

Stroma Tidal Power Limited

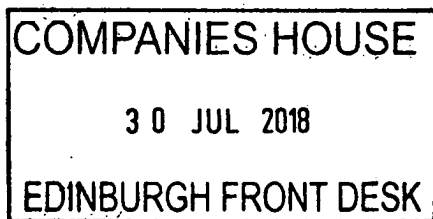
Officers and professional advisers

Registered No. SC536323

Stroma Tidal Power Limited

Annual Report and Financial Statements

31 December 2017



Stroma Tidal Power Limited

Officers and professional advisers

Directors

Timothy Cornelius
Andrew Dagley (appointed 10 August 2017)
Simon Counsell (resigned 10 August 2017)

Secretary

Link Company Matters Limited

Registered office

Fourth Floor Edinburgh Quay 2
139 Fountainbridge
Edinburgh
United Kingdom
EH3 9QG

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Stroma Tidal Power Limited

Directors' report

The Directors present their Annual Report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2017.

Principal activities

The principal activity of the Company is the early stage development of tidal current power projects.

Dividends

The directors do not recommend the payment of a dividend for the year (2016: £Nil).

Directors

The directors who served the Company during the period is shown on page 1.

The directors are also directors of the Company's ultimate holding company, SIMEC Atlantis Energy Limited (formerly known as Atlantis Resources Limited), incorporated in Singapore.

Directors' indemnities

The Company has not made qualifying third party indemnity provisions for the benefit of its directors.

Key risks and uncertainties

The tidal industry has now progressed into a critical phase in its development with the imminent deployment of multiple turbines in small arrays. The success of these early deployments is central to the continued success of the industry, and in particular on its ability to attract future investment.

Results for the period

The results of the Company for the period are set out on page 7 and show a loss for the period, net of taxation, of £174,957 (2016: 493,105).

Future Developments

The Company will continue to pursue tidal current power projects with a view to progressing these opportunities through to commercial operation.

Going concern

The financial statements have been prepared on a going concern basis, despite the loss for the year and the shareholders' funds being in deficit, as a letter of support from the ultimate parent company, stating they will supply the company with financial and other support, has been provided for a period of twelve months from the date of signing these financial statements.

Stroma Tidal Power Limited

Directors' report

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:



Timothy Cornelius
Director

27 July 2018

Stroma Tidal Power Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Stroma Tidal Power Limited

Independent auditor's report to the members of Stroma Tidal Power Limited (continued)

Opinion

We have audited the financial statements of Stroma Tidal Power Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of comprehensive loss, the Statement of financial position, the Statement of changes in equity and related notes, including the summary of significant accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Stroma Tidal Power Limited

Independent auditor's report to the members of Stroma Tidal Power Limited (continued)

- the 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

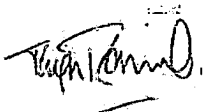
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Saltire Court, 20 Castle Terrace
Edinburgh, United Kingdom
EH1 2EG

27 July 2018

Stroma Tidal Power Limited

Statement of comprehensive loss

For the year ended 31 December 2017

	Notes	2017 £	2016 £
Administrative expenses	4	(174,957)	(493,105)
Loss from operating activities before tax		(174,957)	(493,105)
Taxation	6	–	–
Loss for the period		(174,957)	(493,105)
Other comprehensive loss for the period		-	-
Total comprehensive loss for the period		(174,957)	(493,105)

The notes on pages 10 to 14 form an integral part of these Financial Statements.

Stroma Tidal Power Limited

Statement of financial position

As at 31 December 2017

Company number: SC536323

	Notes	2017 £	2016 £
Cash and cash equivalents		608	6,376
Other receivables	7	59,537	113,911
Total current assets		60,145	120,287
Trade and other payables	8	(728,207)	(613,392)
Total current liabilities		(728,207)	(613,392)
Net liabilities		(668,062)	(493,105)
Capital and reserves			
Share capital	9	-	-
Retained earnings		(668,062)	(493,105)
Total equity		(668,062)	(493,105)

The financial statements on pages 7 to 14 were approved by the board of directors and authorised for issue on 27 July 2018 and are signed on their behalf by:



Timothy Cornelius

Director

Stroma Tidal Power Limited

Statement of changes in equity Year ended 31 December 2017

	Share capital £	Retained earnings £	Total £
At 25 May 2016 (Date of Incorporation)	-	-	-
Total comprehensive loss for the period ended 31 December 2016	-	(493,105)	(493,105)
At 31 December 2016	-	(493,105)	(493,105)
Total comprehensive loss for the year	-	(174,957)	(174,957)
At 31 December 2017	-	(668,062)	(668,062)

The notes on pages 10 to 14 form an integral part of these Financial Statements.

Stroma Tidal Power Limited

Notes to the financial statements Year ended 31 December 2017

1 General information

Stroma Tidal Power Limited (the “Company”) is a company incorporated, registered and domiciled in Scotland, United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1.

The principal activity of the company during the period relates to the early stage development of tidal current power projects.

These financial statements are presented in pounds sterling (“£”) which is also the currency of the primary economic environment in which the company operates.

The immediate holding company is Atlantis Projects Pte Limited, incorporated in Singapore, and the ultimate holding company is SIMEC Atlantis Energy Limited, incorporated in Singapore.

2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £668,062, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by SIMEC Atlantis Energy Limited, the company’s ultimate parent. SIMEC Atlantis Energy Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

3 Significant accounting policies

3.1 Basis of accounting

The Company financial statements have been prepared and approved by the directors in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ and Companies Act 2006.

The financial statements are prepared on the historical cost basis.

The preparation of the financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

The Company adopted FRS 101 for the period presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for year to 31 December 2017.

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Notes to the financial statements (continued) Year ended 31 December 2017

3.1 Basis of accounting (continued)

The following principles have been applied:

Financial reporting standard 101 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirement of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by the member.
- The requirements of paragraphs 134(d) -134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the year. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Company’s accounting policies make use of estimates and judgments in the following areas; carrying value of payables, receivables, and taxation. These are described in more detail in the relevant accounting notes.

3.2 Financial Instruments

A financial instrument is any contract that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The classification depends on the nature and purpose of the financial assets and liabilities which is determined at the time of initial recognition.

The Company’s financial assets include amounts trade and other receivables

The Company’s financial liabilities include amounts due to related parties, trade and other payables.

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Notes to the financial statements (continued) Year ended 31 December 2017

3.3 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

3.4 Debtors

Trade and other receivables are recognised at the original invoice amount, less an allowance for doubtful receivables. The invoice amount is considered to be approximately equal to the value derived if the amortised cost method would have been used.

3.5 Creditors

Trade and other payables are recognised at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortised cost method would have been used.

4 Auditors' remuneration

During the year to 31 December 2017, fees payable to the Company's auditors for the audit of the Company's annual accounts were £1,000 (2016: £1,500). This amount was borne by another SIMEC Atlantis Energy Limited Group company and was not recharged.

5 Staff costs and directors' remuneration

During the year to 31 December 2017, the Company did not have any employees.

The directors are employees of other subsidiaries within the Group and no consideration is paid by the Company to the other subsidiaries for the services rendered by these directors.

6 Taxation

	2017 £	2016 £
Current tax:		
UK corporation tax	-	-
	<hr/>	<hr/>
	-	-

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Notes to the financial statements (continued) Year ended 31 December 2017

6 Taxation (continued)

For the year to 31 December 2017 the Company was subject to UK corporation tax at a rate of 19.25% (2016: 20%). The total tax expense differs from the amount computed by applying the statutory UK tax rates as follows:

	2017 £	2016 £
Loss before tax	(174,957)	(493,105)
Tax at 19.25% (2016: 20%)	(33,679)	(98,621)
Increase / decrease in income taxes resulting from:		
Tax losses carried forward not recognised	33,679	98,621
Tax credit for the period	-	-

At the end of the reporting period, the company has unutilised tax losses of £0.7 million (2016: £0.5m) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

Applicable rate of tax is computed at 19.25% (2016: 20%). The standard rate of UK Corporation tax reduced from 20% to 19% on 1 April 2017. The Finance Act 2016 includes legislation to further reduce the rate from 1 April 2020 to 17%.

7 Other receivables

	2017 £	2016 £
Security deposit	51,988	12,777
Value-added tax	7,549	101,134
	59,537	113,911

8 Trade and other payables

	2017 £	2016 £
Trade payables	22,586	253,419
Amounts due to Group companies	705,621	359,973
	728,207	613,392

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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Notes to the financial statements (continued) Year ended 31 December 2017

9 Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 Ordinary Shares of £0.01 each	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

10 Immediate and ultimate parent undertaking

At 31 December 2017, the immediate parent undertaking is Atlantis Projects Pte Limited, incorporated in Singapore.

SIMEC Atlantis Energy Limited is the ultimate parent company, incorporated in Singapore and registered at 80 Raffles Place, Level 36, Singapore 048624. The Group headed by SIMEC Atlantis Energy Limited is also the largest group in which the results of the Company are consolidated. No other group financial statements include the results of this company.

The consolidated financial statements of the Group are available to the public and may be obtained from the Group's website at www.simecatlantis.com.