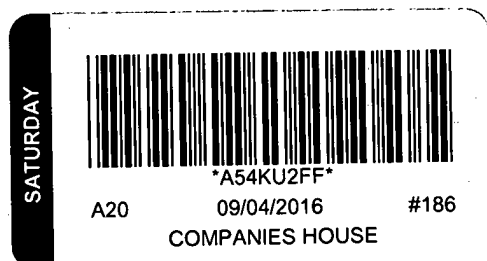


Registration number: 03266902

MINESTO UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



MINESTO UK LIMITED

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MINESTO UK LIMITED

COMPANY INFORMATION

Directors	M Edlund
Company secretary	Goodwille Limited
Registered office	St James House 13 Kensington Square London W8 5HD
Independent Auditors	Harmer Slater Limited Chartered Accountants and Statutory Auditor Salatin House 19 Cedar Road Sutton Surrey SM2 5DA

MINESTO UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The report and the audited financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company is that of research into the development of a novel tidal power plant.

Directors of the Company

The director who held office during the year was as follows:

A Jansson (resigned 1 March 2016)

The following director was appointed after the year end:

M Edlund (appointed 1 March 2016)

Going concern

The accounts have been prepared under the going concern concept on the basis that the immediate parent undertaking has agreed to provide adequate funds to enable the company to meet its liabilities as they fall due.

Disclosure of information to the auditors

The Director has taken steps that ought to have taken as a Director in order to make aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) and to establish that the Company's auditors are aware of that information. The Director confirms that there is no relevant information that of and of which the auditors are unaware.

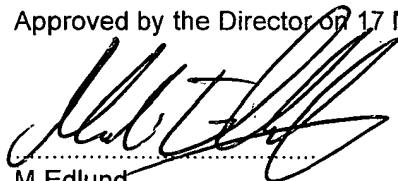
Reappointment of auditors

Harmer Slater Limited are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continued in force under the Companies Act 2006.

Small companies provision statement

The director has taken advantage of the small companies' exemptions provided by sections 414B and 415A of the Companies Act 2006 from the requirement to prepare a strategic report and in preparing the Directors' Report on the grounds that the company qualifies as a small company but for being a member of an ineligible group.

Approved by the Director on 17 March 2016



M Edlund
Director

MINESTO UK LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MINESTO UK LIMITED

We have audited the financial statements of Minesto UK Limited for the year ended 31 December 2015, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's member 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 member those matters we are required to state 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Director's Responsibilities (set out on page 3), the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its results 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.

Opinion on other matter prescribed by the Companies Act 2006

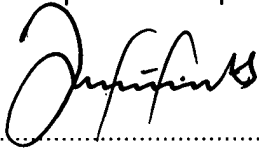
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MINESTO UK LIMITED (CONTINUED)

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 or in preparing the Directors' Report.



.....
Ransford Agyei-Boamah (Senior Statutory Auditor)
For and on behalf of Harmer Slater Limited, Statutory Auditor

Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

17 March 2016

MINESTO UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Revenue	3	781,634	101,569
Research and development costs		(707,482)	(458,951)
Administrative expenses		(100,071)	(49,596)
Other operating income	4	<u>25,436</u>	<u>406,978</u>
Operating loss	5	(483)	-
Other interest receivable and similar income		<u>483</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		-	-
Taxation	9	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year		-	-
Retained earnings brought forward		<u>(166,432)</u>	<u>(166,432)</u>
Retained earnings carried forward		<u><u>(166,432)</u></u>	<u><u>(166,432)</u></u>

Continuing operations

Revenue and operating loss derive wholly from continuing operations.

The notes on pages 8 to 17 form an integral part of these financial statements.

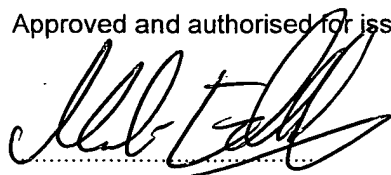
MINESTO UK LIMITED

(REGISTRATION NUMBER: 03266902)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Non-current assets			
Property, plant and equipment	10	76,786	909
Current assets			
Receivables	11	38,805	118,864
Cash at bank and in hand	12	28,163	21,882
		66,968	140,746
Payables: Amounts falling due within one year	13	(139,834)	(137,735)
Net current (liabilities)/assets		(72,866)	3,011
Net assets		3,920	3,920
Equity			
Called up share capital	15	2	2
Capital contribution	15	170,350	170,350
Retained earnings	15	(166,432)	(166,432)
Total equity		3,920	3,920

Approved and authorised for issue by the director on 17 March 2016



M Edlund
Director

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 GENERAL INFORMATION

Minesto UK Limited is a private company limited by share capital incorporated in United Kingdom under the Companies Act 2006.

The address of its registered office is St James House, 13 Kensington Square, London , W8 5HD.

The nature of the company's principal activities are set out in the Director's Report on page 2.

2 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The accounts have been prepared under the going concern concept on the basis that the immediate parent undertaking has agreed to provide adequate funds to enable the company to meet its liabilities as they fall due.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and in accordance with the Companies Act 2006.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 18.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£).

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Summary of disclosure exemptions

The company is qualifying entity (for the purposes of FRS102) and in consequence has taken advantage of the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes;
- the requirement to disclose transactions with group entities; and
- financial instrument disclosures, including: categories of financial instruments, items of income, expenses, gains or losses relating to financial instruments and exposure to and management of financial risks.

Name of parent of group

These financial statements are consolidated into the financial statements of Minesto AB.

The financial statements of Minesto AB may be obtained from Vita Gavelns Väg 6, 426 71 Västra Frölunda, Sweden.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as 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 amounts recognised in the financial statements.

Property, plant and equipment - the company establishes a reliable estimate of the useful life of tangible fixed assets; this estimate is based on a variety of factors which may be uncertain. The carrying amount is £76,786 (2014 -£909).

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Revenue is shown net of value added tax.

The Company recognises revenue when:
the amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific performance criteria have been met for the Company's activities.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants in respect of capital expenditure are deducted from the related assets, with a consequent reduction in the annual charge for depreciation/amortisation released to the profit and loss account over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate and are included in other operating income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of property, plant and equipment over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line
Equipment and tools	10 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise bank current accounts that are subject to an insignificant risk of change in value.

Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable.

3 REVENUE

In the opinion of the director the company's turnover, profit before tax and net assets are not attributable to classes of business or geographical segments which differ substantially from each other. Consequently, no segmental information has been presented.

4 OTHER OPERATING INCOME

The analysis of the company's other operating income for the year is as follows:

	2015	2014
	£	£
Government grants	<u>25,436</u>	<u>406,978</u>

5 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2015	2014
	£	£
Foreign exchange gains	(3,277)	(13,808)
Depreciation expense	4,248	908
Government grants receivable	<u>(25,436)</u>	<u>(406,978)</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

6 STAFF COSTS

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	195,255	142,853
Social security costs	18,939	13,593
Pension costs, defined contribution scheme	8,307	4,650
	<u>222,501</u>	<u>161,096</u>

The average number of persons employed by the company during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	1	1
Research and development	4	4
	<u>5</u>	<u>5</u>

7 DIRECTORS' REMUNERATION

No remuneration was paid to the directors during the year (2014: £nil).

8 AUDITORS' REMUNERATION

	2015 £	2014 £
Audit of the financial statements	<u>1,300</u>	<u>1,200</u>
Other fees to auditors		
All other non-audit services	<u>1,350</u>	<u>1,300</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

9 TAXATION

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
UK corporation tax	-	-
	-	-

Factors affecting current tax charge for the year

	2015 £	2014 £
Profit/(loss) before tax	-	-
Corporation tax at standard rate of 20%	-	-
Depreciation in excess of capital allowances	668	182
Tax losses (utilised)/carried forward	(668)	(182)
Total current tax	-	-

Factors that may affect future tax charges

The company has tax losses of £166,000 (2014: £167,000) which are available to be utilised against future profits. No deferred tax asset has been recognised in respect of these losses.

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

	Equipment and tools £	Computer equipment £	Total £
Cost			
At 1 January 2015	-	2,726	2,726
Additions	80,125	-	80,125
At 31 December 2015	80,125	2,726	82,851
Depreciation			
At 1 January 2015	-	1,817	1,817
Charge for the year	3,339	909	4,248
At 31 December 2015	3,339	2,726	6,065
Carrying amount			
At 31 December 2015	76,786	-	76,786
At 31 December 2014	-	909	909

11 RECEIVABLES

	2015 £	2014 £
Other receivables	34,850	31,491
Prepayments and accrued income	3,955	87,373
	<u>38,805</u>	<u>118,864</u>

Included within other receivables is a decommissioning and restoration security deposit of £20,000 (2014: £20,000) which is recoverable after more than one year.

12 CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Cash at bank	<u>28,163</u>	<u>21,882</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

13 PAYABLES

	Note	2015 £	2014 £
Due within one year			
Payables		2,925	120
Amounts due to related parties	16	90,180	117,172
Social security and other taxes		7,181	5,224
Outstanding defined contribution pension costs		995	650
Other payables		2,532	102
Accrued expenses		36,021	14,467
		<u>139,834</u>	<u>137,735</u>

14 PENSION SCHEMES

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £8,307 (2014 - £4,650).

Contributions totalling £995 (2014 - £650) were payable to the scheme at the end of the year and are included in creditors.

15 SHARE CAPITAL AND RESERVES

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

MINESTO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

15 SHARE CAPITAL AND RESERVES (CONTINUED)

The Company has one class of share which carry no right to fixed income.

The Company's other reserves are as follows:

The capital contribution reserve represents a contribution from the parent undertaking, Minesto AB which is unconditional and any repayment is at the sole discretion of the company.

The retained profit reserve represents cumulative profit or losses net of dividends paid and other adjustments.

16 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary member of its group and has therefore taken advantage of the provisions of Section 33. 1A of FRS 102 the "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are wholly owned members of the the group.

There were no other related party transactions to disclose.

17 ULTIMATE PARENT UNDERTAKING

The company's immediate parent is Minesto AB, incorporated in Sweden.

The most senior parent entity producing publicly available financial statements is Minesto AB. These financial statements are available upon request from Vita Gavelns Väg 6, 426 71 Västra Frölunda, Sweden. Minesto AB is listed on First North at NASDAQ Stockholm.

18 TRANSITION TO FRS 102

The Company is a first time adopter of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. The last financial statements under previously extant UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, there has been no effect on accounting policies. The transition from the previously extant UK GAAP to FRS 102 has had no effect on its reported financial position and financial performance.