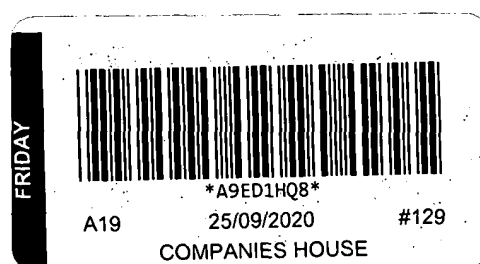


Autonomous Robotics Limited

Report and Financial Statements

For the year ended 31 December 2019

Registered No. 08704658



Report and financial statements

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Directors and other information

Directors

C D Soukup

D A Grant

A Holloway

J Hedges (appointed 4 June 2019)

Secretary and registered office

C Groves

Eastleigh Court

Bishopstrow

Warminster

Wiltshire

BA12 9HW

Registered No. 08704658

Bankers

HSBC Bank plc

70 Pall Mall

London

SW1Y 5EZ

Auditors

Jeffreys Henry LLP

Finsgate 5-7 Cranwood Street

London

EC1V 9EE

Directors' report

The directors have pleasure in presenting their report for the year ended 31 December 2019.

Principal activities, review of business and future prospects

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

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

Results and Dividends

The loss for the year ended 31 December 2019 was £844,359 (2018 loss: £1,060,805). The directors do not propose to pay a dividend.

Going Concern

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

Directors

The Directors of the Company during the year ended 31 December 2019 were as follows:

C D Soukup

D A Grant

A Holloway

J Hedges (appointed 4 June 2019)

Disclosure of information to auditors

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

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

By Order of the Board



.....
C D Soukup

Director

16 September 2020

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRSs") as adopted by the European Union and applicable law. The financial statements must, in accordance with IFRS as adopted by the European Union, present fairly the financial position and performance of the company; such references to the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

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

Independent auditor's report

to the members of Autonomous Robotics Limited

We have audited the financial statements of Autonomous Robotics Limited (the 'company') which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 year of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

Independent auditor's report

to the members of Autonomous Robotics Limited

misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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 directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report

to the members of Autonomous Robotics Limited

Use of this report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sanjay Parmar
Senior Statutory Auditor

For and on behalf of

Jeffreys Henry LLP (Statutory Auditors)
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

16 September 2020

Statement of comprehensive income

for the year ended 31 December 2019

	Notes	2019 £	2018 £
Revenue	3	-	-
Cost of Sales		(84,806)	(46,689)
Gross Loss		(84,806)	(46,689)
Administrative Expenses		(691,519)	(863,279)
Operating loss before depreciation		(776,325)	(909,968)
Depreciation and amortisation		(11,594)	(1,824)
Operating loss	4	(787,919)	(911,792)
Finance costs	6	(256,414)	(203,029)
Loss before taxation		(1,044,333)	(1,114,821)
Income tax	7	199,974	54,016
Total comprehensive expense for the year		(844,359)	(1,060,805)

There are no items of other comprehensive income.

The notes on pages 12 to 24 form an integral part of the financial statements.

Statement of Financial Position

As at 31 December 2019

	Notes	2019 £	2018 £
Non-current assets			
Intangible assets	8	131,567	-
Property, plant and equipment	9	50,259	4,562
		<u>181,826</u>	<u>4,562</u>
Current assets			
Trade and other receivables	10	107,521	70,717
Cash and cash equivalents	11	244,450	120,216
		<u>351,971</u>	<u>190,933</u>
Total Assets		533,797	195,495
Current liabilities			
Trade and other payables	12	165,140	98,195
Parent company loan	13	5,962,272	4,884,508
Total current liabilities		6,127,412	4,982,703
Non-current liabilities			
Lease liability	14	37,952	-
Total non-current liabilities		37,952	-
Net Liabilities		(5,631,567)	(4,787,208)
Capital and Reserves			
Share capital	17	100	100
Accumulated losses		(5,631,667)	(4,787,308)
Total Equity & Shareholders Funds		(5,631,567)	(4,787,208)

The notes on pages 12 to 24 form an integral part of the financial statements. These accounts were approved by the Board of Directors and authorised for issue on 16 September 2020 and were signed on its behalf by



.....
C D Soukup

Director

Company No: 08704658

Statement of Changes In Equity

for the year ended 31 December 2019

	Share capital	Accumulated losses	Shareholders' funds
	£	£	£
Balance as at 31 December 2017	100	(3,726,503)	(3,726,403)
Total comprehensive expense for the period	-	(1,060,805)	(1,060,805)
Balance as at 31 December 2018	100	(4,787,308)	(4,787,208)
Total comprehensive expense for the year	-	(844,359)	(844,359)
Balance as at 31 December 2019	100	(5,631,667)	(5,631,567)

The notes on pages 12 to 24 form an integral part of the financial statements.

Statement of cash flows

for the year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Loss for the year before taxation		(1,044,333)	(1,114,821)
Depreciation and amortisation	4	11,594	1,824
Interest expense	6	256,414	203,029
Decrease /(Increase) in trade and other receivables		198	(8,072)
Increase/(decrease) in trade and other payables		48,032	(71,508)
Taxation received		162,973	99,708
Net cash flow from operating activities		(565,122)	(889,840)
Cash flows from investing activities			
Acquisition of fixed assets	9	(1,735)	(2,967)
Capitalised development costs	8	(131,567)	-
Net cash flow from investing activities		(133,302)	(2,967)
Cash flows from financing activities			
Drawdown of loan from parent company		822,658	982,889
Net cash flow from financing activities		822,658	982,889
Net increase in cash and cash equivalents		124,234	90,082
Cash and cash equivalents at the start of the year		120,216	30,134
Cash and cash equivalents at the end of the year	11	244,450	120,216

Notes to the financial statements

for the year ended 31 December 2019

1. Authorisation of financial statements

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

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

2. Accounting policies and statement of compliance

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the European Union ("IFRSs") and the Companies Act 2006.

Going concern

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

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

Key sources of estimation uncertainty

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

Foreign currency

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

Financial assets

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

Research & development

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

Trade and other receivables

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

Notes to the financial statements

for the year ended 31 December 2019

2. Accounting policies and statement of compliance (continued)

Financial liabilities

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

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

Trade and other payables

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

Derecognition of financial assets and liabilities

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

Intangible assets

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

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

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

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

Tangible fixed assets

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

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

Impairment of assets

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

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

Notes to the financial statements

for the year ended 31 December 2019

2. Accounting policies and statement of compliance (continued)

Impairment of assets (continued)

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

Cash and cash equivalents

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

Taxes

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

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

Revenue recognition

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

Finance income

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

Pension scheme

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

Notes to the financial statements

for the year ended 31 December 2019

2. Accounting policies and statement of compliance (continued)

New standards and interpretations

The Company has adopted IFRS 16 'Leases' (hereinafter referred to as 'IFRS 16') with effect from 1 January 2019. The adoption of this new Standard has resulted in the Company recognising a right of use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a short life of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised as an adjustment to the opening balance of property, plant and equipment and lease liabilities for the current period. Prior periods are not required to be restated.

On transition to IFRS 16, the Company recognised additional right-of-use assets, recognising the difference in retained earnings [note 14]. The discount rate is 2.5% p.a.

The impact on transition is summarised below:

Impact on assets, liabilities and equity as at 1 January 2019	As if IAS 17 still applied	IFRS 16 adjustments	As presented
	£	£	£
Property, plant and equipment* ¹	4,562	55,556	60,118
Net impact on total assets		55,556	
Lease liabilities* ¹	-	(55,556)	(55,556)
Retained earnings	(4,787,308)	-	(4,787,308)
Total impact on total liabilities and equity		(55,556)	

*¹ The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets and leases liabilities. It resulted in a decrease in other expense and an increase in depreciation and amortisation expense and in interest expense.

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

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

Notes to the financial statements

for the year ended 31 December 2019

2. Accounting policies and statement of compliance (continued)

New Standards and interpretations (continued)

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

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

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

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

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

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

3. Revenue

The Company is in the early stages of a research and development phase and as such has no revenue for the current period.

4. Operating loss

This is stated after charging:

	2019	2018
	£	£
Depreciation and amortisation	11,594	1,824
Research and Development	112,515	83,804
Defined Contribution Pension costs	7,508	6,343
Audit fees	9,000	9,000

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Notes to the financial statements

for the year ended 31 December 2019

5. Staff costs and directors' emoluments

(a) Staff costs

	2019	2018
	£	£
Wages and salaries	127,914	78,487
Social security costs	10,686	6,667
Other pension costs	7,508	6,343
	146,108	91,497

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

	2019	2018
	No.	No.
Development	3	3
Admin	4	1
	7	4

(b) Directors' emoluments

	2019	2018
	£	£
Remuneration for qualifying services	188,070	210,137
Social security costs	9,699	16,219
	197,769	226,356

	No.	No.
Number of Directors	4	3

The remuneration of the highest paid Director was £80,000 (2018: £77,983).

Notes to the financial statements

for the year ended 31 December 2019

6. Finance Costs

	2019	2018
	£	£
Lease Liability Interest	1,308	-
Loan interest expense	255,106	203,029
At 31 December	256,414	203,029

7. Taxation

(a) Tax on profit on ordinary activities

	2019	2018
	£	£
Current tax	-	-
Tax rebate on R&D activities	(199,974)	(54,016)
	(199,974)	(54,016)
Loss before tax	1,044,333	1,114,821
Tax at 19%	198,423	211,816
Tax rebate on current and prior year R&D activities	(199,974)	(54,016)
Losses carried forward	(198,423)	(211,816)
	(199,974)	(54,016)

(b) Deferred Tax

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

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

Notes to the financial statements

for the year ended 31 December 2019

8. Intangible assets

	Development Costs 2019 £	Development Costs 2018 £
Cost at 1 January	-	-
Additions	131,567	-
Disposals	-	-
Cost at 31 December	131,567	-
Amortisation at 1 January	-	-
Charge for the year	-	-
Disposals	-	-
Amortisation as at 31 December	-	-
Closing net book value at 31 December	131,567	-

9. Property, plant and equipment

	Fixtures & Fittings 2019 £	Fixtures & Fittings 2018 £
Cost at 1 January	29,048	26,081
Adjustment on transition to IFRS 16	55,556	-
Additions	1,735	2,967
Cost at 31 December	86,339	29,048
Depreciation at 1 January	24,486	22,662
Charge for the year	11,594	1,824
Depreciation at 31 December	36,080	24,486
Closing net book value at 31 December	50,259	4,562

Notes to the financial statements

for the year ended 31 December 2019

10. Trade and other receivables

	2019	2018
	£	£
Corporation tax receivable	91,000	53,968
Other receivables	16,521	16,749
	107,521	70,717

11. Cash and cash equivalents

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

	2019	2018
	£	£
Cash at bank and in hand	244,450	120,216
	244,450	120,216

Cash and cash equivalents are measured at fair value.

12. Trade and other payables

	2019	2018
	£	£
Trade payables	38,726	34,730
Lease Liabilities (see note 14)	8,912	-
Accruals	63,916	38,405
Other payables	53,586	25,060
	165,140	98,195

Notes to the financial statements

for the year ended 31 December 2019

13. Parent company loan

	2019	2018
	£	£
Parent company loan	5,962,272	4,884,508

The company has been funded by a parent company drawdown loan facility of up to £10,000,000 paid in tranches for the purpose of the purchase and/or research and development of the Autonomous Robotics Limited autonomous underwater vehicle product and any derivatives thereof. The loan is subject to interest at 5% per annum. The advance is for an initial term of 12 months, renewable for further periods of 12 months unless terminated by either party with 6 months prior written notice. The loan balance includes accrued interest of £255,106.

14. Leases as lessee

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

Previously, this lease was classified as an operating lease under IAS 17.

Right-of-use asset

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

	Leasing
	\$
Balance at 1 January 2019	-
Transition to right-of-use assets	55,556
Depreciation charge for the year	(9,259)
Derecognition of right-of-use assets	-
Balance at 31 December 2019	46,297

Amounts recognised in profit or loss

	Total
	\$
2019 - Leases under IFRS 16	
Interest on lease liabilities	(1,308)
Depreciation on lease liabilities	(9,259)
2018 - Operating leases under IAS 17	
Lease expense	(10,000)

Notes to the financial statements

for the year ended 31 December 2019

14. Leases as lessee (continued)

Lease liabilities

	31 Dec 2019
	£
Current	8,912
Non-current	37,952
	<u>46,864</u>
Future minimum lease payments as at 31 Dec 2019 are as follows:	
Not later than one year	10,000
Later than one year and not later than five years	40,000
Later than five years	-
Total gross payments	<u>50,000</u>
Impact of finance expenses	(3,136)
Carrying amount of liability	<u>46,864</u>

15. Financial instruments

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

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

Interest rate risk

The company does not undertake any hedging against interest rate risk. The company finances its operations from parent company loans. The Group has no external borrowings as at 31 December 2019.

Credit risk

The Company currently has no customers.

Liquidity risk

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

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

Notes to the financial statements

for the year ended 31 December 2019

15. Financial instruments (continued)

The table below summarises the maturity profile of the company's financial liabilities at 31 December 2019 and 31 December 2018 based on contractual undiscounted payments.

Year end 31 December 2019

	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
	£	£	£	£	£	£
Trade payables	-	38,726	-	-	-	38,726
Intercompany payables	-	-	-	5,962,272	-	5,962,272
Lease liabilities	-	2,208	6,704	37,952	-	46,864

Year end 31 December 2018

	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
	£	£	£	£	£	£
Trade payables	-	34,730	-	-	-	34,730
Intercompany payables	-	-	-	4,884,508	-	4,884,508

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

Foreign currency risk

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

Fair values of financial assets and liabilities

At the end of 31 December, the company financial assets comprise cash balances with its book value and fair value amounting to £244,450. The fair value of financial assets and liabilities approximate to their carrying value.

16. Capital management

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

Notes to the financial statements

for the year ended 31 December 2019

17. Issued share capital

	2019	2018
	£	£
Share Capital	100	100
	100	100

Issued capital comprises:

	2019	2018
Authorised, issued and fully paid		
Shares issued	100	100
	£	£
Fully paid ordinary £1 shares	100	100

18. Related Party Transactions

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

Key Management Personnel Compensation

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

The company has been funded by a parent company loan that is subject to interest at a rate of 5%. Further details of this loan are disclosed in note 13.

19. Ultimate Controlling Party

The ultimate controlling party is deemed to be Thalassa Holdings Ltd, a Company incorporated in the BVI, and whose shares are trading on London Stock Exchange plc's main market for listed securities. The intermediary holding Company is Autonomous Holdings Ltd (formerly GO Science Group Ltd), a Company incorporated in the BVI, which is a wholly owned subsidiary of Thalassa Holdings Ltd.