOGY LTD

Statement of Financial Position

As at 31 December 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	8		336,095		331,052
Tangible assets	9		-		-
			336,095		331,052
Current assets					
Trade and other receivables	10	8,181		18,012	
Creditors: amounts falling due within one year	11	(222,631)		(205,040)	
Net current liabilities			(214,450)		(187,028)
Net assets			121,645		144,024
Capital and reserves					
Called up share capital	12		100		100
Share premium	13		1,011,612		1,011,612
Profit and loss account	14		(890,067)		(867,688)
Shareholder's funds			121,645		144,024

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The directors are satisfied that the company is not entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The Company has claimed exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities forensuring that the company keeps accounting records which comply with section 386 and for preparing financial statements which give a true and fair view of the state of affairs of the company, as at the end of the financial year and of its profit / (loss) for the financial year, in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2022 and were signed on its behalf by:

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Camillus Glover

Director

Company registration number: **05698169**

The notes on pages 7 to 13 form part of these financial statements.

SURREY AQUATECHNOLOGY LTD

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2020	100	1,011,612	(744,785)	266,927
Loss for the financial year			(122,903)	(122,903)
At 31 December 2020	100	1,011,612	(867,688)	144,024
At 1 January 2021	100	1,011,612	(867,688)	144,024
Loss for the financial year			(22,379)	(22,379)
At 31 December 2021	100	1,011,612	(890,067)	121,645

The notes on pages 7 to 13 form part of these financial statements.

1 General information

Surrey Aquatechnology Limited is a private limited company incorporated and domiciled in England and Wales. The registered office address is York Biotech Campus, Sand Hutton, York, England, YO41 1LZ. The principal activity of the Company is described on page 2.

2 Accounting policies

The principal accounting policies, which have been applied consistently throughout the year, are set out below:

Basis of preparation

These financial statements have been prepared in accordance with FRS101 'Reduced Disclosure Framework' issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

In preparing these financial statements the company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:
• Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of:
o a reconciliation of the number of shares outstanding at the start and end of the prior period; and
o reconciliations of the carrying amounts of property, plant and equipment, intangibles assets and investment property at the start and the end of the prior period.
• A Statement of Cash Flows and related disclosures for cash flows from discontinued activities
• A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead)
• Additional comparative information for narrative disclosures and information, beyond IFRS requirements
• Disclosures in relation to the objectives, policies and process for managing capital
• Disclosure of the effect of future accounting standards not yet adopted
• The remuneration of key management personnel
• Related party transactions with two or more wholly owned members of the group
• Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations
• The amount of lease income recognised on operating leases as lessor
• The maturity analysis of lease liabilities, as required by paragraph 58 of IFRS 16 Leases, has not been disclosed separately as details of indebtedness required by Companies Act has been presented separately for lease liabilities in note 21.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Deepverge Plc. These financial statements do not include certain disclosures in respect of:

• Share based payments - details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment.
• Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures
• Fair value measurements - details of the valuation techniques and inputs used for fair value

measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

7

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements have been prepared under the historical cost convention.

The company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework.

Going concern

The directors have received confirmation that the parent company, DeepVerge plc, will continue to support the company for at least a year following the date of approving these financial statements and hence believe that the going concern assumption of the basis of preparation of the financial statements remains appropriate, notwithstanding the net current liabilities position of the company.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Intangible fixed assets

Patents: Acquired patents are initially recognised at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents over their estimated useful economic lives of 20 years from filing date.

Know-how: The ordinary share capital subscribed for by the technology inventors (A Sharif and University of Surrey) has been fair valued based on the subscription price paid by third parties to acquire shares in the company at the same time. The difference between the fair value and the price paid has been recognised as know-how, an intangible fixed asset to be amortised on a straight-line basis over five years.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	3 - 4 years

Tax on profit on ordinary activities

Current Tax

The tax currently payable is based on taxable profits for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that are never taxable or deductible. The company's liability for the current tax is calculated using tax rates that have been enacted, or substantively enacted, by the reporting end date.

Deferred Tax
Deferred tax asset has not been included in the financial statements due to the uncertainty surrounding the availability of sufficient profits to surrender the losses.

Research and development

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

Any internally generated development intangible fixed asset is recognised only if all of the following are met:
- the related expenditure is clearly identifiable and is part of a defined project
- future economic benefits are reasonably certain to be generated by the project and
- adequate resources exist, or are reasonably expected to exist, to enable the completion of the project.

Where no internally generated intangible fixed asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred. Internally generated intangible fixed assets are amortised on a straight-line basis over three years.

Financial assets

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Fair value through profit or loss
The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost
These assets arise principally from the provision of goods and services to customers (eg trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the company elects to renegotiate the terms of trade debtors due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

• Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
• Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is also the company's functional currency.

Transactions entered into by the company in a currency other than the functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's ordinary shares are classified as equity instruments.

3 Critical accounting estiamtes and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. Actual results could differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

4 Administrative expenses

	2021	2020
	£	£
Amortisation of intangible	79,011	64,257
Sundry expenses	197	-
Legal fees	(56,829)	58,646
	22,379	122,903

5 Turnover

The Company does not have any turnover for the period.

6 Employees

	2021	2020
	Number	Number
Average number of persons employed by the company	1	1

There are no employees in the company and any directors' remuneration during the period has been borne by other companies within the DeepVerge plc group.

7 Tax on profit on ordinary acitivities

The value of the tax credit for the year does not equal the value that would be produced by applying the UK standard rate for corporation tax of 19% (2020: 19%) to the loss before tax for the year). The differences are set out below:

	2021	2020
	£	£
Tax on loss	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021	2020
	£	£

Loss on ordinary activities before tax	(22,379)	(122,903)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 19% (2019: 19%)	(4,252)	(23,352)
Effects of:		
Losses carried forward	4,252	23,352
Current tax charge for period	-	-

8 Intangible fixed assets

	£
	Patents and development costs
Cost	
At 1 January 2021	1,473,538
Additions	84,054
At 31 December 2021	1,557,592
Amortisation	
At 1 January 2021	1,142,486
Provided during the year	79,011
At 31 December 2021	1,221,497
Net book value	
At 31 December 2021	336,095
At 31 December 2020	331,052

9 Tangible fixed assets

	Plant and machinery
	£
Cost	
At 1 January 2021	436,504
At 31 December 2021	436,504
Depreciation	
At 1 January 2021	436,504
At 31 December 2021	436,504
Net book value	
At 31 December 2021	-
At 31 December 2020	-

10 Trade and other receivables

	2021	2020
	£	£
Other debtors	4,812	18,012

Aggregate amount	8,181	18,012

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade Payables	-	18,349
Amounts owed to group undertakings	222,631	186,691
Aggregate amount	222,631	205,040

Amounts owed to group undertakings are non interest bearing, repayable on demand and have no securities attached to them.

12 Called up share capital

	Nominal		2021	2020
			£	£
Authorised Allotted and fully paid	**value**	**Number**		
Ordinary shares	£0.001 each	100,000	100	100
			100	100

13 Share premium

		2021	2020
		£	£
Authorised Allotted and fully paid	**Number**		
Ordinary shares	100,000	1,011,612	1,011,612
		1,011,612	1,011,612

14 Retained earnings

	2021	2020
	£	£
At 1 January 2021	(867,688)	(744,785)
Loss for the financial year	(22,379)	(122,903)
At 31 December 2021	(890,067)	(867,688)

15 Related party transactions

The company has taken advantage of the exemption under FRS 101 in not disclosing details of transactions with other companies which are 100% owned by DeepVerge plc.

16 Ultimate controlling party

The immediate controlling party is Modern Water Limited, a company registered in England and Wales. Modern Water Limited holds 100% of the allotted ordinary share capital of the company. The ultimate controlling party is DeepVerge plc, a company registered in England and Wales, which is the parent company of the smallest and largest group to consolidate these financial s t a t e m e n t s .

The results of the company are included in the consolidated financial statements of DeepVerge plc, copies of which are available on the Company's website at www.deepverge.com.