

**SEA-KIT INTERNATIONAL LTD**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**SEA-KIT INTERNATIONAL LTD**  
**REGISTERED NUMBER: 10731151**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

		2022	<i>As restated</i>
	Note	£	2021 £
<b>Fixed assets</b>			
Tangible assets	4	953,589	1,027,106
		<u>953,589</u>	<u>1,027,106</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	786,268	441,767
Cash at bank and in hand	6	57,471	35,967
		<u>843,739</u>	<u>477,734</u>
Creditors: amounts falling due within one year	7	(976,711)	(1,145,188)
<b>Net current liabilities</b>		(132,972)	(667,454)
<b>Total assets less current liabilities</b>		<u>820,617</u>	<u>359,652</u>
<b>Provisions for liabilities</b>			
Deferred tax		(97,183)	-
		<u>(97,183)</u>	<u>-</u>
<b>Net assets</b>		<u><u>723,434</u></u>	<u><u>359,652</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Revaluation reserve	10	778,115	817,115
Other reserves	10	124,414	62,207
Profit and loss account	10	(179,195)	(519,770)
		<u><u>723,434</u></u>	<u><u>359,652</u></u>

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**SEA-KIT INTERNATIONAL LTD**  
**REGISTERED NUMBER: 10731151**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 October 2023.

**Benjamin Patrick Huw Simpson**  
Director

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

Sea-Kit International is a company with liability limited by shares, incorporated in England, number 10731151.

Its registered office is at Blackwater House, CM9 8SE and its principal activity is the design and development of autonomous (unmanned) seagoing vessels.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Operating leases: the Company as lessee**

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

**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Share-based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.11 Development costs**

Costs of research and development are charged to profit and loss as incurred.

**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.12 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
Motor vehicles	-	
Office equipment	-	25%
Maxlimer vessel	-	10%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.13 Revaluation of tangible fixed assets**

The Maxlimer vessel is carried at current year value at fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.14 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.16 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.17 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**2.19 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

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

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

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**2. Accounting policies (continued)**

**2.19 Financial instruments (continued)**

amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

**3. Employees**

The average monthly number of employees, including directors, during the year was 21 (2021 - 17).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. Tangible fixed assets**

	Other fixed assets £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	1,000,000	44,443	-	50,397	1,094,840
Additions	-	158	12,500	18,993	31,651
At 31 December 2022	<u>1,000,000</u>	<u>44,601</u>	<u>12,500</u>	<u>69,390</u>	<u>1,126,491</u>
<b>Depreciation</b>					
At 1 January 2022	37,500	16,325	-	13,909	67,734
Charge for the year on owned assets	75,000	12,131	2,083	15,954	105,168
At 31 December 2022	<u>112,500</u>	<u>28,456</u>	<u>2,083</u>	<u>29,863</u>	<u>172,902</u>
<b>Net book value</b>					
At 31 December 2022	<u>887,500</u>	<u>16,145</u>	<u>10,417</u>	<u>39,527</u>	<u>953,589</u>
<b>At 31 December 2021</b>	<u>962,500</u>	<u>28,118</u>	<u>-</u>	<u>36,488</u>	<u>1,027,106</u>

The Maxlimer vessel which constitutes 'other fixed assets' was revalued to a commercial level by the directors on 1st July 2021.

If the other fixed assets had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	10	10
Accumulated depreciation	(2)	(1)
<b>Net book value</b>	<u>8</u>	<u>9</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. Debtors**

	2022 £	2021 £
Trade debtors	35,915	328,479
Amounts owed by group undertakings	551,649	-
Other debtors	157,604	68,407
Prepayments and accrued income	30,023	33,147
Amounts recoverable on long term contracts	11,077	-
Deferred taxation	-	11,734
	<u>786,268</u>	<u>441,767</u>

**6. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	57,471	35,967
	<u>57,471</u>	<u>35,967</u>

**7. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Payments received on account	469,791	-
Trade creditors	359,673	35,256
Amounts owed to group undertakings	-	819,889
Other taxation and social security	48,623	27,731
Other creditors	4,599	3,312
Accruals and deferred income	94,025	259,000
	<u>976,711</u>	<u>1,145,188</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. Financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u><b>57,471</b></u>	<u><b>35,967</b></u>

Financial assets measured at fair value through profit or loss comprise bank balances.

**9. Share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
10,000 (2021 - 10,000) Ordinary shares of £0.01 each	<u><b>100</b></u>	<u><b>100</b></u>

**10. Reserves****Revaluation reserve**

The revaluation reserve represents the increase to fair value of the Maxlimer vessel originally acquired at a nominal cost with a deduction for deferred taxation provided on the uplift

**Other reserves**

Other reserves consist of a provision in respect of equity settled share-based payments

**11. Share-based payments**

On 18th February 2021 share options were issued to three employees in respect of 957 shares each in Hushcraft Ltd, Sea-Kit International's holding company. One employee left prior to the year end, so that the total fair value assessed at the date of grant was calculated on the remaining 1914 options. This fair value is being charged to profit and loss over 4 years. The exercise price per share is £27.16.

**12. Prior year adjustment**

There has been a restatement of the 2021 result to recognise the deferred taxation charge on the revaluation of the Maxlimer vessel in the revaluation reserve rather than through the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS  
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**13. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £20,101 (2021 - £12,765). Contributions totalling £4,599 (2021 - £3,314) were payable to the fund at the balance sheet date and are included in creditors.

**14. Controlling party**

Sea-Kit International is a wholly owned subsidiary of Hushcraft Limited, a small company, which takes advantage of its eligibility not to produce consolidated accounts. The ultimate controlling party is Ben Simpson by virtue of his shareholding in Hushcraft Ltd.

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