

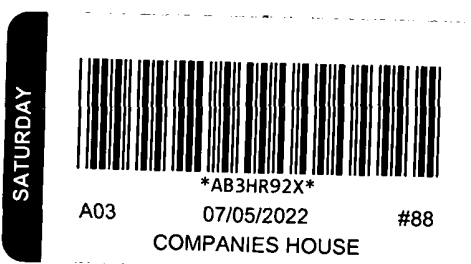
Registered number: 04241498

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**AQUASium TECHNOLOGY LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**AQUASium TECHNOLOGY LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J P Cumberland  
R L Nicolson  
G Crick  
R G Healey (resigned 25 March 2022)  
G Newton (appointed 25 March 2022)

**REGISTERED NUMBER**

04241498

**REGISTERED OFFICE**

43 Pembroke Avenue  
Denny Industrial Estate  
Waterbeach  
Cambridge  
CB25 9QX

**INDEPENDENT AUDITORS**

Peters Elworthy & Moore  
Chartered Accountants & Statutory Auditors  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

**BANKERS**

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

**SOLICITORS**

Birketts Solicitors LLP  
Providence House  
141 - 145 Princes Street  
Ipswich  
IP1 1QJ

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**AQUASium TECHNOLOGY LIMITED**

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**AQUASium TECHNOLOGY LIMITED**

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**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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Some of the consequences of Covid were more pronounced this year, primarily with more and greater delays in the supply chain. This caused delays in completing machines, which hampered the revenue stream, but nevertheless was slightly higher than in 2020. The order book for machines, however, was exceptional during the year and has created a strong opening position for 2022.

The factory expansion and relocation programme, which will support Ebflow and other new products, was almost completed during the year, but also generated exceptional investment expenditure.

The continuing world-wide interest in Ebflow is being supported by a continuing high level of R&D expenditure and several crucial technical targets were met.

The gradual transition of the automotive industry from ICE to E motive power had revealed several new product opportunities for the company. Development and commercial resources have been allocated accordingly.

  
Name J. P. Cumberland  
Chairman

Date 29/4/22

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## AQUASium TECHNOLOGY LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### BUSINESS REVIEW

The Group continues to be principally engaged in the design, manufacture, sale and servicing of electron beam welding equipment, through its global trading name Cambridge Vacuum Engineering (CVE). Despite the impact of Covid, the Group has driven increased revenues with turnover up 4% in the year. Gross profit is also up 23% despite the Covid-induced impact on global supply chains and prices.

As a result, the balance sheets (both company and consolidated) are now both recording record levels of net assets at £6.7m and £6.8m, respectively.

Cash levels remain comfortable and a record order book was carried into 2022.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties for the Group are explained below:

##### Personnel risk

The Group seeks to attract and retain good quality staff through its training processes, working conditions and total remuneration packages.

##### Health and safety

Given the nature of the machines it builds, the Group takes its responsibilities for health and safety of its staff and operations of its machines seriously. The Group maintains appropriate standards by way of training and compliance with legal requirements.

##### Pandemic risk

The Group recognises that the risk of pandemic presents various financial and operational risks, including supply chain disruption, reduced revenues from servicing machines due to the travel restrictions imposed, and shortages of staff if they become ill. This risk is monitored closely by management with mitigating actions implemented where possible such as sourcing goods from a wide range of suppliers and implementing distancing measures to protect employees.

##### Financial risk

The Group uses various financial instruments. These include loans, cash and various items, such as forward foreign exchange contracts. The main purpose of these financial instruments is to raise finance for the Group's operations and to protect against currency movements.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

All transactions in derivatives are undertaken to manage the risks arising from the underlying business activities and no transactions of a speculative nature are undertaken.

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**AQUASium TECHNOLOGY LIMITED**


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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**


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The main risks from the Group's financial instruments are currency risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below:

**Currency risk**

The Group is exposed to translation and transaction foreign exchange risk. In relation to translation risks, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward exchange contracts. Whilst the aim is to achieve an economic hedge the Group does not adopt a policy of hedge accounting for these financial statements.

**Liquidity risk**

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Group's policy throughout the year has been to ensure continuity of funding. Short term flexibility is achieved by bank facilities, and continued support from investors.

**Interest rate risk**

The Group finances its operations through bank borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating rate facilities.

**Credit risk**

The Group's principal financial assets are cash and trade debtors, with the main risk arising from its trade debtors. In order to manage the credit risk the directors request stage payments when manufacturing large machines, based on set criteria being met as outlined in the sales contracts.

**FINANCIAL KEY PERFORMANCE INDICATORS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	8,537	8,221
Operating profit from operating activities	319	373
Operating profit before exceptional expenses	212	162

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**AQUASium TECHNOLOGY LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**RESEARCH AND DEVELOPMENT**

The Group remains a research and development driven organisation with continued progress in the key fields of Ebflow and Ebflow Light. Major contract wins in the latter area have cemented the use of laser in vacuum as a modern welding methodology. The several Ebflow projects in hand continue to make useful progress and are nearing successful conclusions during the coming year.

This report was approved by the board and signed on its behalf by:



**G Crick  
Director**

Date: 29/04/22

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**AQUASium TECHNOLOGY LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the Group is that of the design, manufacture, sales and servicing of electron beam welding and vacuum furnace equipment.

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £266,404 (2020 - profit £157,268).

Dividends of £NIL (2020 - £NIL) were paid during the year.

**DIRECTORS**

The directors who served during the year were:

J P Cumberland  
R L Nicolson  
G Crick  
R G Healey (resigned 25 March 2022)

Subsequent to the year end G Newton was appointed a director on 25 March 2022.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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.



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**AQUASium TECHNOLOGY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**FUTURE DEVELOPMENTS**

The Group continues to seek new markets and applications for its core business skills of thin-section welding in chamber. Research and development activities drive the opportunities and challenges presented by welding outside a chamber. Combined this should serve the Group well in coming years in the key fields of nuclear energy, wind power and electric vehicles, as well as traditional core markets.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**AUDITORS**

The auditors, Peters Elworthy & Moore, have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed.

This report was approved by the board and signed on its behalf by:

  
G Crick  
Director

Date:

29/04/22

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**AQUASium TECHNOLOGY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUASium TECHNOLOGY LIMITED**

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**OPINION**

We have audited the financial statements of Aquasium Technology Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes, 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's affairs as at 31 December 2021 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 United Kingdom, including the Financial Reporting Council'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.

**CONCLUSIONS RELATING TO GOING CONCERN**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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**AQUASium TECHNOLOGY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUASium TECHNOLOGY LIMITED  
(CONTINUED)**

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**OTHER INFORMATION**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the 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 Directors' Report.

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

- adequate accounting records have not been kept by the 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.

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## **AQUASium TECHNOLOGY LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUASium TECHNOLOGY LIMITED (CONTINUED)**

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#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Audit procedures performed by the engagement team to identify and assess the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, were as follows:

- Identification of the laws and regulations which were significant in the context of the Group through discussions with Directors and other management, and from our commercial knowledge and experience of the manufacturing sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including the Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which the Group operates, as well as those laws and regulations relating to the Group's operations such as employee matters and health and safety.
- We obtained an understanding of the Group's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.

We assessed the susceptibility of the Group and parent Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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**AQUASium TECHNOLOGY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUASium TECHNOLOGY LIMITED  
(CONTINUED)**

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In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management override of controls we:

- Tested the appropriateness of journal entries and other adjustments;
- Designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- Assessed whether the significant accounting judgements and estimates made in the financial statements, as detailed in the principal accounting policies, were indicative of potential bias; and
- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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**AQUASium TECHNOLOGY LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AQUASium TECHNOLOGY LIMITED  
(CONTINUED)**

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**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 an Auditors' 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.

James Burrett (Senior Statutory Auditor)

for and on behalf of  
**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 05 May 2022

**AQUASium TECHNOLOGY LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	8,537,253	8,221,308
Cost of sales		(4,823,314)	(5,202,380)
<b>GROSS PROFIT</b>		<b>3,713,939</b>	<b>3,018,928</b>
Administrative expenses		(3,699,728)	(3,071,282)
Other operating income	5	304,879	425,477
<b>OPERATING PROFIT FROM OPERATING ACTIVITIES</b>	6	<b>319,090</b>	<b>373,123</b>
Research and development		(107,009)	(211,275)
<b>OPERATING PROFIT BEFORE EXCEPTIONAL EXPENSES</b>		<b>212,081</b>	<b>161,848</b>
Settlement provision	13	-	105,252
<b>OPERATING PROFIT AFTER EXCEPTIONAL EXPENSES</b>		<b>212,081</b>	<b>267,100</b>
Interest receivable and similar income	10	771	99
Interest payable and similar expenses	11	(71,698)	(72,928)
<b>PROFIT BEFORE TAXATION</b>		<b>141,154</b>	<b>194,271</b>
Tax on profit	12	(407,558)	(37,003)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(266,404)</b>	<b>157,268</b>
Unrealised surplus on revaluation of tangible fixed assets		689,812	-
Currency translation differences		5,760	(9,512)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>695,572</b>	<b>(9,512)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>429,168</b>	<b>147,756</b>
<b>(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
Owners of the parent Company		(266,404)	157,268
		<b>(266,404)</b>	<b>157,268</b>

The notes on pages 21 to 49 form part of these financial statements.

**AQUASIMUM TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 04241498**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	15	1,498,943	1,186,320
Tangible assets	16	7,791,879	6,413,079
		<u>9,290,822</u>	<u>7,599,399</u>
<b>CURRENT ASSETS</b>			
Stocks	18	1,559,143	1,409,227
Debtors: amounts falling due within one year	19	2,217,579	4,573,693
Cash at bank and in hand	20	839,057	963,455
		<u>4,615,779</u>	<u>6,946,375</u>
Creditors: amounts falling due within one year	21	(4,739,088)	(6,301,381)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(123,309)</u>	<u>644,994</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,167,513</u>	<u>8,244,393</u>
Creditors: amounts falling due after more than one year	22	(777,100)	(886,460)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	25	(1,190,690)	(674,264)
Other provisions	26	(382,360)	(295,474)
		<u>(1,573,050)</u>	<u>(969,738)</u>
<b>NET ASSETS</b>		<u><u>6,817,363</u></u>	<u><u>6,388,195</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	27	262,888	262,888
Share premium account	30	317,686	317,686
Revaluation reserve	30	1,004,329	314,517
Profit and loss account	30	5,232,460	5,493,104
		<u><u>6,817,363</u></u>	<u><u>6,388,195</u></u>



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**AQUASium TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 04241498**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**G Crick**  
**Director**

Date: 29/04/22

The notes on pages 21 to 49 form part of these financial statements.

**AQUASIMUM TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 04241498**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Intangible assets	15	1,498,943	1,186,320
Tangible assets	16	7,637,627	6,237,263
Investments	17	1,302,403	1,244,862
		<u>10,438,973</u>	<u>8,668,445</u>
<b>CURRENT ASSETS</b>			
Stocks	18	853,407	1,036,984
Debtors: amounts falling due within one year	19	3,233,768	5,849,675
Cash at bank and in hand	20	668,061	737,246
		<u>4,755,236</u>	<u>7,623,905</u>
Creditors: amounts falling due within one year	21	(6,173,126)	(7,997,242)
<b>NET CURRENT LIABILITIES</b>		<u>(1,417,890)</u>	<u>(373,337)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,021,083</u>	<u>8,295,108</u>
Creditors: amounts falling due after more than one year	22	(777,100)	(886,460)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	25	(1,190,690)	(674,264)
Other provisions	26	(317,250)	(262,400)
		<u>(1,507,940)</u>	<u>(936,664)</u>
<b>NET ASSETS</b>		<u>6,736,043</u>	<u>6,471,984</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	27	262,888	262,888
Share premium account	30	317,686	317,686
Revaluation reserve	30	2,047,960	1,358,148
Profit and loss account	30	4,107,509	4,533,262
		<u>6,736,043</u>	<u>6,471,984</u>

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**AQUASium TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 04241498**

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**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**G Crick**  
**Director**

Date: 29/04/22

The notes on pages 21 to 49 form part of these financial statements.

## AQUASium TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>AT 1 JANUARY 2020</b>	262,888	317,686	314,517	5,345,348	6,240,439
Profit for the year	-	-	-	157,268	157,268
Currency translation differences	-	-	-	(9,512)	(9,512)
<b>AT 1 JANUARY 2021</b>	262,888	317,686	314,517	5,493,104	6,388,195
Loss for the year	-	-	-	(266,404)	(266,404)
Currency translation differences	-	-	-	5,760	5,760
Surplus on revaluation of freehold property	-	-	689,812	-	689,812
<b>AT 31 DECEMBER 2021</b>	262,888	317,686	1,004,329	5,232,460	6,817,363

The notes on pages 21 to 49 form part of these financial statements.

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**AQUASium TECHNOLOGY LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>AT 1 JANUARY 2020</b>	262,888	317,686	1,358,148	4,396,883	6,335,605
Profit for the year	-	-	-	136,379	136,379
<b>AT 1 JANUARY 2021</b>	262,888	317,686	1,358,148	4,533,262	6,471,984
Loss for the year	-	-	-	(425,753)	(425,753)
Surplus on revaluation of freehold property	-	-	689,812	-	689,812
<b>AT 31 DECEMBER 2021</b>	262,888	317,686	2,047,960	4,107,509	6,736,043

The notes on pages 21 to 49 form part of these financial statements.

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**AQUASium TECHNOLOGY LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	(266,404)	157,268
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	73,697	48,371
Depreciation of tangible assets	663,343	358,587
Interest paid	71,698	72,928
Interest received	(771)	(99)
Taxation charge	407,558	37,003
(Increase)/decrease in stocks	(149,916)	227,656
Decrease/(increase) in debtors	2,297,563	(1,268,094)
(Decrease)/increase in creditors	(983,890)	740,696
Increase in provisions	86,886	42,763
Corporation tax received	167,419	11,120
Amortised loan issue expense	4,383	4,957
Foreign exchange gains and losses	4,872	(4,956)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,376,438</b>	<b>428,200</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible fixed assets	(386,320)	(339,912)
Purchase of tangible fixed assets	(1,351,443)	(1,451,640)
Interest received	771	99
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,736,992)</b>	<b>(1,791,453)</b>

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**AQUASium TECHNOLOGY LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**


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	2021 £	2020 £
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New secured loans	1,925,322	2,656,252
Repayment of loans	(2,617,108)	(1,617,538)
Interest paid	(72,058)	(69,532)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(763,844)</u>	<u>969,182</u>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(124,398)</u>	<u>(394,071)</u>
Cash and cash equivalents at beginning of year	963,455	1,357,526
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<u><u>839,057</u></u>	<u><u>963,455</u></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	<u>839,057</u>	<u>963,455</u>
	<u><u>839,057</u></u>	<u><u>963,455</u></u>

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**AQUASIMUM TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

Aquasium Technology Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is 43 Pembroke Avenue, Denny Industrial Estate, Waterbeach, Cambridge, CB25 9QX.

**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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the disclosure exemption permitted under Section 7 of FRS 102 and has not presented its own Statement of Cash Flows in these financial statements.

The following principal accounting policies have been applied:

**2.2 BASIS OF CONSOLIDATION**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 31 December 2014.



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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 GOING CONCERN**

The financial statements have been prepared on a going concern basis. The directors have prepared forecasts to December 2024, including cash flow projections, which demonstrate that, taking account of potential and realistic changes in trading performance, the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

In making their assessment the directors have considered the extent to which the business has been affected by the pandemic and the ongoing potential for the pandemic, or its aftereffects, to impact financial performance. The rapid outbreak of COVID-19 in 2020, and ensuing measures taken by both the UK and foreign governments to contain the spread of the virus had a major impact on the world economy. However, a substantial proportion of the Group's revenues are derived from machine sales which have proved to be resilient to a COVID-19 led downturn, with the Group reporting a strong orderbook at 31 December 2021 which has continued into 2022.

Having considered the working capital of the business, the directors are satisfied that it is sufficient for its needs and therefore continue to adopt the going concern basis in their preparation of the financial statements. This assessment is based on known contracted machine sales, estimates as to the sales pipeline based on discussions to date, current cash in hand and the trade loan facility available, expected expenses - including identifying costs which could be reduced in order to extend financial headroom, and expected cash receipts.

**2.4 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.

Where forward contracts are acquired for certain transactions, those transactions are translated at the contracted rate. Exchange rate differences are recognised in the Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in Other Comprehensive Income.

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 TURNOVER**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

In the case of long term contracts, turnover reflects the contract activity during the year and represents how complete each machine is based on the stage of work.

The amount of profit attributable to the stage of completion for each long term contract is calculated and recognised when the outcome can be foreseen with reasonable certainty. Provisions are made for any losses which are foreseen.

Progress payments received and receivable attributable to the value of contracts are deducted in presenting the amounts recoverable on long term contracts in the financial statements. Progress payments and amounts in excess of contract values are stated separately.

The gross amounts due from customers for contract work are presented as amounts recoverable on long term contracts within debtors. The gross amounts due to customers for contract work are presented as payments on account in creditors.

Service revenue is recognised in the period in which it has been completed.

**2.6 OPERATING LEASES: THE GROUP AS LESSEE**

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

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.7 RESEARCH AND DEVELOPMENT**

Expenditure on research activities is charged to the Profit & Loss Account in the period in which it is incurred. In the event that an internally generated intangible asset arises from the Company's development activities then it will be recognised only if all of the following conditions are met:

- a) Completion of the asset is technically feasible;
- b) The Company intends to complete the intangible asset and use or sell it;
- c) The Company has the ability to use the asset or sell it;
- d) The intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset, or, if it is to be used internally, the asset will be used in generating such benefits;
- e) There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) The expenditure attributable to the intangible asset during its development can be measured reliably.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

**2.8 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 Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**2.9 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.

**2.10 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.

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 PENSIONS**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**2.12 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 Group 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.

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.13 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**2.14 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.15 INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Purchased licences are amortised over the duration of the licence agreement. Provisions are made for any impairment.

Development expenditure is amortised on a straight line basis over 30 years which is deemed to be a reliable estimate of its useful economic life. Amortisation commences when the asset is available for use.

Software is amortised over five years, which is deemed to be a reliable estimate of its useful economic life.

Goodwill acquired on a business combination is capitalised, classified as an intangible asset on the Group balance sheet and amortised on a straight line basis over its useful economic life.

Negative goodwill arising on consolidation representing the excess of the fair value of the identifiable net assets acquired over the fair value of the consideration is capitalised as a negative intangible asset. Where negative goodwill in the Group balance sheet is attributable to land and buildings it is released to the profit and loss account over the same period as the land and buildings are depreciated.

**2.16 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.

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:

Freehold property	- 2% - 20% straight line
Long-term leasehold property	- 7.5% - 33.3% straight line
Plant, machinery and equipment	- 7.5% - 33.3% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 10% - 20% straight line

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.

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.17 REVALUATION OF TANGIBLE FIXED ASSETS**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the 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.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

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.

**2.18 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.19 STOCKS**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.20 DEBTORS**

Short term debtors are measured at transaction price, less any impairment.

**2.21 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.22 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.

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.23 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Group 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 Group 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.

**2.24 FINANCIAL INSTRUMENTS**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.



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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**MACHINE CONTRACTS**

The Group recognises revenue on machine contracts in accordance with the turnover accounting policy. Judgements regarding machine contracts made by the directors include the assessment of profits and provision for losses, including estimated future losses where appropriate, and the stage of completeness of each machine contract. In forming their judgements the directors consider anything which has occurred after the balance sheet date up to the date of signing.

**STOCK PROVISION**

A provision of between 25% to 100% is made against stock which has not moved for more than two years. The percentage provided gradually increases with the number of years the stock has not moved for. All stock which has not moved for six years is provided for in full. This policy is considered by management to best represent the true value of the stock.

**WARRANTY PROVISION**

Judgement is applied when calculating the expected future costs of repairs under warranty for each machine using a risk factor of between 1.25% and 1.5% of sales value. The warranty typically lasts for one year unless specific exceptional circumstances require an extension to two or three years.

**DEVELOPMENT EXPENDITURE**

Management judgement is required in assessing whether development projects meet the criteria for capitalisation. Development expenditure is capitalised when the technical and commercial feasibility of completing the product can be demonstrated and the product is intended to be sold or used. Probable future economic benefit related to the asset flowing to the Group is also expected and can be measured reliably.

Management judgement is also required in assessing the useful economic lives of these assets. Management have estimated the useful life of the projects as 30 years. This assessment has been made based on the Group's longstanding experience in the sector and their knowledge of the period of operation of machines once commissioned. Impairment reviews of capitalised development expenditure are also performed by management; this involves assumptions which are inherently subjective.

**4. TURNOVER**

The directors believe that disclosing turnover by class of business would be seriously prejudicial to the interests of the Group.

Analysis of turnover by country of destination:

	2021 £	2020 £
Europe	2,026,951	2,304,891
Rest of the world	6,510,302	5,916,417
	<u>8,537,253</u>	<u>8,221,308</u>

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**AQUASIUM TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**5. OTHER OPERATING INCOME**

	2021 £	2020 £
R&D tax credit	2,967	2,247
Grant income	204,881	147,490
Insurance claims receivable	-	1,504
Other income	97,031	274,236
	<u>304,879</u>	<u>425,477</u>

Grant income includes £NIL (2020 - £85,343) receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

**6. OPERATING PROFIT**

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

	2021 £	2020 £
Intangible asset amortisation	78,697	48,371
Depreciation of owned fixed assets	663,343	358,587
Net (gain)/loss on foreign currency translation	(38,065)	(41,696)
Operating lease rentals - land and buildings	142,685	76,953
Operating lease rentals - other	89,713	117,641
	<u>89,713</u>	<u>117,641</u>

**7. AUDITORS' REMUNERATION**

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	27,450	26,900
	<u>27,450</u>	<u>26,900</u>

**FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN  
RESPECT OF:**

Taxation compliance services	3,350	3,250
Other services relating to taxation	4,275	4,150
	<u>7,625</u>	<u>7,400</u>

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**8. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Wages and salaries	<b>3,065,449</b>	2,989,055	<b>2,829,885</b>	2,713,416
Social security costs	<b>331,259</b>	320,678	<b>314,129</b>	298,713
Cost of defined contribution scheme	<b>186,314</b>	176,072	<b>181,259</b>	170,342
	<b><u>3,583,022</u></b>	<u>3,485,805</u>	<b><u>3,325,273</u></b>	<u>3,182,471</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group 2021 No.</b>	<b>Group 2020 No.</b>	<b>Company 2021 No.</b>	<b>Company 2020 No.</b>
Production staff	<b>56</b>	58	<b>54</b>	54
Distribution staff	<b>1</b>	1	<b>1</b>	1
Administrative staff	<b>18</b>	13	<b>16</b>	11
	<b><u>75</u></b>	<u>72</u>	<b><u>71</u></b>	<u>66</u>

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**AQUASIMUM TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**9. DIRECTORS' REMUNERATION**

	2021 £	2020 £
Directors' emoluments	178,122	172,622
Group contributions to defined contribution pension schemes	11,246	11,081
Chairman's fees	37,000	39,750
Other fees	37,000	39,750
	<u>263,368</u>	<u>263,203</u>

In addition to the above, Aquasium Technology Limited paid director fees and expenses of £20,040 (2020 - £20,000) to VCF Partners, a partnership connected with Foresight VCT Plc, a shareholder of the Company.

During the year retirement benefits were accruing to 2 directors (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £156,122 (2020 - £156,122).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,586 (2020 - £10,586).

**10. INTEREST RECEIVABLE**

	2021 £	2020 £
Other interest receivable	<u>771</u>	<u>99</u>

**11. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021 £	2020 £
Bank interest payable	<u>71,698</u>	<u>72,928</u>

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**AQUASIUM TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**12. TAXATION**

	2021 £	2020 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	(113,686)	(98,858)
Adjustments in respect of previous periods	(20,574)	(12,690)
	<u>(134,260)</u>	<u>(111,548)</u>
<b>FOREIGN TAX</b>		
Foreign tax on income for the year	25,392	-
	<u>25,392</u>	<u>-</u>
<b>TOTAL CURRENT TAX</b>	<u>(108,868)</u>	<u>(111,548)</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	303,500	83,105
Adjustments in respect of previous periods	-	3,219
Effect of tax rate change on opening balances	212,926	62,227
<b>TOTAL DEFERRED TAX</b>	<u>516,426</u>	<u>148,551</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>407,558</u>	<u>37,003</u>

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**12. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	141,154	194,271
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	26,819	36,911
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes	1,277	3,074
Fixed asset differences	141,660	13,895
Other permanent differences	318	3,242
Adjustments to tax charge in respect of prior periods	(20,574)	(12,690)
Income not deductible for tax purposes	(9,704)	(27,119)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(48,917)	(42,537)
Capital gains	12,104	-
Change in deferred tax rates	285,766	62,227
Movement in deferred tax not recognised	18,809	-
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>407,558</b>	<b>37,003</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Closing deferred tax assets and liabilities are calculated at 25.00% (2020 - 19.00%) in accordance with the rates enacted at the balance sheet date. The Finance Act 2021, which announced the upcoming rise in headline rates of corporation tax to 25.00% from 1 April 2023, was substantively enacted on 24 May 2021.

**13. EXCEPTIONAL ITEMS**

	2021 £	2020 £
Settlement provision	-	(105,252)

The 2020 exceptional credit relates to the release of a legal fee accrual provided for as part of a claim for remedial work at the Ebtac Corporation site, an investment previously held by the Group which was disposed of during 2012. It was agreed in 2020 this was no longer payable.

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**14. PARENT COMPANY PROFIT FOR THE YEAR**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £425,753 (2020 - profit £136,379).

**15. INTANGIBLE ASSETS****Group**

	<b>Purchased licence £</b>	<b>Development expenditure £</b>	<b>Software £</b>	<b>Negative goodwill £</b>	<b>Total £</b>
<b>COST</b>					
At 1 January 2021	175,000	1,161,226	264,424	(570,666)	1,029,984
Additions	-	373,051	13,269	-	386,320
At 31 December 2021	175,000	1,534,277	277,693	(570,666)	1,416,304
<b>AMORTISATION</b>					
At 1 January 2021	175,000	23,283	216,047	(570,666)	(156,336)
Charge for the year on owned assets	-	51,018	22,679	-	73,697
At 31 December 2021	175,000	74,301	238,726	(570,666)	(82,639)
<b>NET BOOK VALUE</b>					
At 31 December 2021	-	1,459,976	38,967	-	1,498,943
At 31 December 2020	-	1,137,943	48,377	-	1,186,320

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**15. INTANGIBLE ASSETS (CONTINUED)****Company**

	<b>Purchased licence £</b>	<b>Development expenditure £</b>	<b>Software £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>COST</b>					
At 1 January 2021	175,000	1,161,226	264,424	3,396,570	4,997,220
Additions	-	373,051	13,269	-	386,320
At 31 December 2021	175,000	1,534,277	277,693	3,396,570	5,383,540
<b>AMORTISATION</b>					
At 1 January 2021	175,000	23,283	216,047	3,396,570	3,810,900
Charge for the year	-	51,018	22,679	-	73,697
At 31 December 2021	175,000	74,301	238,726	3,396,570	3,884,597
<b>NET BOOK VALUE</b>					
At 31 December 2021	-	1,459,976	38,967	-	1,498,943
At 31 December 2020	-	1,137,943	48,377	-	1,186,320



## AQUASium TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 16. TANGIBLE FIXED ASSETS

## Group

	Freehold property £	Leasehold property £	Plant, machinery and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>						
At 1 January 2021	2,883,622	-	5,857,625	19,796	241,796	9,002,839
Additions	12,612	100,561	1,233,100	-	5,170	1,351,443
Transfers between classes	(6,060)	6,060	-	-	-	-
Revaluations	689,812	-	-	-	-	689,812
Exchange adjustments	64	-	2,188	-	147	2,399
At 31 December 2021	3,580,050	106,621	7,092,913	19,796	247,113	11,046,493
<b>DEPRECIATION</b>						
At 1 January 2021	519,253	-	1,837,021	19,796	213,690	2,589,760
Charge for the year on owned assets	98,378	3,589	552,704	-	8,672	663,343
Transfers between classes	(28)	28	-	-	-	-
Exchange adjustments	34	-	1,336	-	141	1,511
At 31 December 2021	617,637	3,617	2,391,061	19,796	222,503	3,254,614
<b>NET BOOK VALUE</b>						
At 31 December 2021	2,962,413	103,004	4,701,852	-	24,610	7,791,879
At 31 December 2020	2,364,369	-	4,020,604	-	28,106	6,413,079

Included within freehold property is land with a value of £775,000 (2020 - £775,000).

Revaluations have been carried out on freehold property, resulting in a cumulative increase of £1,877,791 in valuation.

The freehold property owned by Aquasium Technology Limited was valued by Carter Jonas, Chartered Surveyors, in February 2022 on an open market value basis. The directors consider the valuation of the property to be materially consistent with the net book value as at 31 December 2021.

## AQUASium TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 16. TANGIBLE FIXED ASSETS (CONTINUED)

## Company

	Freehold property £	Leasehold property £	Plant, machinery and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>						
At 1 January 2021	2,875,073	-	5,575,609	19,796	222,960	8,693,438
Additions	12,612	100,561	1,227,759	-	4,715	1,345,647
Transfers between classes	(6,060)	6,060	-	-	-	-
Revaluations	689,812	-	-	-	-	689,812
At 31 December 2021	<u>3,571,437</u>	<u>106,621</u>	<u>6,803,368</u>	<u>19,796</u>	<u>227,675</u>	<u>10,728,897</u>
<b>DEPRECIATION</b>						
At 1 January 2021	516,039	-	1,723,709	19,796	196,631	2,456,175
Charge for the year on owned assets	97,816	3,589	525,814	-	7,876	635,095
Transfers between classes	(28)	28	-	-	-	-
At 31 December 2021	<u>613,827</u>	<u>3,617</u>	<u>2,249,523</u>	<u>19,796</u>	<u>204,507</u>	<u>3,091,270</u>
<b>NET BOOK VALUE</b>						
At 31 December 2021	<u>2,957,610</u>	<u>103,004</u>	<u>4,553,845</u>	<u>-</u>	<u>23,168</u>	<u>7,637,627</u>
At 31 December 2020	<u>2,359,034</u>	<u>-</u>	<u>3,851,900</u>	<u>-</u>	<u>26,329</u>	<u>6,237,263</u>

Included within freehold property is land with a value of £775,000 (2020 - £775,000).

Revaluations have been carried out on freehold property, resulting in a cumulative increase of £1,877,791 in valuation.

The freehold property owned by Aquasium Technology Limited was valued by Carter Jonas, Chartered Surveyors, in February 2022 on an open market value basis. The directors consider the valuation of the property to be materially consistent with the net book value as at 31 December 2021.

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**17. FIXED ASSET INVESTMENTS****Company**

	<b>Investments in subsidiary companies £</b>
<b>COST</b>	
At 1 January 2021	1,244,862
Additions	50,000
Foreign exchange movement	7,541
At 31 December 2021	<u><u>1,302,403</u></u>

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Cambridge Vacuum Engineering Limited	(a)	Dormant	Equity	100%
Cambridge Vacuum Engineering, Inc.	(b)	Sale and servicing of electron beam welding equipment	Equity	100%
Aquasium Limited	(a)	Dormant	Equity	100%
Aquasium Technology (Beijing) Co Limited	(c)	Servicing of electron beam welding equipment	Equity	100%

(a) 43 Pembroke Avenue, Denny Industrial Estate, Waterbeach, Cambridge, CB25 9QX

(b) 630 Silver Street, Unit 7, Agawam, MA 01001-0867

(c) Suite 05, 10th Floor, Twin Towers (East), B12 Jianguomenwai Ave., Chao Yang District, Beijing, China

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**18. STOCKS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Raw materials	920,806	950,861	695,153	786,123
Work in progress	644,624	497,420	644,624	497,420
Payments on account	(6,287)	(39,054)	(486,370)	(246,559)
	<u>1,559,143</u>	<u>1,409,227</u>	<u>853,407</u>	<u>1,036,984</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Raw materials include a stock provision of £342,356 (2020 - £311,141).

**19. DEBTORS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade debtors	950,076	2,040,648	807,504	1,273,272
Amounts owed by group undertakings	-	-	1,719,693	2,699,043
Other debtors	65,323	60,595	65,323	60,595
Prepayments and accrued income	147,795	163,971	121,759	146,813
Amounts recoverable on long term contracts	815,824	1,972,683	280,928	1,334,156
Tax recoverable	238,561	294,709	238,561	294,709
Financial instruments	-	41,087	-	41,087
	<u>2,217,579</u>	<u>4,573,693</u>	<u>3,233,768</u>	<u>5,849,675</u>

Group trade debtors are shown net of a bad debt provision of £15,790 (2020 - £18,401).

**20. CASH AND CASH EQUIVALENTS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	839,057	963,455	668,061	737,246

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Bank loans	663,768	1,241,811	663,768	1,241,811
Payments received on account	235,489	980,755	922,128	1,970,636
Trade creditors	466,600	733,132	455,896	715,377
Amounts owed to group undertakings	-	-	777,607	736,796
Other taxation and social security	93,667	84,484	93,667	84,484
Other creditors	340,127	316,603	340,127	316,603
Accruals and deferred income	2,916,793	2,944,596	2,897,289	2,931,535
Financial instruments	22,644	-	22,644	-
	<b>4,739,088</b>	<b>6,301,381</b>	<b>6,173,126</b>	<b>7,997,242</b>

Included within amounts owed to group undertakings is £777,607 (2020 - £736,796) in respect of a loan previously advanced to Aquasium Technology Limited. The loan is unsecured with no fixed repayment terms and bears no interest. In the absence of a legally agreed repayment schedule the balance is deemed to be repayable on demand although there is no expectation that this balance will be called for repayment in the coming 12 months.

**22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Bank loans	777,100	886,460	777,100	886,460

# AQUASIMUM TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 23. LOANS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Bank loans	663,768	1,241,811	663,768	1,241,811
	<u>663,768</u>	<u>1,241,811</u>	<u>663,768</u>	<u>1,241,811</u>
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>				
Bank loans	115,717	109,991	115,717	109,991
	<u>115,717</u>	<u>109,991</u>	<u>115,717</u>	<u>109,991</u>
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>				
Bank loans	386,886	367,767	386,886	367,767
	<u>386,886</u>	<u>367,767</u>	<u>386,886</u>	<u>367,767</u>
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>				
Bank loans	274,497	408,702	274,497	408,702
	<u>274,497</u>	<u>408,702</u>	<u>274,497</u>	<u>408,702</u>
	<u>1,440,868</u>	<u>2,128,271</u>	<u>1,440,868</u>	<u>2,128,271</u>

Bank loans includes a loan balance of £901,236 (2020 - £1,009,558) and unamortised loan issue expense of £14,585 (2020 - £18,968). This bank loan is repayable by fixed quarterly installments of £38,741 (2020 - £38,741) until November 2028. It bears interest at a rate of 4.75% above LIBOR per annum.

Bank loans also include trade loans totalling £554,217 (2020 - £1,137,681). These are repayable by June 2022 and bear interest at a rate of 2.6% - 2.75% per annum.

There is a first legal charge held by Barclays Bank Plc over the property occupied by Aquasium Technology Limited.

There is a debenture from Aquasium Technology Limited and Cambridge Vacuum Engineering Limited to Barclays Bank Plc and from Aquasium Technology Limited and Cambridge Vacuum Engineering Limited to Foresight VCT Plc and The Income & Growth VCT Plc.

There is a composite guarantee by the above companies in favour of Barclays Bank Plc.

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**AQUASIUM TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**24. FINANCIAL INSTRUMENTS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>FINANCIAL ASSETS</b>				
Financial assets measured at fair value through profit or loss	-	41,087	-	41,087
<b>FINANCIAL LIABILITIES</b>				
Financial liabilities measured at fair value through profit or loss	(22,644)	-	(22,644)	-

Financial assets measured at fair value through profit or loss relate to forward exchange contracts open at the year end.

Financial liabilities measured at fair value through profit or loss relate to forward exchange contracts open at the year end.

**25. DEFERRED TAXATION****Group**

	<b>2021 £</b>	<b>2020 £</b>
At beginning of year	674,264	525,713
Charged to profit or loss	516,426	148,551
<b>AT END OF YEAR</b>	<b>1,190,690</b>	<b>674,264</b>

The provision for deferred taxation is made up as follows:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Fixed asset timing differences	1,661,533	877,356	1,661,533	877,356
Capital gains	68,272	39,783	68,272	39,783
Short term timing differences	(3,941)	(4,814)	(3,941)	(4,814)
Losses and other deductions	(535,174)	(238,061)	(535,174)	(238,061)
	<b>1,190,690</b>	<b>674,264</b>	<b>1,190,690</b>	<b>674,264</b>

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**26. PROVISIONS****Group**

	Warranty provision £	Total £
At 1 January 2021	295,474	295,474
Charged to profit or loss	152,422	152,422
Released in year	(53,931)	(53,931)
Utilised in year	(11,605)	(11,605)
<b>AT 31 DECEMBER 2021</b>	<b>382,360</b>	<b>382,360</b>

**Company**

	Warranty provision £	Total £
At 1 January 2021	262,400	262,400
Charged to profit or loss	120,386	120,386
Released in year	(53,931)	(53,931)
Utilised in year	(11,605)	(11,605)
<b>AT 31 DECEMBER 2021</b>	<b>317,250</b>	<b>317,250</b>

**27. SHARE CAPITAL**

	2021 £	2020 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
130,000 (2020 - 130,000) Ordinary shares of £1.00 each	130,000	130,000
129,999 (2020 - 129,999) A Ordinary shares of £1.00 each	129,999	129,999
	<b>259,999</b>	<b>259,999</b>
<b>ALLOTTED, CALLED UP AND NIL PAID</b>		
2,889 (2020 - 2,889) B Ordinary shares of £1.00 each	2,889	2,889



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**AQUASium TECHNOLOGY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**27. SHARE CAPITAL (CONTINUED)**

**Shares rights**

The Ordinary shares and A Ordinary shares rank pari passu except that the holders of the A Ordinary shares have certain preferential rights on sale or winding up of the Company as set out in the Articles of Association.

On 17 October 2014 a new class of share was established, B Ordinary shares of £1.00 each. The holders of B Ordinary shares have no right to receive dividends, receive notice of or to attend or vote at any general meeting.

The A Ordinary shareholders have the right immediately prior to sale or listing of the Company to subscribe for extra shares at par, pro rata to their existing holding up to a total holding representing not more than 49.9998% of the equity.

**28. SHARE OPTIONS**

On 17 October 2014 share options were granted to key employees over 11,304 B Ordinary shares at an exercise price of £2.95 per share. Share options are exercisable on sale of the Company, significant reorganisations of the Group, change of controlling parties or cessation of trade.

No share based payment charge has been recognised in respect of these share options under FRS 102 section 26 as the value is deemed immaterial.

**29. FORWARD CONTRACTS**

At 31 December 2021 the Group held seven forward exchange contracts to cover the exchange risk on specific customer contracts maturing between January 2022 and June 2022.

The total value of the US Dollar forward exchange contracts is \$2,330,000 at the average contract rate of \$1.3648 to £1 (as at 31 December 2020: \$2,670,000 of forward exchange contracts were in place at a rate of \$1.3657 to £1).

The total value of the Euro forward exchange contracts is €NIL (as at 31 December 2020: €50,000 of forward exchange contracts were in place at a rate of €1.1126 to £1).

## AQUASium TECHNOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 30. RESERVES

##### Share premium account

The share premium account records the amount above the nominal value received for shares, less transaction costs. This is non-distributable.

##### Revaluation reserve

This reserve is used to recorded increases in the fair value of land and buildings. The reserve decreases to the extent that such decrease relates to an increase in the same asset. This is non-distributable.

##### Profit and loss account

The profit and loss account includes all current and prior periods retained profits and losses, net of dividends paid.

#### 31. ANALYSIS OF NET DEBT

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	963,455	(124,398)	-	839,057
Debt due after 1 year	(886,460)	-	109,360	(777,100)
Debt due within 1 year	(1,241,811)	756,055	(178,012)	(663,768)
Financial instruments	41,087	-	(63,731)	(22,644)
	<u>(1,123,729)</u>	<u>631,657</u>	<u>(132,383)</u>	<u>(624,455)</u>

#### 32. CAPITAL COMMITMENTS

At 31 December 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements	<u>120,091</u>	<u>151,880</u>	<u>120,091</u>	<u>151,880</u>

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**AQUASium TECHNOLOGY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**33. PENSION COMMITMENTS**

The Group operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from those of the Group. The pension charge represents contributions payable by the Group to the fund and amounted to £186,314 (2020 - £176,072). Outstanding contributions at the year end amounted to £23,882 (2020 - £337) and are included within other creditors.

**34. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Land and buildings</b>				
Within 1 year	<b>141,930</b>	74,125	<b>97,000</b>	40,000
Between 2 and 5 years	<b>401,417</b>	188,861	<b>388,000</b>	157,580
	<b>543,347</b>	262,986	<b>485,000</b>	197,580
	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Other</b>				
Within 1 year	<b>84,791</b>	86,725	<b>84,791</b>	86,725
Between 2 and 5 years	<b>139,829</b>	51,622	<b>139,829</b>	51,622
	<b>224,620</b>	138,347	<b>224,620</b>	138,347

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**AQUASium TECHNOLOGY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**35. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemptions contained within FRS 102 not to disclose transactions with wholly owned group undertakings.

The Income and Growth VCT Plc and Foresight VCT Plc are significant shareholders of the Company. Monitoring fees and expenses £20,040 (2020 - £20,000) was charged to the Company during the year by VCF Partners, a partnership connected with Foresight Group LLP which acts as the investment manager of Foresight VCT Plc. At 31 December 2021 an amount of £6,000 (2020 - £6,000) was owed to VCF Partners.

During the year, Mr J P Cumberland, a director of the Company, was paid £37,000 for consultancy fees (2020 - £39,750) and £2,150 for expenses (2020 - £1,799). At 31 December 2021 an amount of £3,359 (2020 - £3,814) was owed to Mr J P Cumberland.

During the year, Mr G Crick, a director of the Company, was paid £37,000 for consultancy fees (2020 - £39,750) and £3,531 for expenses (2020 - £3,404). At 31 December 2021 an amount of £4,578 (2020 - £3,355) was owed to Mr G Crick. On 17 October 2014, Mr G Crick was issued 2,889 B Ordinary shares with a nominal value of £2,889 for consideration of £8,522. This was covered by an interest free loan from the Company. The loan balance of £8,522 was still outstanding as at 31 December 2021.