

Company registration number 06669123 (England and Wales)

MARINE POWER SYSTEMS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

MARINE POWER SYSTEMS LTD

COMPANY INFORMATION

Directors Dr G Stockman
Dr G D Foster
Mrs S Barr (non executive)
Mr T Kahan (non executive)
Mr J Morris (non executive)
Mr A Diplock (non executive)

Secretary Dr G Stockman

Company number 06669123

Registered office The Warehouse Building
Urban Village
Swansea
SA1 2AQ

Auditor UHY Hacker Young
Lanyon House
Mission Court
Newport
South Wales
United Kingdom
NP20 2DW

MARINE POWER SYSTEMS LTD

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MARINE POWER SYSTEMS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2022

The directors present their annual report and financial statements for the year ended 30 April 2022.

Principal activities

The principal activity of the company continued to be that of the designing & manufacturing of marine renewable energy technology.

Results and dividends

The financial statements for the year ending 30 April 2022 are set out on page 7 to 15. The company made a loss of £1,779,594 (2021: £465,618) after expenses of £4,429,527 (2021: £1,543,953) were incurred. During the year grant funding was received of £2,466,915 (2021: £966,941).

The Directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr G Stockman
Dr G D Foster
Mrs S Barr (non executive)
Mr T Kahan (non executive)
Mr J Morris (non executive)
Mr A Diplock (non executive)

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

The directors are pleased with the progress to date, notwithstanding the loss sustained in the year to 30 April 2022 of £1,779,594 (2021: £465,618). The company has a net asset position at 30 April 2022 of £6,327,287 (2021: £4,175,207).

The company continues to focus on the design and manufacture of a MW Scale Demonstrator for deployment that is supported by both a £18.3m grant awarded by the Welsh Government and a £5m grant that was awarded by the UK Government. A significant amount of this funding is still available to claim at year end.

The company received equity investment of £3.89m (2021: £2.92m) through both direct channels and a Crowd funding campaign run in 2021.

The directors have prepared a detailed business plan and rolling cash flow forecasts. On this basis the directors have concluded that the company will be comfortably able to meet its liabilities as they fall due for the foreseeable future and hence it is appropriate to continue to adopt the going concern basis in the preparation of these financial statements.

MARINE POWER SYSTEMS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Small companies exemption

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

On behalf of the board

Dr G D Foster

Director

3 January 2023

MARINE POWER SYSTEMS LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022**

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). 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;
- 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.

MARINE POWER SYSTEMS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARINE POWER SYSTEMS LTD

Opinion

We have audited the financial statements of Marine Power Systems Ltd (the 'company') for the year ended 30 April 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 30 April 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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

In auditing the financial statements, we have concluded that the directors' 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

MARINE POWER SYSTEMS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MARINE POWER SYSTEMS LTD

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 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, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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:

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 engagement partner ensured that 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 relevant 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 the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

MARINE POWER SYSTEMS LTD

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MARINE POWER SYSTEMS LTD**

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; and
- 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 to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.

Mr John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

3 January 2023

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

MARINE POWER SYSTEMS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2022**

	2022	2021
	£	£
Administrative expenses	(4,429,527)	(1,543,953)
Other operating income	2,646,028	1,073,015
	<u> </u>	<u> </u>
Operating loss	(1,783,499)	(470,938)
Interest receivable and similar income	3,905	5,320
	<u> </u>	<u> </u>
Loss before taxation	(1,779,594)	(465,618)
Tax on loss	-	-
	<u> </u>	<u> </u>
Loss for the financial year	(1,779,594)	(465,618)
	<u> </u>	<u> </u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

MARINE POWER SYSTEMS LTD**BALANCE SHEET
AS AT 30 APRIL 2022**

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	3	93,018	14,885
Current assets			
Debtors	4	2,164,323	694,370
Cash at bank and in hand		4,736,816	3,634,560
		<u>6,901,139</u>	<u>4,328,930</u>
Creditors: amounts falling due within one year	5	(666,870)	(168,608)
Net current assets		<u>6,234,269</u>	<u>4,160,322</u>
Net assets		<u><u>6,327,287</u></u>	<u><u>4,175,207</u></u>
Capital and reserves			
Called up share capital	7	37,345	35,169
Share premium account		10,364,646	6,470,537
Other reserves		64,862	29,473
Profit and loss reserves		(4,139,566)	(2,359,972)
Total equity		<u><u>6,327,287</u></u>	<u><u>4,175,207</u></u>

These financial statements have been prepared in accordance with the 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 3 January 2023 and are signed on its behalf by:

Dr G D Foster
Director

Company Registration No. 06669123

MARINE POWER SYSTEMS LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 May 2020	33,509	3,500,004	22,105	(1,894,354)	1,661,264
Year ended 30 April 2021:					
Loss and total comprehensive income for the year	-	-	-	(465,618)	(465,618)
Issue of share capital	7	1,660	2,970,533	-	2,972,193
Credit to equity for equity settled share-based payments	-	-	7,368	-	7,368
Balance at 30 April 2021	35,169	6,470,537	29,473	(2,359,972)	4,175,207
Year ended 30 April 2022:					
Loss and total comprehensive income for the year	-	-	-	(1,779,594)	(1,779,594)
Issue of share capital	7	2,176	3,894,109	-	3,896,285
Credit to equity for equity settled share-based payments	-	-	35,389	-	35,389
Balance at 30 April 2022	37,345	10,364,646	64,862	(4,139,566)	6,327,287

The other reserve represents the cumulative credits to equity of all granted share options by the company that are exercisable.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

MARINE POWER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

Company information

Marine Power Systems Ltd is a private company limited by shares incorporated in England and Wales. The registered office is The Warehouse Building, Urban Village, Swansea, SA1 2AQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 principal accounting policies adopted are set out below.

1.2 Going concern

The directors are pleased with the progress to date, notwithstanding the loss sustained in the year to 30 April 2022 of £1,779,594 (2021: £465,618). The company has a net asset position at 30 April 2022 of £6,327,287 (2021: £4,175,207).

The company continues to focus on the design and manufacture of a MW Scale Demonstrator for deployment that is supported by both a £18.3m grant awarded by the Welsh Government and a £5m grant that was awarded by the UK Government. A significant amount of this funding is still available to claim at year end.

The company received equity investment of £3.89m (2021: £2.92m) through both direct channels and a Crowd funding campaign run in 2021.

The directors have prepared a detailed business plan and rolling cash flow forecasts. On this basis the directors have concluded that the company will be comfortably able to meet its liabilities as they fall due for the foreseeable future and hence it is appropriate to continue to adopt the going concern basis in the preparation of these financial statements.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Development expenditure has not yet been incurred by the company.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

MARINE POWER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% on cost
Office equipment	33% on cost and 25% on cost
Fixtures and fittings	33% on cost and 20% on cost
Computers	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

MARINE POWER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies **(Continued)**

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.12 Patent costs

Cost incurred on patents are written off in the year in which it is incurred.

MARINE POWER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	19	15

3 Tangible fixed assets

	Leasehold improvement	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 May 2021	-	49,502	49,502
Additions	73,191	29,181	102,372
At 30 April 2022	73,191	78,683	151,874
Depreciation and impairment			
At 1 May 2021	-	34,617	34,617
Depreciation charged in the year	12,983	11,256	24,239
At 30 April 2022	12,983	45,873	58,856
Carrying amount			
At 30 April 2022	60,208	32,810	93,018
At 30 April 2021	-	14,885	14,885

4 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	2,164,323	694,370

Other debtors includes £1,596,046 (2021: £341,370) owed from grant providers and £314,426 (2021: £224,750) owed from HMRC in relation to Research and Development tax credits.

MARINE POWER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022

5 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	441,824	54,868
Other creditors	225,046	113,740
	<u>666,870</u>	<u>168,608</u>

6 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2022	2021	2022	2021
	Number	Number	£	£
Outstanding at 1 May 2021	39,020	3,902	0.69	6.91
Granted during the period	77,448	-	4.48	-
Sub division of share capital	-	35,118	-	(6.22)
	<u>116,468</u>	<u>39,020</u>	<u>3.21</u>	<u>0.69</u>

No share options are exercisable until an exit event takes place.

On 7 December 2020, all Ordinary, Ordinary A and Ordinary B shares were sub-divided from £0.10 to £0.01 nominal value. This in turn affected the number of granted share options in issue and their exercise price.

The options outstanding at 30 April 2022 had an exercise price of £0.69 and a remaining contractual life of 5 to 10 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £35,389 (2021 - £7,368) in the profit and loss account which related to equity settled share based payment transactions. A credit to equity for the same amount was included in Other reserves.

MARINE POWER SYSTEMS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022****7 Called up share capital**

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	1,502,071	1,284,523	15,021	12,845
A Ordinary shares of 1p each	1,500,000	1,500,000	15,000	15,000
B Ordinary shares of 1p each	732,400	732,400	7,324	7,324
	<u>3,734,471</u>	<u>3,516,923</u>	<u>37,345</u>	<u>35,169</u>

During the year, the company issued a total of £217,548 Ordinary shares with a nominal value of £0.01 at the year end for a total consideration of £3,896,285.

On 7 December 2020, all Ordinary, Ordinary A and Ordinary B shares were sub-divided from £0.10 to £0.01 nominal value.

8 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
129,871	5,400
<u>129,871</u>	<u>5,400</u>

The increase year on year represents the lease of the new Marine Power Systems head office in Swansea.

9 Ultimate controlling party

There is considered by the directors to be no ultimate controlling party of Marine Power Systems Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.