Company registration number 08058443 (England and Wales)

UK SEABED RESOURCES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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UK SEABED RESOURCES LIMITED

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UK SEABED RESOURCES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	5		2,785,453		2,785,453
Investments			-		-
			2,785,453		2,785,453
Current assets					
Debtors	6	229,525		178,572	
Cash at bank and in hand		1,853		204,300	
		231,378		382,872	
Creditors: amounts falling due within one year	7	(3,128,517)		(420,358)	
Net current liabilities			(2,897,139)		(37,486)
Total assets less current liabilities			(111,686)		2,747,967
Creditors: amounts falling due after more than one year	8		(2,930,956)		(2,638,806)
Net (liabilities)/assets			(3,042,642)		109,161
Capital and reserves					
Called up share capital	9		4,148,096		3,350,001
Share premium account			740,999		740,999
Profit and loss reserves			(7,931,737)		(3,981,839)
Total equity			(3,042,642)		109,161

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 26 March 2025 and are signed on its behalf by:

Mr W Sognnes
Director

Company registration number 08058443 (England and Wales)

1 Accounting policies

Company information

UK Seabed Resources Limited is a private company limited by shares incorporated in England and Wales. The registered office is Stag Gates House, 63/64 The Avenue, Southampton, Hampshire, SO17 1XS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. However, management has identified certain conditions that may cast significant doubt on the Company's ability to continue as a going concern. These uncertainties primarily arise from liquidity challenges. Whilst the company is not yet generating revenue, it is funded by capital investments from the parent undertaking. Due to liquidity challenges, there is uncertainty about whether the parent company Loke Marine Minerals AS ("Loke") can continue to capitalize the subsidiary, UKSR.

Despite these challenges, management is actively taking measures to mitigate the risks, including actions to actively reduce costs and renegotiate contracts with suppliers. Further, the company has resigned all employees except the CFO, CTO and CEO (CEO and CTO have agreed to work with zero salary). The search for a new investor continues and there are concrete discussions ongoing. Based on the plans and actions described above, management is working hard to secure a financial solution for both Loke and UKSR to be able to continue its business. However, the outcome is subject to significant uncertainties at this stage.

As of the date of this report, the Company's ability to continue as a going concern depends on receipt of capital from new investors. The investor would need to have the ability to provide sufficient funds to support the group for at least the next twelve months. These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements do not include adjustments that would result from the outcome of this uncertainty.

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents & licences	10 years straight line
Exploration licences	15 years straight line

1 Accounting policies **(Continued)**

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Discount rates for present value calculation

The licence purchased in the year has a schedule of payment over a period of time. The licence cost has been calculated on the present value of these payments which gives rise to two judgements the directors had to make.

The first is the cost of borrowing rate used to calculate the present value. The company doesn't have any third party borrowings so the directors have had to make an estimate of the rate which they could obtain third party borrowing across the group. The directors have looked at the market and feel that 9% is fair market rate.

The second judgment is on the timing of some of the payments which are based on certain milestones taking place which are not fully in their control. The Directors have used their experience of the business and current business plan to calculate these dates.

Going concern

As discussed in note 1.2 the director has considered the company to be a going concern. Arriving at this decision the director has had to consider the ability of the parent company to continue to support the company. There are issues with the liquidity of the parent company currently and the director has had to make a judgement if further funding will be obtained by the parent company to allow it to continue funding the rest of the group.

The director considers it likely new investors will be found who will be able to provide the funding for the group to continue trading for a period of at least 12 months from the date of approval of these financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Total	2	3

4 Director's remuneration

	2024 £	2023 £
Remuneration paid to directors	-	83,467

No remuneration was paid to the director in the current year.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2023 - 1).

5 Intangible fixed assets

	Patents & licences £	Exploration licences £	Total £
Cost			
At 1 January 2024 and 31 December 2024	2,785,453	495,737	3,281,190
Amortisation and impairment			
At 1 January 2024 and 31 December 2024	-	495,737	495,737
Carrying amount			
At 31 December 2024	2,785,453	-	2,785,453
At 31 December 2023	2,785,453	-	2,785,453

Exploration licences are amortised over the shorter of the term of the licence and their expected useful economic lives. All licences recorded as at 31 December 2024 have a licence term of 5 years. A full impairment charge was made in 2013 as no revenue arising from the licences have been agreed or forecast with sufficient levels of certainty.

6 Debtors

Amounts falling due within one year:	2024 £	2023 £
Amounts owed by group undertakings	198,102	175,573
Other debtors	31,423	1,288
Prepayments and accrued income	-	1,711
	229,525	178,572

7 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	2,872,363	20,734
Amounts owed to group undertakings	104,375	80,170
Accruals and deferred income	151,779	319,454
	3,128,517	420,358

8 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Other creditors	2,930,956	2,638,806

9 Called up share capital

Ordinary share capital	2024 Number	2023 Number	2024 £	2023 £
Issued and fully paid				
Ordinary A shares of £1 each	4,148,096	3,350,001	4,148,096	3,350,001

During the year a loan balance of £798,095 owed to Loke Marine Minerals AS was converted to ordinary shares of £1.

These shares carried normal ordinary share voting and capital introduction rights.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

10 Audit report information **(Continued)**

Material uncertainty related to going concern
We draw attention to note 1.2 in the financial statements, which describes the ongoing liquidity issues facing the group. As stated within this note there are conditions which indicate a material uncertainty exists, which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Senior Statutory Auditor:	Adam Buse FCA
Statutory Auditor:	Fiander Tovell Limited
Date of audit report:	27 March 2025

11 Parent company

The company's immediate and ultimate parent undertaking is Loke Marine Minerals AS, a company registered in Norway. Copies of the financial statements of this company may be obtained from its registered office, Loke Marine Minerals AS, Soregata 4, 4006 Stavanger, Norway.