

REGISTERED NUMBER: 10210943 (England and Wales)

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020
FOR
SEICHE WATER TECHNOLOGY GROUP LTD



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FOR THE YEAR ENDED 31 MAY 2020

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SEICHE WATER TECHNOLOGY GROUP LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2020

DIRECTORS:

S J Cole
K W Hamer
R Wyatt
J K Wyatt
M J Burnett
S Nichols

REGISTERED OFFICE:

The Custom House
The Strand
Barnstaple
Devon
EX31 1EU

REGISTERED NUMBER:

10210943 (England and Wales)

AUDITORS:

Azets Audit Services
Lime Court
Pathfields Business Park
South Molton
Devon
EX36 3LH

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2020

The directors present their strategic report of the company and the group for the year ended 31 May 2020.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements.

The key performance indicators of the company are summarised as follows:

	2020 £	2019 £
Turnover	7,356,441	6,509,834
Gross profit	4,539,149	3,867,837
Gross profit %	61.70%	59.42%
Profit before tax	810,759	573,787
Net profit %	11.02%	8.81%

At the balance sheet date, the cash at bank was £1,283,889 (2019 - £370,794), and the total net assets were £4,478,242 (2019 - £3,671,038).

The significant areas on the review of business in respect of the individual companies within the group were as follows:

Seiche Water Technology Group (SWTG) - Parent company

During the year SWTG received income of dividends and interest from its subsidiaries totalling £329,792 (2019 - £83,323). As at 31 May 2020 the company had a bank balance of £7,761 (2019 - overdraft of £5). The net assets of the company as at 31 May 2020 were £4,210,666 (2019 - £4,000,144) which consists of investments, VAT, accruals and intercompany loans.

Dividends received during the year from the company's subsidiaries were £325,000 (2019 - £60,000).

Seiche Limited

During the year the company's turnover has increased by £452,015 to £4,680,040 (2019 - £4,228,025) and achieved with a profit before tax of £1,096,285 (2019 - £437,656). Whilst a significant part of the increase in turnover and profitability reflects the continued improvement in oil prices and the associated market pick up, the improvement also reflects the company's continued investment in new technology and new product offerings. The overall impact is the continuing improvement in the company's trading ability and profitability and increased demand for the company's services. However, the worldwide pandemic of COVID-19 has reduced expected sales in the last quarter of the year. This has been compounded by a significant drop in oil prices, the impact of which will continue into 2020-21.

The company continues to acquire and build new assets which totalled £471,485 during the year (2019 - £28,157) for continued use in the business to assist in growing turnover and profitability.

The cash reserves at the balance sheet date have increased during the year by £642,369 to £887,595 (2019 - £245,226) which reflects the company's increased profitability and retention of earnings. The net assets of the company as at 31 May 2020 were £3,882,780 (2019 - £3,083,717) which shows an overall increase of £799,063 (2019 - £335,978).

Seiche Training Limited

The company's turnover has decreased by £3,697 due to cancelled training courses resulting from COVID-19. The total turnover was £97,176 (2019 - £100,873). It is expected that turnover will continue to improve reflecting a market demand for the various visual and acoustic monitoring courses provided. During the pandemic the courses have all moved to online delivery.

The cash reserves at the balance sheet date were £46,336 (2019 - £33,735) a increase in cash of £12,601. The net liabilities of the company have decreased by £259,328, mainly due to a waiver of an intercompany loan with Seiche Limited, with current liabilities at the balance sheet date of £1,721 (2019 - £261,049). The company continues to be supported by subsidiaries of SWTG.

Ashridge Engineering Limited

The company's turnover has increased by £515,318 to £1,398,019 (2019 - £882,631). The improvement reflects the company's investment in new technology to broaden the range of products offered.

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2020

The cash reserves at the balance sheet date have increased by £63,351 to £113,059 (2019 - £49,708), however the company continues to be supported by other group companies within the SWTG group. The net assets of the company have increased by £10,781 to £442,778 (2019 - £431,997).

Autonaut Limited

During the year the company's turnover has decreased significantly during the year by £824,916 to £483,561 (2019 - £1,308,477). This decrease is due to BREXIT uncertainty and effect of COVID-19, many potential new contracts have been delayed but still remain in the pipeline for 2020-21.

The cash reserves of the company at the balance sheet date have increased by £80,361 to £122,390 (2019 - £42,029) and the net assets of the company have decreased by £6,177 to (£11,305) (2019 - £17,482). The company has continued to receive financial support from the SWTG group subsidiary companies.

During the year, the directors voted to change the company's accounting policy in relation to self – built AutoNaut vessels from a cost less depreciation basis to a revaluation model, as this was considered by the board to be a more appropriate method of valuation. The impact of this change resulted in an increase in tangible fixed assets total in the balance sheet of £207,023 and is reflected in the undistributable revaluation reserve.

Seiche Environmental Ltd

During the year the company's turnover increased by £49,423 to £1,714,659 (2019 - £1,665,236). However, the worldwide pandemic of COVID-19 has reduced expected sales in the last quarter of the year.

The cash reserves of the company at the balance sheet date is £106,647 (2019 - £Nil) and the net assets of the company have decreased by £124,826 to £78,966 (2019 - £203,792). The company declared a dividend to Seiche Water Technologies Group Ltd of £200,000, (2019 - £Nil).

The company ceased trading on 1st June 2020 and its open contracts have been transferred to Seiche Limited.

Seiche Measurements Limited

Seiche Measurements Limited remained dormant throughout the year. At the balance sheet date the net assets of the company were £nil (2019 - £nil).

Ashridge Monitoring Limited

Ashridge Monitoring Limited remained dormant throughout the year. At the balance sheet date the net assets of the company were £100 (2019 - £100).

Seiche Operations Limited

Seiche Operations Limited at the balance sheet date the net assets of the company were £100 (2019 - £100)

On review of the above, the directors consider the overall results of the SWTG group companies to be within expectations and remain optimistic regarding the group's growth and profitability going forward.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the risks and uncertainties which could have an impact on the group's long term performance. The group has a risk management structure in place which is designed to highlight business risks at an early stage so that they may be managed within the business cycle. The principal risks facing the business are reviewed quarterly by the board who have identified the key controls needed to be in place to mitigate the risks faced. The broad categories of risk identified are as follows:

COVID-19 Risk

The group was impacted by the COVID pandemic in the last quarter of the financial year. Revenue figures were reduced due to the difficulties of moving staff and equipment outside of the UK. Mitigation steps were put in place including using the governments furlough scheme and changing working practices to ensure that production and logistic facilities were protected where possible.

Financial Risks

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The group mitigates this risk by regularly reviewing cash flow and the banking facilities in addition to regular reviews of the financial performance against budgets.

An increase in interest rates could have an adverse impact on profitability. To mitigate this risk a quarterly review of the financial position of the company is undertaken by the board.

Changes in foreign exchange rates could have an adverse impact on profitability. In order to mitigate the currency risk the group maintains multiple currency bank accounts and carries out regular reviews of currency rates.

Regulatory Risks

The group is subject to laws and regulations, including those that relate to corporate governance, the Companies Act 2006 and FRS102. Failure to comply with these laws and regulations could affect the group's ability to operate. The group engages professional advisers to undertake audits and inspections to test compliance with regulations within their field of expertise to ensure the company is not in any breach of these laws and regulations.

Commercial Risks

There is also a risk that the group fails to generate sufficient margin on management charges to cover the administrative expenses. To mitigate this risk regular reviews of gross margins are undertaken to ensure that the group continues to trade profitably.

General Risks

General risks include loss of assets from fire, flood and theft. The level of insurance cover is reviewed annually and, in the event of a significant change during the year to the asset values insured, the level of cover is updated accordingly. A variety of measures are in place to safeguard against theft including security systems and reviews of gross margins achieved.

Fraud risks could result in group assets being misappropriated resulting in a loss to the group. To mitigate the risk of fraud, an appropriate segregation of duties has been established, accounting records are reviewed regularly including reconciliations of control accounts and the financial performance is regularly reviewed.

IT Risks

Computer systems may fail and cause business disruption to trading and the completeness of record keeping. This risk is mitigated by taking daily backups of company data. The business is implementing a Cyber security programme to protect against external crime and fraud.

Brexit

There is a risk that when the United Kingdom leaves the European Union this could have a negative impact on trade due to potential increased regulations and new trade tariffs being implemented. This may make it more difficult to transport equipment and obtain required permissions working in Europe and worldwide, which could increase operational costs and also cause a reduction in work carried out by the group. To mitigate this risk, management review compliance regularly to ensure the company is not in breach of any and laws and regulations.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2020

FUTURE OUTLOOK

The future outlook for the group is that the board intend to realign costs to SWTG and recharge costs to the appropriate group companies as required in order to maintain greater control. The SWTG group will continue to diversify its trade to improve its financial performance and minimise risk. Due to the continued uncertainty in oil prices there may be a potential to impact unfavourably on the profitability of Seiche Limited in particular and as such the Directors anticipate a reduction in group profits and cash flow going forward. The company continues to expand into other markets and the directors remain optimistic as to the long-term outlook of the group.

COVID-19 continues to be of concern. The group maintains strong risk management to mitigate any impact. Revenues will be reduced for the new financial year in the marine based businesses. The government furlough scheme continues to be used, production capability across the group has been protected and changes in working practices have been maintained. The group is confident that it will maintain a strong market position despite the pandemic.

ON BEHALF OF THE BOARD:

✓ 

S J Cole - Director

Date: 18/01/2021 ✓

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2020

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2020.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of the design, development and manufacture of underwater acoustic and visual systems for mitigation and measurement, the design and manufacture of electronic equipment for use by the water industry and the design and manufacture of wave powered self-propelled unmanned vessels. Services include the development of technical products together with the hiring and monitoring of equipment for commercial application, together with the provision of training services for marine mammal observation, passive acoustic monitoring and advanced underwater acoustics. The group's systems are designed to enable clients to comply with environmental regulations to protect marine life from the effects of sound in water.

DIVIDENDS

An interim dividend of 0.00015 per share was paid on 29 March 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 May 2020 will be £60,000.

RESEARCH AND DEVELOPMENT

The group invests in research and development in new and existing products and processes and collaborates in projects with customers and educational research facilities and universities. Costs incurred by the group during the period on research and development were as follows:

	2020	2019
	£	£
Seiche Limited	118,976	231,357
Ashridge Engineering Limited	218,116	136,861
Autonaut Limited	353,403	206,995

FUTURE DEVELOPMENTS

In future management plan to transfer group costs incurred by the subsidiaries to SWTG in order to streamline expenses incurred over the group and distribute management charges to group companies accordingly.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2019 to the date of this report.

S J Cole

K W Hamer

R Wyatt

J K Wyatt

Changes in directors holding office are as follows:

M J Burnett – appointed 29 May 2020

S Nichols – appointed 29 May 2020

FINANCIAL INSTRUMENTS

The key financial instruments are the bank loans shown in note 20 of the financial statements. The main risks arising from these financial instruments are interest rate risk and liquidity risk, which the directors are aware of and manage accordingly.

DISCLOSURE IN THE STRATEGIC REPORT

Certain matters normally disclosed in this report are now shown in the Strategic Report annexed to these financial statements including risks in relation to the use of financial instruments. These include principal risks and uncertainties.

POST REPORTING DATE EVENTS

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases in the UK. Measures taken by government to contain the virus have affected economic activity. We have taken a number of actions to monitor and mitigate the affects of COVID-19. Full risk assessments have been made to ensure the health and well being of our staff and clients.

At this stage, the impact on our business and results have not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Azets, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



S J Cole - Director

Date: 18/01/2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SEICHE WATER TECHNOLOGY GROUP LTD

Opinion

We have audited the financial statements of Seiche Water Technology Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 May 2020 and of the group's profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Emphasis of matter

At the balance sheet date, the Directors changed the company's accounting policy in relation to the self-built autoNaut vessels from a cost less depreciation basis to a revaluation model, as the Directors determines that a revaluation model would be more appropriate to reflect the company's assets value in the balance sheet. The impact of this change resulted in an increase in the tangible fixed assets total and the balance sheet total by £207,023 and this revaluation increase is reflected in the undistributable revaluation reserve. Please see note 2 in the financial statements referring to this change in accounting policy and the impact on the financial statements.

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 group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SEICHE WATER TECHNOLOGY GROUP LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 Statement of Directors' Responsibilities set out on page eight, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Christopher Birch BSc FCA (Senior Statutory Auditor)
for and on behalf of Azets
Statutory Auditors
Lime Court
Pathfields Business Park
South Molton
Devon
EX36 3LH

Date: 22 January 2021



SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2020

		2020	2019
	Notes	£	£
TURNOVER		7,356,441	6,509,834
Cost of sales		<u>2,820,292</u>	<u>2,641,997</u>
GROSS PROFIT		4,536,149	3,867,837
Administrative expenses		<u>4,098,944</u>	<u>3,460,719</u>
		437,205	407,118
Other operating income		<u>384,773</u>	<u>182,379</u>
OPERATING PROFIT	4	821,978	589,497
Interest receivable and similar income		<u>2,483</u>	<u>10</u>
		824,461	589,507
Interest payable and similar expenses	5	<u>13,702</u>	<u>15,720</u>
PROFIT BEFORE TAXATION		810,759	573,787
Tax on profit	6	<u>(150,578)</u>	<u>30,539</u>
PROFIT FOR THE FINANCIAL YEAR		<u>660,181</u>	<u>604,326</u>
Profit attributable to:			
Owners of the parent		713,481	571,586
Non-controlling interests		<u>(53,300)</u>	<u>32,740</u>
		<u>660,181</u>	<u>604,326</u>

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2020

	2020	2019
	£	£
PROFIT FOR THE YEAR	660,181	604,326
OTHER COMPREHENSIVE INCOME		
Revaluation of investment property	-	(150,000)
Revaluation of tangible fixed assets	207,023	-
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>207,023</u>	<u>(150,000)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	867,204	454,326
Prior year adjustment	-	<u>27,211</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT	<u>867,204</u>	<u>481,537</u>
Total comprehensive income attributable to:		
Owners of the parent	920,504	448,797
Non-controlling interests	<u>(53,300)</u>	<u>32,740</u>
	<u>867,204</u>	<u>481,537</u>

The notes form part of these financial statements

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

CONSOLIDATED BALANCE SHEET
31 MAY 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		547,590		639,959
Tangible assets	10		1,811,112		1,337,479
Investments	11		-		-
Investment property	12		<u>262,034</u>		<u>250,000</u>
			2,620,736		2,227,438
CURRENT ASSETS					
Stocks	13	465,384		532,707	
Debtors	14	1,394,257		1,951,611	
Cash at bank and in hand		<u>1,283,889</u>		<u>370,794</u>	
		3,143,530		2,855,112	
CREDITORS					
Amounts falling due within one year	15	<u>781,622</u>		<u>920,325</u>	
NET CURRENT ASSETS			<u>2,361,908</u>		<u>1,934,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,982,644		4,162,225
CREDITORS					
Amounts falling due after more than one year	16		(430,414)		(489,905)
PROVISIONS FOR LIABILITIES	21		<u>(73,988)</u>		<u>(1,282)</u>
NET ASSETS			<u>4,478,242</u>		<u>3,671,038</u>

The notes form part of these financial statements

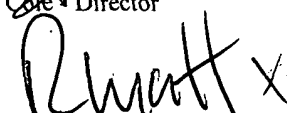
SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

COMPANY BALANCE SHEET
31 MAY 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		4,641,724		4,641,724
Investment property	12		-		-
			<u>4,641,724</u>		<u>4,641,724</u>
CURRENT ASSETS					
Debtors	14	264,810		77,074	
Cash		<u>7,761</u>		<u>-</u>	
		272,571		77,074	
CREDITORS					
Amounts falling due within one year	15	<u>703,629</u>		<u>718,654</u>	
NET CURRENT LIABILITIES			<u>(431,058)</u>		<u>(641,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,210,666</u>		<u>4,000,144</u>
CAPITAL AND RESERVES					
Called up share capital	24		4,000,010		4,000,010
Retained earnings	25		<u>210,656</u>		<u>134</u>
SHAREHOLDERS' FUNDS			<u>4,210,666</u>		<u>4,000,144</u>
 Company's profit for the financial year			 <u>270,522</u>		 <u>46,224</u>

The financial statements were approved and authorised for issue by the Board of Directors on 18 Jan 21 and were signed on its behalf by:

X  X
S J Cole - Director

X  X
R Wyatt - Director

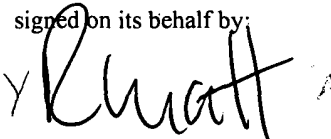
The notes form part of these financial statements

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

CONSOLIDATED BALANCE SHEET - continued
31 MAY 2020

		2020	2019
	Notes	£	£
CAPITAL AND RESERVES			
Called up share capital	24	4,000,010	4,000,010
Retained earnings	25	454,276	(199,205)
Revaluation reserve	17	207,023	-
SHAREHOLDERS' FUNDS		4,661,309	3,800,805
NON-CONTROLLING INTERESTS	26	(183,067)	(129,767)
TOTAL EQUITY		<u>4,478,242</u>	<u>3,671,038</u>

The financial statements were approved and authorised for issue by the Board of Directors on 18 JAN 2021 and were signed on its behalf by:

X 

R Wyatt - Director

X 

S J Cole - Director

The notes form part of these financial statements

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020

	Called up share capital £	Retained earnings £	Revaluation Reserve £	Total £	Non-controlling interests £	Total equity £
Balance at 1 June 2018	4,000,010	(588,002)	-	3,412,008	(162,507)	3,249,501
Prior year adjustment	-	27,211	-	27,211	-	27,211
As restated	4,000,010	(560,791)	-	3,439,219	(162,507)	3,276,712
Changes in equity						
Dividends	-	(60,000)	-	(60,000)	-	(60,000)
Total comprehensive income	-	421,586	-	421,586	32,740	454,326
Balance at 31 May 2019	4,000,010	(199,205)	-	3,800,805	(129,767)	3,671,038
Changes in equity						
Dividends	-	(60,000)	-	(60,000)	-	(60,000)
Total comprehensive income/(loss)	-	713,481	207,023	920,504	(53,300)	867,204
Balance at 31 May 2020	4,000,010	454,276	207,023	4,661,309	(183,067)	4,478,242

The notes form part of these financial statements

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 June 2018	4,000,010	(30,756)	3,969,254
Prior year adjustment	-	12,772	12,772
As restated	<u>4,000,010</u>	<u>13,910</u>	<u>4,013,920</u>
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	46,224	46,224
Balance at 31 May 2019	<u>4,000,010</u>	<u>134</u>	<u>4,000,144</u>
Changes in equity			
Dividends	-	(60,000)	(60,000)
Total comprehensive income	-	270,522	270,522
Balance at 31 May 2020	<u>4,000,010</u>	<u>210,656</u>	<u>4,210,666</u>

The notes form part of these financial statements

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)**CONSOLIDATED CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MAY 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,944,114	845,434
Interest paid		(12,944)	(15,268)
Interest element of hire purchase payments paid		(758)	(452)
Tax received/(paid)		<u>72,734</u>	<u>(62,781)</u>
Net cash from operating activities		<u>2,003,146</u>	<u>766,933</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(889,180)	(437,954)
Sale of tangible fixed assets		4,625	1,292
Goodwill impairment		-	-
Interest received		<u>2,483</u>	<u>10</u>
Net cash from investing activities		<u>(882,072)</u>	<u>(436,652)</u>
Cash flows from financing activities			
Capital repayments in year		(145,237)	18,058
Amount introduced by directors		60,000	60,000
Amount withdrawn by directors		(62,742)	(66,936)
Equity dividends paid		<u>(60,000)</u>	<u>(60,000)</u>
Net cash from financing activities		<u>(207,979)</u>	<u>(48,878)</u>
Increase/(decrease) in cash and cash equivalents		<u>913,095</u>	<u>281,403</u>
Cash and cash equivalents at beginning of year	2	<u>370,794</u>	<u>89,391</u>
Cash and cash equivalents at end of year	2	<u>1,283,889</u>	<u>370,794</u>

The notes form part of these financial statements

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MAY 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	810,759	573,787
Depreciation charges	615,744	631,476
(Profit)/loss on disposal of fixed assets	82,540	(825)
Finance costs	13,702	15,720
Finance income	(2,483)	(10)
	1,520,262	1,220,148
Decrease/(Increase) in stocks	67,323	(76,234)
Decrease/(Increase) in trade and other debtors	406,748	(204,450)
(Decrease)/increase in trade and other creditors	(50,219)	(94,030)
Cash generated from operations	<u>1,944,114</u>	<u>845,434</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2020

	31.5.20	1.6.19
	£	£
Cash and cash equivalents	<u>1,283,889</u>	<u>370,794</u>

Year ended 31 May 2019

	31.5.19	1.6.18
	£	£
Cash and cash equivalents	<u>370,794</u>	<u>89,391</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

1. STATUTORY INFORMATION

Seiche Water Technology Group Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The parent company's place of business is Bradworthy Industrial Estate, Langdon Road, Bradworthy, Devon EX22 7SF.

The presentation currency is in pound sterling and is rounded to the nearest pound.

Basis of consolidation

The group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 31 May 2020. Subsidiaries are all entities over which the group has the power to control the financial and operating policies. All subsidiaries have a reporting date of 31 May 2020 and all transactions and balances between group companies are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

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

Operating lease commitments

The group has informal lease agreements as a lessor on its investment property and as a lessee it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

The following are the company's key sources of estimation uncertainty:

Revaluation of investment property

The group carries its investment property at fair value, with changes in fair value being recognised in the profit and loss. The directors have used two professional market valuations actioned during the current financial year to determine the fair market value of the investment property.

Intangible assets

The group establishes a reliable estimate of the useful life of intangible assets arising on business combinations. The useful life of these assets is based on contractual provisions on acquisitions, plus a regular review of market conditions (where available) in respect of similar businesses.

Revaluation of AutoNaut Vessels

The group carries AutoNaut vessels at fair value with movements from revaluation recognised in the revaluation reserve. Management estimations is required to determine the value of AutoNaut vessels, based upon past sales and other information available, such as resale value.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the group carries out impairment tests of fair value less costs to sell, based on a reasonable estimate on the potential value of assets if they were sold using an arm's length transaction. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budgets for the next twelve months and do not include any restructuring activities that has not yet been permitted or significant future investments which will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

The group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the consequences of audits by the tax authorities of the countries in which the group operate. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable company and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and the level of future taxable profits together with an assessment of the effect of future tax planning strategies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and reward of ownership of the goods have passed to the buyer, usually on despatch of the goods, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from the supply of equipment to costs is recognised based on an assessment of the usage period in which the equipment is used by customers and that the usage period can be measured reliably.

Interest income

Turnover is recognised as interest accrues using the effective interest method.

Rental income

Turnover on rental income is recognised based on the level of rental income due, plus any adjustments for the likely consideration received.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Development costs are being amortised evenly over their estimated useful life of five years.

Patents and licences

Royalties acquired have finite useful lives and are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	2% on cost of buildings only
Improvements to property	-	20% on cost
Plant and machinery	-	33% on reducing balance, 33% on cost, 25% on cost, 20% on cost and 20% on reducing balance
AutoNaut vessels		Over 5 years
Fixtures and fittings	-	20% on cost, 20% on reducing balance and 15% on reducing balance
Motor vehicles	-	25% on cost, 25% on reducing balance and 20% on cost
Computer equipment	-	33% on cost

Capitalised self-built assets which are available to lease to customers are depreciated over their estimated useful lives at a rate of 20-50% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

2. ACCOUNTING POLICIES - continued

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

AutoNaut vessels whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being the fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment reviews.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in equity, such as gains and losses are recognised in profit or loss.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

No depreciation is charged to investment property as it is held at fair value in accordance with FRS102 regulations.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Raw materials, consumables and goods held for resale - Purchase cost on a first-in, first out basis

Work in progress and finished goods - Cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment and as explained in note 28, the directors have specifically considered the impact of the COVID-19 pandemic on the company's abilities to continue as a going concern. Accordingly, the directors continue to adapt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

2. ACCOUNTING POLICIES - continued

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

In the event that an internally generated intangible asset arises from the group's development activities then it will be recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- the project from which the asset arises meets the company's criteria for assessing technical feasibility.
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balance, income and expenses are eliminated in full on consideration.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are defined as a contract which gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Basic financial instruments are classified under section 11 of FRS102 and are held at amortised cost. These include cash, trade debtors and creditors, bank loans and other non-complicated loans.

Other financial instruments which are classified under section 12 of FRS102 and are measured as at fair value through the profit or loss.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest method less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

Change in accounting policy

At the balance sheet date the Directors adopted a revaluation accounting policy on autoNaut vessels included within tangible fixed assets. This is a change in accounting policy from the historical cost convention. The effect of this change within the accounts has increased the balance sheet valuation of autoNaut vessels by £207,023 over previously stated net book value if the accounting policy had not been adopted. As such the overall balance sheet total has increased by this amount and is reflected in the undistributable revaluation reserve.

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,035,973	1,960,693
Social security costs	198,324	204,625
Other pension costs	99,840	91,896
	<u>2,334,137</u>	<u>2,257,214</u>

The average number of employees during the year was as follows:

	2020	2019
Direct staff	30	30
Administration staff	47	25
Directors	9	7
	<u>86</u>	<u>62</u>

The average number of employees for the company during the period was 6 (2019 - 4).

	2020	2019
	£	£
Directors' remuneration	363,386	194,804
Directors' pension contributions to money purchase schemes	<u>43,457</u>	<u>5,004</u>

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	2,721	8,523
Other operating leases	88,336	89,389
Depreciation - owned assets	523,374	509,519
(Profit)/loss on disposal of fixed assets	82,540	(825)
Goodwill amortisation	72,547	72,547
Patents and licences amortisation	17,500	17,500
Development costs amortisation	2,322	31,910
Auditors' remuneration	17,499	14,500
Foreign exchange differences	<u>23,280</u>	<u>3,732</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	9,816	10,614
Interest charged	-	1,578
Mortgage	3,128	3,076
Hire purchase	<u>758</u>	<u>452</u>
	<u>13,702</u>	<u>15,720</u>

6. TAXATION

Analysis of the tax credit

The tax charge/(credit) on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	36,059	42,049
R & D tax credits	<u>(128,002)</u>	<u>(82,819)</u>
Total current tax	<u>(91,943)</u>	<u>(40,770)</u>
Deferred tax	<u>242,521</u>	<u>10,231</u>
Tax on profit	<u>150,578</u>	<u>(30,539)</u>

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

6. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>810,759</u>	<u>573,787</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(154,044)	109,020
Effects of:		
Expenses not deductible for tax purposes	(636)	302
Income not taxable for tax purposes	(61,750)	(11,400)
Depreciation in excess of capital allowances	(76,756)	16,286
Utilisation of tax losses	(133,793)	(67,467)
Deferred Tax	242,521	8,736
Research and development enhanced expenditure	(130,739)	(102,888)
Foreign taxes	31,054	26,832
Group adjustments not subject to UK tax	<u>126,633</u>	<u>(9,960)</u>
Total tax charge/(credit)	<u>150,578</u>	<u>(30,539)</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of £0.01 each		
Interim	<u>60,000</u>	<u>60,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020**

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Development costs £	Totals £
COST				
At 1 June 2019 and 31 May 2020	<u>725,471</u>	<u>175,000</u>	<u>422,816</u>	<u>1,323,287</u>
AMORTISATION				
At 1 June 2019	157,834	105,000	420,494	683,328
Amortisation for year	<u>72,547</u>	<u>17,500</u>	<u>2,322</u>	<u>92,369</u>
At 31 May 2020	<u>230,381</u>	<u>122,500</u>	<u>422,816</u>	<u>775,697</u>
NET BOOK VALUE				
At 31 May 2020	<u>495,090</u>	<u>52,500</u>	<u>-</u>	<u>547,590</u>
At 31 May 2019	<u>567,637</u>	<u>70,000</u>	<u>2,322</u>	<u>639,959</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 June 2019	614,292	76,541	3,722,986
Additions	-	-	853,175
Revaluation	-	-	-
Disposals and transfers	<u>-</u>	<u>-</u>	<u>(389,313)</u>
At 31 May 2020	<u>614,292</u>	<u>76,541</u>	<u>4,186,848</u>
DEPRECIATION			
At 1 June 2019	70,035	76,541	2,973,405
Charge for year	9,286	-	492,832
Eliminated on disposal	-	-	(100,357)
Transfers	<u>-</u>	<u>-</u>	<u>(120,372)</u>
At 31 May 2020	<u>79,321</u>	<u>76,541</u>	<u>3,245,508</u>
NET BOOK VALUE			
At 31 May 2020	<u>534,971</u>	<u>-</u>	<u>941,340</u>
At 31 May 2019	<u>544,257</u>	<u>-</u>	<u>749,581</u>

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

10. TANGIBLE FIXED ASSETS - continued

Group	AutoNaut vessels	Fixtures and fittings	Motor Vehicles	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 June 2019	-	119,860	52,597	14,588	4,600,864
Additions	-	14,991	7,925	1,057	877,148
Revaluation	207,023	-	-	-	207,023
Disposals and transfers	203,238	-	(19,260)	-	(205,335)
At 31 May 2020	410,261	134,851	41,262	15,645	5,479,700
DEPRECIATION					
At 1 June 2019	-	102,633	27,492	13,279	3,263,385
Charge for year	-	10,508	9,202	1,547	523,375
Eliminated on disposal	-	-	(17,815)	-	(118,172)
Transfers	120,372	-	-	-	-
At 31 May 2020	120,372	113,141	18,879	14,826	3,668,588
NET BOOK VALUE					
At 31 May 2020	289,889	21,710	22,383	819	1,811,112
At 31 May 2019	-	17,227	25,105	1,309	1,337,479

AutoNaut vessels previously included within plant & machinery with a carrying net book value of £82,866 were reclassified and revalued on 31 May 2020 based on a Director's valuation. The valuation is based on the previous sales values and reduced based on anticipated fair value.

If revalued assets were stated on an historical cost basis rather than fair value basis the total amounts included would have been as follows:

	2020	2019
	£	£
Cost	203,239	-
Accumulated depreciation	(120,372)	-
The revaluation surplus is disclosed in note 17	<u>82,867</u>	<u>-</u>

11. FIXED ASSET INVESTMENTS

Company	Unlisted Investments £
COST	
At 1 June 2019	4,641,724
Additions	-
At 31 May 2020	4,641,724
NET BOOK VALUE	
At 31 May 2020 and at 31 May 2019	<u>4,641,724</u>

continued...

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

11. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Seiche Limited

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Manufacture and hire of PAM equipment & services

Class of shares: %
holding
Ordinary £1 shares 100.00

	2020	2019
	£	£
Aggregate capital and reserves	3,882,780	3,083,717
Profit for the year	<u>924,063</u>	<u>395,971</u>

Autonaut Limited

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Manufacture of wave propelled vessels

Class of shares: %
holding
Ordinary £0.10 shares 75.02

	2020	2019
	£	£
Aggregate capital and reserves	11,305	17,482
Profit/(loss) for the year	<u>(213,200)</u>	<u>84,333</u>

Seiche Environmental Ltd

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Dormant company

Class of shares: %
holding
Ordinary £1 shares 100.00

	2020	2019
	£	£
Aggregate capital and reserves	78,966	203,792
Profit for the year	<u>75,174</u>	<u>203,989</u>

Seiche Training Limited

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Marine mammal monitoring & other training

Class of shares: %
holding
Ordinary £1 shares 100.00

	2020	2019
	£	£
Aggregate capital and reserves	(1,721)	(261,049)
Profit/(loss) for the year	<u>259,328</u>	<u>(29,513)</u>

Seiche Training Limited (company number 09312435) is exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of s479A.

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

11. FIXED ASSET INVESTMENTS - continued

Ashridge Engineering Limited

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Design & Manufacture of electronic equipment

Class of shares: %
holding
Ordinary £1 Shares 100.00

	2020	2019
	£	£
Aggregate capital and reserves	442,778	431,997
Profit/(loss) for the year	<u>10,481</u>	<u>(134,197)</u>

Seiche Operations Ltd

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Dormant

Class of shares: %
holding
Ordinary £1 Shares 100.00

	2020	2019
	£	£
Aggregate capital and reserves	<u>100</u>	<u>100</u>

Seiche Measurements Limited

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Non trading company

Class of shares: %
holding
Ordinary £1 shares 100.00

Ashridge Monitoring Limited

Registered office: The Custom House, The Strand, Barnstaple, Devon EX31 1EU

Nature of business: Non trading company

Class of shares: %
holding
Ordinary £1 shares 100.00

	2020	2019
	£	£
Aggregate capital and reserves	<u>100</u>	<u>100</u>

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

12. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 June 2019	250,000
At 1 June 2020	<u>262,034</u>
NET BOOK VALUE	
At 31 May 2020	<u>262,034</u>
At 31 May 2019	<u>250,000</u>

The investment property has been valued by the directors based on their assumptions of the fair value of investment property at the balance sheet date. To make their assumptions the directors have estimated the fair value of the investment property, based on a professional valuation carried out by Kivells on 14 June 2019. The directors do not consider the fair value of the investment property to be materially misstated.

13. STOCKS

	Group	
	2020	2019
	£	£
Stocks	<u>465,384</u>	<u>532,707</u>

14. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,083,136	1,346,789	-	-
Amounts owed by group undertakings	-	-	263,603	58,811
Other debtors	84,710	218,952	1,207	7,266
Prepayments	<u>92,095</u>	<u>100,948</u>	<u>-</u>	<u>-</u>
	<u>1,259,941</u>	<u>1,666,689</u>	<u>264,810</u>	<u>66,077</u>
Amounts falling due after more than one year:				
Deferred tax asset	3,088	173,632	-	10,997
Tax	<u>131,228</u>	<u>111,290</u>	<u>-</u>	<u>-</u>
	<u>134,316</u>	<u>284,922</u>	<u>-</u>	<u>10,997</u>
Aggregate amounts	1,394,257	1,951,611	264,810	77,074

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts (see note 18)	164,856	34,977	-	5
Hire purchase contracts (see note 19)	4,240	4,240	-	-
Trade creditors	191,055	222,091	408	-
Owed to group undertakings	-	-	697,914	712,313
Social security and other taxes	146,496	233,015	-	-
Other creditors	29,151	50,012	-	-
Directors' current accounts	307	3,049	307	3,049
Accruals and deferred income	<u>245,516</u>	<u>372,941</u>	<u>5,000</u>	<u>3,287</u>
	<u>781,622</u>	<u>920,325</u>	<u>703,629</u>	<u>718,654</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2020	2019
	£	£
Bank loans (see note 18)	285,589	297,983
Other loans (see note 18)	37,946	54,225
Hire purchase contracts (see note 19)	9,577	13,818
Accruals and deferred income	<u>97,302</u>	<u>123,879</u>
	<u>430,414</u>	<u>489,905</u>

17. REVALUATION RESERVE

	Group	
	2020	2019
	£	£
At the beginning of the year	-	-
Revaluation surplus arising in the year	207,023	-
	<u>207,023</u>	<u>-</u>

The revaluation reserve relates to the revaluation of AutoNaut vessels

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	-	5
Bank loans	<u>174,976</u>	<u>34,977</u>	<u>-</u>	<u>-</u>
	<u>174,976</u>	<u>34,977</u>	<u>-</u>	<u>5</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>34,980</u>	<u>34,980</u>	<u>-</u>	<u>-</u>
Other loans - 1-2 years	<u>46,592</u>	<u>17,115</u>	<u>-</u>	<u>-</u>
	<u>81,572</u>	<u>52,095</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>211,012</u>	<u>263,003</u>	<u>-</u>	<u>-</u>
Other loans - 2-5 years	<u>20,831</u>	<u>37,110</u>	<u>-</u>	<u>-</u>
	<u>231,843</u>	<u>300,113</u>	<u>-</u>	<u>-</u>

Loans consist of the following:

Seiche Limited has two bank loans. One which is due for repayment February 2021 £140,000. The other loan is a secure loan with a remaining repayment term of four years and interest charged at a rate of 3.79%.

Ashridge Engineering Limited has two fixed term bank loans with remaining current payment terms of one year at an interest rate of 4.32%. These have been refinanced in 2020 for a period of (5 or 10) years

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	4,240	4,240
Between one and five years	<u>9,577</u>	<u>13,818</u>
	<u>13,817</u>	<u>18,058</u>

Group

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	54,125	74,077
Between one and five years	91,276	139,405
In more than five years	<u>9,764</u>	<u>31,825</u>
	<u>155,165</u>	<u>245,307</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2020	2019
	£	£
Bank loans	<u>311,445</u>	<u>332,960</u>

The bank loan held by Seiche Limited is secured by a first legal charge over the company's freehold investment property together with a limited guarantee provided by the director, Mr R Wyatt. Other bank loans are secured by a first legal charge over the group's freehold property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

21. FINANCIAL INSTRUMENTS

The carrying amounts of the group's financial instruments are as follows:

Financial Assets	2020	2019
<u>Debt Instruments at amortised cost:</u>	<u>£</u>	<u>£</u>
Trade debtors	1,083,136	1,346,789
Prepayments	92,095	100,948
Tax	131,228	111,290
Deferred tax	3,088	173,632
Other debtors	84,710	218,952
Cash and bank at hand	1,283,889	370,794
Total	2,678,146	2,322,405
 Financial Liabilities	 2020	 2019
<u>Measured at fair value through the profit or loss:</u>	<u>£</u>	<u>£</u>
Other loans	55,446	71,725
 <u>Measured at amortised cost:</u>	 <u>£</u>	 <u>£</u>
Other creditors	11,652	32,512
Trade creditors	191,055	222,091
Hire purchase contracts	13,817	18,058
Social security and other taxes	146,496	233,015
Directors current accounts	307	3,049
Accruals and deferred income	342,818	496,820
Bank loans and overdrafts	450,445	332,960
Total	1,156,590	1,338,505
 Income and Expense	 2019	 2019
	£	£
Financial liabilities measured at fair value through profit or loss	-	1,578

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through the profit and loss amounted to interest income of £nil (2019 - £6), and interest expense of £13,702 (2019 - £14,142) respectively.

22. PROVISIONS FOR LIABILITIES

	Group	
	2020	2019
	£	£
Deferred tax	73,988	1,282

SEICHE WATER TECHNOLOGY GROUP LTD (REGISTERED NUMBER: 10210943)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

23. PROVISIONS FOR LIABILITIES - continued

Group	Deferred tax £
Balance at 1 June 2019	1,282
Deferred tax movement	<u>72,706</u>
Balance at 31 May 2020	<u><u>73,988</u></u>

24. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:	Nominal	2020	2019
Number: Class:	value:		
		£	£
400,001,000 Ordinary	£0.01	<u><u>4,000,010</u></u>	<u><u>4,000,010</u></u>

25. RESERVES

Group	Retained earnings £
At 1 June 2019	(199,205)
Profit for the year	<u>(199,205)</u>
Dividends	<u>713,481</u> <u>(60,000)</u>
At 31 May 2020	<u><u>454,276</u></u>
 Company	 Retained earnings £
At 1 June 2019	134
Profit for the year	<u>134</u>
Dividends	<u>270,522</u> <u>(60,000)</u>
At 31 May 2020	<u><u>210,656</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2020

26. NON-CONTROLLING INTERESTS

During the year ended 31 May 2020 Autonaut Limited had an adjusted loss of (£213,200) (2019 – profit of £84,333). The non controlling interest share of that loss is (£53,300) (2019 - non controlling interest- £32,740).

27. RELATED PARTY DISCLOSURES

During the year, total dividends of £60,000 (2019 - £60,000) were paid to the directors.

Amounts Owed to Directors

As at 31 May 2020, the company owed two of the directors holding a participating interest, £307 (2019 - £3,049). No interest has been charged on any of these loans as they are considered to be repayable on demand.

28. EVENTS AFTER THE REPORTING DATE

The Covid-19 pandemic has developed rapidly in 2020, with a significant number of cases in the UK. Measures taken by Government to contain the virus have affected economic activity. We have taken a number of measures for our clients and staff.

At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.