

IES Callenberg Ltd

**Annual report and financial statements
for the year ended 31 December 2016**

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IES Callenberg Ltd

Company information

Directors

H Arukwe
P T Forsstrom
S A Lockhead
J P Traaholt
M D Bornak

Company secretary

Burness Paul LLP

Registered number

SC086113

Registered office

Lomond House
Wellington Circle
Altens
Aberdeen
AB12 3JG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Capitol, 431 Union Street
Aberdeen
AB11 6DA

IES Callenberg Ltd

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IES Callenberg Ltd

Strategic report for the year ended 31 December 2016

The directors present their Strategic report on the company for the year ended 31 December 2016.

Principal activities and business review

The principal activities of the company are the design, installation and maintenance of heating, ventilation and air conditioning and refrigeration systems along with door and integrity testing. The company's current market is the North Sea offshore sector.

Demand is directly linked to the activity in offshore oil and natural gas exploration. The level of exploration, development and production is affected by such factors:

- Oil and gas prices
- Expectation for future prices
- Cost of exploring for, producing and delivering oil and natural gas
- Demand for petroleum services
- Current availability of oil and gas

Any decrease in activity can have a knock on effect on the business as clients look to reduce costs and cut non-essential spending.

The directors' focus is to continue to strengthen the company's position within the North Sea and explore opportunities in overseas markets. They intend to be aggressive in the market to secure new contracts, as well as retain and build on current contracts they will also use synergies with group companies to access new markets and customers.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have an impact on the company's long term performance. The directors along with the senior management team review these risks on an ongoing basis and undertake relevant actions to minimise the impact on the company's ability to perform in the future.

The most significant current risk is the low oil price resulting in demands for rate reductions and the deferring of projects and non-essential maintenance.

The directors and senior management constantly monitor the performance of the company as well as the outlook using backlog and pipeline reporting.

Environment

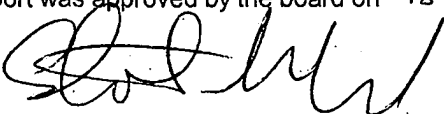
The company is environmentally accredited under ISO 14001 standard which ensures the company's commitment to reducing the impact on the environment.

Financial key performance indicators

The directors and senior management team use a range of KPI's to monitor company performance including monthly actual versus budget comparisons, backlog and pipeline reporting. Quarterly reforecasts are produced to ensure any reporting is against the most up to date projections available.

This report was approved by the board on 18 August

2017 and signed on its behalf.



S A Lockheed
Director

IES Callenberg Ltd

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

Results and dividends

The profit for the year, after taxation, amounted to £419,014 (2015: £288,066).

The net assets of the company as at 31 December was £5,051,533 (2015: £4,631,519)

The directors do not propose payment of a final dividend (2015: Nil).

Directors

The directors who served the company during the year and up to the date of signing the financial statements were:

H Arukwe
P T Forsstrom
S A Lockhead
J P Traaholt (resigned 16 December 2016)
M D Bornak (appointed 20 December 2016)

Financial risk management

The company's financial assets and liabilities consist of trade debtors, creditors and cash balances.

The directors manage the company's exposure to financial risk by considering the credit worthiness of customers and by seeking advice from the company's providers of finance and its other external financial advisers.

Currency risk is restricted to the short term settlement of trading balances with customers and suppliers.

The company does not trade speculatively in derivatives or similar instruments.

Future developments

The director's focus is to continue to strengthen the company's position within the North Sea and explore opportunities in overseas markets.

The company was acquired in October 2016 by Trident Maritime Systems LLC which strengthened the financial position as well as opening up potential new markets.

IES Callenberg Ltd

Directors' report for the year ended 31 December 2016

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

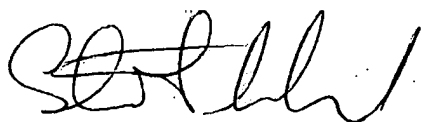
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors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

Independent auditors

On 23rd March 2017, PricewaterhouseCoopers LLP, were reappointed as auditors to the company and will be deemed to be reappointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 18 August

2017 and signed on its behalf.



S A Lockhead
Director

IES Callenberg Ltd

Independent auditors' report to the members of IES Callenberg Ltd

Report on the financial statements

Our opinion

In our opinion, IES Callenberg Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions 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 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

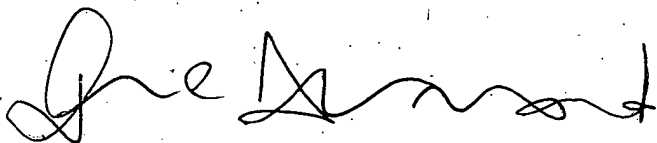
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jamie Drummond (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
18 August 2017

IES Callenberg Ltd

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	10,986,189	12,157,061
Cost of sales		(8,756,264)	(10,052,564)
Gross profit		2,229,925	2,104,497
Administrative expenses		(1,572,269)	(1,786,298)
Bad debt expense		(141,669)	-
Other operating income		12,383	21,257
Operating profit	6	528,370	339,456
Interest receivable and similar income		1,868	23,029
Interest payable and similar charges		-	(979)
Profit before taxation		530,238	361,506
Tax on profit	9	(111,224)	(73,440)
Profit for the financial year		419,014	288,066

The notes on pages 9 to 19 form part of these financial statements.

IES Callenberg Ltd

Registered number: SC086113

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	77,174	84,349
Current assets			
Stocks	11	140,347	49,563
Debtors	12	3,029,241	3,698,923
Cash at bank and in hand		3,396,168	2,128,239
		<u>6,565,756</u>	<u>5,876,725</u>
Creditors: amounts falling due within one year	13	(1,591,397)	(1,329,555)
Net current assets		<u>4,974,359</u>	<u>4,547,170</u>
Total assets less current liabilities		<u>5,051,533</u>	<u>4,631,519</u>
Net assets		<u>5,051,533</u>	<u>4,631,519</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Retained earnings		5,050,533	4,630,519
Total equity		<u>5,051,533</u>	<u>4,631,519</u>

The financial statements on pages 6 to 19 were approved and authorised for issue by the board of directors on 18 August 2017 and were signed on its behalf by:



S A Lockhead
Director

IES Callenberg Ltd

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	1,000	4,630,519	4,631,519
Total comprehensive income for the year	-	419,014	419,014
At 31 December 2016	1,000	5,049,533	5,050,533

Statement of changes in equity for the year ended 31 December 2015

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	1,000	7,642,453	7,643,453
Total comprehensive income for the year	-	288,066	288,066
Dividends	-	(3,300,000)	(3,300,000)
At 31 December 2015	1,000	4,630,519	4,631,519

IES Callenberg Ltd

Notes to the financial statements for the year ended 31 December 2016

1. General information

IES Callenberg Ltd ("the company") designs, installs and maintains heating ventilation, air conditioning and refrigeration systems along with door and integrity testing, predominantly to the North Sea offshore sector.

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Lomond House, Wellington Circle, Altens, Aberdeen, AB12 3JG.

2. Statement of compliance

The individual financial statements of IES Callenberg Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- the requirement to prepare a statement of cash flow;
- certain financial instrument disclosures; and
- the non-disclosure of key management personnel compensation.

The company has taken advantage of these exemptions on the basis that it is a qualifying entity and its ultimate parent company, as at 31 December 2016, Trident Maritime Systems, LLC includes the company's results in the equivalent disclosures in its own consolidated financial statements.

**Notes to the financial statements
for the year ended 31 December 2016**

3. Summary of significant accounting policies (continued)

3.3 Foreign currency

(i) Functional and presentational currency

The company's functional and presentational currency is the pound sterling.

(ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

3.4 Turnover

Turnover comprises revenue recognised by the company in respect of the services invoiced during the year, exclusive of Value Added Tax and trade discounts.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

3.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

3.6 Finance costs

Interest payable is charged to the Statement of comprehensive income over the term of the debt using the effective interest rate 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.

**Notes to the financial statements
for the year ended 31 December 2016**

3. Summary of significant accounting policies (continued)

3.7 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.8 Tangible fixed assets

Tangible fixed assets 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 its intended use.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Depreciation is provided on the following basis:

Plant and machinery	- 10 - 20% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20 - 25% 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 within 'administrative expenses' in the Statement of comprehensive income.

**Notes to the financial statements
for the year ended 31 December 2016**

3. Summary of significant accounting policies (continued)

3.9 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on the estimated selling price less the estimated cost of disposal.

3.10 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade debtors and amounts owed by group undertakings, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, are initially recognised at transaction price.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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.

**Notes to the financial statements
for the year ended 31 December 2016**

3. Summary of significant accounting policies (continued)

3.11 Pensions

Defined contribution pension plan

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

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

3.12 Leased assets

(i) Operating lease assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the Statement of comprehensive income, to reduce the lease expense on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2013) and continues to credit such lease incentives to the Statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

(ii) Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Statement of comprehensive income on a straight line basis over the period of the agreement.

3.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.14 Dividends

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the Statement of changes in equity.

3.15 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

IES Callenberg Ltd

Notes to the financial statements for the year ended 31 December 2016

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors are conscious that in the preparation of these financial statements, their judgement has been used in certain areas, namely the useful life of fixed assets and the recoverability of inventory and trade debtor balances. Every care has however been taken to ensure that these judgements have been used conservatively and carefully backed up by their knowledge of the stock and assets.

5. Turnover

The whole of the turnover is attributable to services and arose within the United Kingdom.

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Revenue from services	8,433,459	8,349,395
Sale of goods	2,552,730	3,807,666
	<u>10,986,189</u>	<u>12,157,061</u>

6. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	40,473	50,424
Profit on sale of fixed assets	-	(4,187)
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	40,500	37,500
Fees payable to the company's auditors and its associates for other services:		
- Other services	-	9,800
Foreign exchange losses/(gains)	16,899	(1,016)
Operating lease charges	<u>149,901</u>	<u>142,482</u>

IES Callenberg Ltd

Notes to the financial statements for the year ended 31 December 2016

7. Employees

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

	2016 £	2015 £
Wages and salaries	5,170,743	4,885,428
Social security costs	640,558	623,667
Other pension costs	177,317	216,273
	<u>5,988,618</u>	<u>5,725,368</u>

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

	2016 No.	2015 No.
Production	84	88
Administrative	15	15
	<u>99</u>	<u>103</u>

Included in the above aggregate staff costs are various expenses amounting to Nil (2015: 19,504) which have been recharged to certain associated companies during the year. These recharges are included in other operating income in the statement of comprehensive income.

8. Directors' remuneration

	2016 £	2015 £
Aggregate emoluments (excluding pension contributions)	161,951	194,583
Value of company pension contributions	5,850	7,188
	<u>167,801</u>	<u>201,771</u>

During the year, retirement benefits were accruing for 1 director (2015: 2) in respect of defined contribution pension scheme.

The highest paid director received remuneration of £161,951 (2015: £191,708).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,850 (2015: £6,708).

**Notes to the financial statements
for the year ended 31 December 2016**

	2016 £	2015 £
9. Taxation on profit		
Current tax on profits for the year	111,224	74,270
Total current tax	111,224	74,270
Deferred tax		
Origination and reversal of timing differences	-	(800)
Changes to tax rates	-	(30)
Total deferred tax	-	(830)
Taxation on profit on ordinary activities	111,224	73,440

Factors affecting tax charge for the year

The tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit before tax	530,238	361,506
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	106,048	73,205
Effects of:		
Expenses not deductible for tax purposes	8,290	369
Deferred tax timing differences	(3,114)	(104)
Impact of changes in tax rates	-	(30)
Total tax charge for the year	111,224	73,440

Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

IES Callenberg Ltd

Notes to the financial statements for the year ended 31 December 2016

10. Tangible assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2016	201,690	7,400	292,252	501,342
Additions		-	7,324	33,298
At 31 December 2016	227,664	7,400	299,576	534,640
Accumulated depreciation				
At 1 January 2016	159,481	6,780	250,732	416,993
Depreciation charge for the year	22,370	620	17,483	40,473
At 31 December 2016	181,851	7,400	268,215	457,466
Net book value				
At 31 December 2016	45,813	-	31,361	77,174
At 31 December 2015	42,209	620	41,520	84,349

11. Stocks

	2016 £	2015 £
Finished goods	140,347	49,563

There is no significant difference between the replacement cost of stock and their carrying amounts.

No provision for stock impairment has been made in 2016 and 2015.

**Notes to the financial statements
for the year ended 31 December 2016**

12. Debtors

	2016 £	2015 £
Trade debtors	1,332,975	1,541,356
Amounts owed by group undertakings	19,552	19,552
Other debtors	142,683	141,617
Tax recoverable	137,501	74,901
Prepayments and accrued income	1,396,530	1,921,497
	<u>3,029,241</u>	<u>3,698,923</u>

Trade debtors are stated after provision for impairment of £Nil (2015: £Nil)

13. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	530,820	311,679
Amounts owed to group undertakings	434,977	409,898
Other taxation and social security	185,888	201,024
Other creditors	771	45,953
Accruals and deferred income	438,941	361,001
	<u>1,591,397</u>	<u>1,329,555</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Called up share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1,000 (2015: 1,000) ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

**Notes to the financial statements
for the year ended 31 December 2016**

15. Dividends

	2016 £	2015 £
Dividends paid on equity: Nil (2015: £3,300 per share)	-	3,300,000
	-	3,300,000

16. Pension commitments

The pension cost charge for the year in respect of the defined contribution scheme, represents contributions payable by the company and amounted to £177,317 (2015: £216,273). At 31 December 2016 there were £17,148 of outstanding contributions (2015: £19,417).

17. Commitments under operating leases

At 31 December 2016 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £	2015 £
Not later than 1 year	55,538	67,009
Later than 1 year and not later than 5 years	41,596	65,576
Total	97,134	132,585

18. Events after the reporting period

There have been no post balance sheet events from the end of the financial year to the date of the signing of the financial statements.

19. Controlling party

The immediate parent undertaking is Callenberg Group AB, a company incorporated in Sweden.

From 3 October 2016, the ultimate parent undertaking and controlling party is Trident Maritime Systems LLC, a company incorporated in the United States of America.

As at the balance sheet date, the ultimate parent undertaking and controlling party was Trident Maritime Systems LLC, a company incorporated in the United States of America.

Trident Maritime Systems, LLC was the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements can be obtained from '5690; Three Notched Rd; Suite 200; Crozet, VA; 22932-317.