

Kongsberg Maritime Limited

Annual report and financial statements
for the year ended 31 December 2012

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Kongsberg Maritime Limited

Annual report and financial statements for the year ended 31 December 2012

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Kongsberg Maritime Limited

Annual report and financial statements for the year ended 31 December 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Thorsen
B Jalving
J Mastervik
A H Olsen

SECRETARY

A Adams

REGISTERED OFFICE

Campus 1
Innovation Park
Balgownie Road
Bridge of Don
Aberdeen

BANKERS

DnB NOR Bank ASA
20 St Dunstons Hill
London

SOLICITORS

Ledingham Chalmers LLP
Johnstone House
52-54 Rose Street
Aberdeen

AUDITORS

Ernst & Young LLP
Blenheim House
Fountainhall Road
Aberdeen

Kongsberg Maritime Limited

Directors' report (continued) for the year ended 31 December 2012

The directors present their annual report and the audited financial statements for the year ended 31 December 2012.

Principal activities and review of the business

The principal business activities during the year continued to be the resale of Kongsberg Maritime sister company products and systems within the UK, sale of own-equipment manufacture worldwide, provision of customer support, including service and training and the rental of a broad range of marine instrumentation. Primary market areas addressed included the offshore oilfield related sector, marine and vessel markets, oceanographic, scientific, government and military naval markets.

The company's key financial and performance indicators during the year were as follows:

	2012 £'000	2011 £'000	Change %
Company Turnover	38,982	39,366	-1%
Operating Profit	2,209	3,599	-39%
Profit after Tax	1,655	2,846	-42%
Shareholders' Funds	17,465	15,810	+10%
Current assets/current liabilities ratio	2.4 :1	2.7:1	-11%
Average number of employees	182	158	+15%

Turnover showed a small reduction compared with the previous year, primarily due to the mix of major project deliveries within the year. Business activity in the company's core offshore vessel and marine systems markets continued to be strong. Activities in the core offshore product related markets also saw solid performance in this area, both in the purchase of new equipment and also in the growth in turnover achieved from renting equipment to supplement customers' operational capability on offshore related projects. Government and military system shipments continued to be challenging throughout the year, with new project delays experienced as a result of government and military spending reviews and budget restrictions.

The company expects that the offshore and marine market areas will continue to offer strong business opportunities in 2013 and beyond, while government and military business opportunities will continue to be challenging as a result of spending reviews and budget restrictions.

Operating profit decreased by 39% over the previous year. This reduction in profit was in part due to the mix of projects in the year, and also to significant costs associated with the implementation of a new company operating facility in Westhill to allow targeted growth and expansion of the company's core business opportunities within the Offshore and Marine market sectors. The company achieved a 10% increase in shareholders' funds.

The average number of employees in the company increased by 15% from 158 to 182 over the course of the year. This increase in numbers reflected the targeted future growth and expansion in the offshore, margin and vessel business levels to assist diversification into new business areas. It is expected that there will be a limited increase in employee numbers in 2013 in order to meet future business development plans.

Kongsberg Maritime Limited

Directors' report (continued) for the year ended 31 December 2012

The company has continued to work steadily to improve the efficiency and effectiveness of its products, its systems and processes to minimise waste and scrap. The company operates an equipment return and recycling scheme to help minimise the environmental impact of the company's operations. The company has developed an integrated management system for all Quality, Health & Safety and Environmental management processes, and is working towards achieving formal accreditation to recognised industry international standards for the management of Health & Safety (OHSAS18001) and Environmental (ISO14001) management processes within 2013, in addition to maintaining the existing accreditation to Quality system standard ISO9001.

Principal risks and uncertainties

Market risks

The main business of the company is the sale and rental of marine equipment and the provision of support services including repair, maintenance and training. The primary market driving this business activity relates both directly and indirectly to the offshore oil and gas industry. In general, market activity in this area correlates with the price of oil, and with the level of exploration and drilling activity, which is outside the company's direct control or influence. The medium and long term prospects for the offshore oil and gas market sector are deemed to continue to be strong due to increasing energy demands worldwide, and political uncertainty in various strategic geographic regions for key energy supplies. The company is also addressing emerging markets for the supply of equipment and services related to renewable energy supplies, and for marine environmental monitoring.

Customers in this market area purchase globally and there are a number of competitors of various sizes in Europe, North America and Asia. The company seeks to minimise the competitive risk by being a leader in product design and development, redesigning business processes to improve efficiency, managing information and providing dependable and innovative products, services and solutions that deliver a competitive advantage to our customers. The company also endeavours to utilise the strengths of being a part of a large, prominent and successful multinational company.

Other risks and uncertainties

When designing a new product or system the company ensures that the legislative and contractual requirements of the end user are met fully.

When renting products to the client the company ensures that the equipment has been properly configured and fully tested and is accompanied with any necessary certification before being sent to the customer.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of foreign exchange movements, interest rate risk, liquidity risk, credit risk and price risk.

Kongsberg Maritime Limited

Directors' report (continued) for the year ended 31 December 2012

Foreign exchange risk

The company is exposed to foreign currency exchange rate fluctuations, mainly between sterling and the Norwegian kroner, the US dollar, the Canadian dollar and the EURO. Where applicable, the company uses forward foreign currency contracts to reduce this exposure. A large percentage of the company's foreign currency transactions are with its parent and sister companies, thereby retaining the risk within the group.

Interest rate risk

The company has no external debt, its exposure to interest rate risk is considered low.

Liquidity risk

The company has high levels of cash reserves and no external debt. As such the directors consider the company's exposure to liquidity risk to be low.

Credit risk

The company does have an element of credit risk attributable to its trade receivables, but has procedures in place to review the financial position of potential customers before entering into sales contracts. The company has a large number of contracts where the credit risk lies with its parent company, which also mitigates the potential exposure on receivables. A number of the company's key customers are government and military organisations which do not pose a significant credit risk. The amounts presented in the balance sheet are shown net of provisions for doubtful receivables. An allowance for impairment has been made where there is an identifiable loss event, or the likelihood of failure to be able to collect amounts based on previous experience and the current business situation for specific customers.

Price risk

The directors do not consider the company to be exposed to commodity price risk to any significant extent as the goods and services supplied to customers are normally delivery based on fixed price lists or firm price contracts and are not directly linked to commodity price movements.

Future developments

The company is expecting that overall market conditions in 2013 will provide continued scope to enhance and expand its range of systems and product offerings, allowing diversification into new and related business sectors within the renewable energy production, and environmental monitoring and awareness.

Results and dividends

The profit after taxation of £1,655,000 (2011: profit £2,846,000) has been transferred to reserves. The directors do not recommend the payment of a dividend (2011: £ nil).

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. The financial position of the company is expected to remain

Kongsberg Maritime Limited

Directors' report (continued) for the year ended 31 December 2012

Going Concern (continued)

stable and the company expects to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group centralised treasury arrangements and so shares banking facilities with its parent and fellow subsidiaries.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors of the company who served during the year and who were appointed subsequent to the year end are listed below:

B Jalving
A H Olsen
J Masetervik
G Thorsen

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Charitable Donations

The donations made by the company during the year for charitable purposes were £nil (2011: £2,800).

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

Kongsberg Maritime Limited

Directors' report (continued) for the year ended 31 December 2012

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

The directors are responsible for keeping adequate accounting records which 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.

Auditors

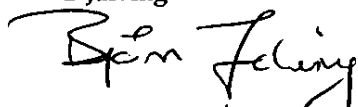
Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board,

Name: B Jalving

Director

Date:


18 September 2013

Kongsberg Maritime Limited

Independent Auditors' Report for the year ended 31 December 2012

We have audited the financial statements of Kongsberg Maritime Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and related notes 1-21. The financial reporting framework which has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Director's Responsibilities, set out on pages 5-6, 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). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

Kongsberg Maritime Limited

Independent Auditors' Report for the year ended 31 December 2012

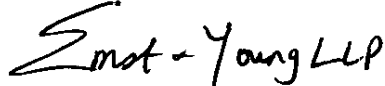
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kenneth MacLeod Hall (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Aberdeen

Date: 18, September 2013

Kongsberg Maritime Limited

Profit & Loss Account for the year ended 31 December 2012

	Notes	2012 £ '000	2011 £ '000
Turnover	2	39,006	39,366
Cost of sales		<u>(28,288)</u>	<u>(29,286)</u>
Gross profit		10,718	10,080
Operating expenses	3	<u>(8,509)</u>	<u>(6,481)</u>
Operating profit	4	2,209	3,599
Gain on sale of tangible fixed assets		227	334
Interest receivable	8	<u>10</u>	<u>19</u>
Profit on ordinary activities before taxation		2,446	3,952
Tax on profit on ordinary activities	9	<u>(791)</u>	<u>(1,106)</u>
Retained profit for the year	15	<u>1,655</u>	<u>2,846</u>

The accompanying notes form an integral part of this profit and loss account.

The company has no gains or losses other than the retained profit for each financial year.

The above results relates to continuing operations.

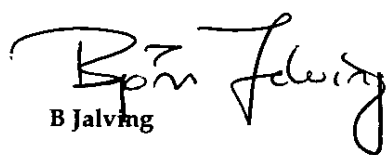
Kongsberg Maritime Limited

Balance Sheet as at 31 December 2012

	Notes	2012 £ '000	2011 £ '000
Fixed assets			
Tangible assets	10	6,027	3,467
Current assets			
Stocks	11	5,542	5,608
Debtors	12	9,531	8,349
Cash at bank and in hand		4,502	5,824
		<u>19,575</u>	<u>19,781</u>
Creditors: Amounts falling due within one year	13	<u>(8,137)</u>	<u>(7,438)</u>
Net current assets		<u>11,438</u>	<u>12,343</u>
Net assets		<u>17,465</u>	<u>15,810</u>
Capital and reserves			
Called-up share capital	14	2,773	2,773
Profit and loss account	15	<u>14,692</u>	<u>13,037</u>
Equity shareholders' funds	16	<u>17,465</u>	<u>15,810</u>

The accompanying notes form an integral part of this balance sheet.

The financial statements were approved by the board of directors on ~~18 September~~ 2013 and were signed on its behalf by:



B Jalving

Director

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies is set out below. These have been applied consistently throughout the current and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The company is exempt from the requirement of FRS1 to present a cash flow statement.

Tangible fixed assets

The cost of tangible fixed assets is the purchase cost, together with any incidental costs of acquisition.

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight-line basis over the expected useful life of the assets concerned. The principal annual rates used for this purpose are:

Leasehold property	4 - 5%
Plant and equipment	10 - 33%
Motor vehicles	25%

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. In the case of manufactured products, cost includes all direct materials, direct labour and appropriate production overheads. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Long-term contracts

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. Excess progress payments are included in creditors as payments on account. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long-term contract balances.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date.

Translation differences are dealt with in the profit and loss account.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Research and Development

Research and development expenditure is written off as incurred.

Revenue Recognition

In connection with revenue recognition, the company distinguishes between system deliveries, goods/standard production and services.

System deliveries: Contracts for system deliveries take account of a customer's special requirements and entail individual design and/or development and the various elements of the contract cannot be sold separately. Such contracts are enforceable and will require the customer to cover the expenses incurred in connection with the construction at the very least. These contracts often span more than one accounting period. The value of work in progress is recognised as turnover.

Goods/standard production: The sale of goods and standard production are recognised upon delivery. Delivery is considered complete when the customer takes over the risks and rewards for a delivered product.

Services: Services delivered which are not part of system deliveries are recognised as revenue as the service is provided.

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing difference are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The charge for pension contributions for the year was £624,000. The outstanding pension contributions at 31 December 2012 were £54,000 (2011: £46,000).

2 TURNOVER

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

	2012 £ '000	2011 £ '000
Geographical analysis of turnover (by destination):		
- United Kingdom	26,611	26,214
- Rest of the world	12,371	13,152
	<u>38,982</u>	<u>39,366</u>

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

3 OPERATING EXPENSES

	2012 £ '000	2011 £ '000
Operating Expenses:		
- Administration expenses	6,793	5,084
- Distribution expenses	1,716	1,397
	<u>8,509</u>	<u>6,481</u>

4 OPERATING PROFIT

	2012 £ '000	2011 £ '000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Loss on foreign exchange	123	56
Hire of equipment	117	62
Rentals under operating leases:		
- Motor Vehicles	59	73
Depreciation of tangible fixed assets	1,618	1,221
Auditors remuneration (note 5)	<u>41</u>	<u>39</u>

5 AUDITORS' REMUNERATION

The remuneration of the auditors is further analysed as follows:

	2012 £ '000	2011 £ '000
Audit of the Financial Statements	31	30
Other fees to auditors		
- taxation services	10	9
	<u>41</u>	<u>39</u>

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

6 DIRECTORS' EMOLUMENTS

	2012 £ '000	2011 £ '000
Aggregate emoluments	-	-

The directors of the company are also directors of other group companies and received remuneration directly from them. The directors do not believe it is practical to apportion their remuneration between their services as directors of Kongsberg Maritime Limited and their services as directors of other group companies.

7 EMPLOYEE INFORMATION

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

	2012 Number	2011 Number
By activity:		
- Management	14	14
- Administration	75	62
- Technical	93	82
	<u>182</u>	<u>158</u>

	2012 £ '000	2011 £ '000
Staff costs (for the above persons):		
- Wages and salaries	7,325	6,184
- Social Security costs	818	679
- Pension costs	338	293
	<u>8,481</u>	<u>7,156</u>

8 INTEREST RECEIVABLE

	2012 £ '000	2011 £ '000
Bank interest receivable	<u>10</u>	<u>19</u>

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £ '000	2011 £ '000
UK corporation tax		
UK corporation tax on profits of the year	812	1,126
Group relief payable	27	29
Adjustments in respect of previous periods	(31)	(5)
Total current tax	808	1,148
Deferred tax		
Originating and reversal of timing differences	(19)	(47)
Adjustment in respect of prior periods	2	5
	791	1,106

The tax assessed on the profit on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below:

	2012 £ '000	2011 £ '000
Profit on ordinary activities before taxation	2,446	3,952
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	599	1,047
Effects of:		
Expenses not deductible for tax purposes	148	58
Depreciation in excess of capital allowances	87	45
Other timing differences	(18)	8
Adjustments in respect of prior periods	(31)	(5)
Capital gains (effects of indexation, rebasing etc)	23	(4)
Total current tax	808	1,149

	2012 £ '000	2011 £ '000
Deferred Tax		
The deferred tax asset included in the balance sheet is as follows:		
Included in debtors (note 12)	153	136
Decelerated capital allowances	143	107
Other timing differences	10	29
	153	136

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

10 TANGIBLE FIXED ASSETS

	Leasehold Property £ '000	Motor vehicles £ '000	Plant and Equipment £ '000	Total £ '000
Cost				
At 1 January 2012	2,190	30	10,859	13,079
Additions	23	-	4,240	4,263
Disposals	-	(9)	(565)	(574)
At 31 December 2012	2,213	21	14,534	16,768
Depreciation				
At 1 January 2012	1,213	30	8,369	9,612
Charge for the year	97	-	1,521	1,618
Disposals	-	(9)	(480)	(489)
At 31 December 2012	1,310	21	9,410	10,741
Net book value				
At 31 December 2012	903	-	5,124	6,027
At 31 December 2011	977	-	2,490	3,467

11 STOCKS

	2012 £ '000	2011 £ '000
Raw materials	1,769	1,898
Work in progress	1,327	1,927
Finished goods	2,446	1,783
	5,542	5,608

Long-term contract balances included within work in progress at net cost less foreseeable losses, amounted to £791,000 (2011: £215,000).

There is no material difference between the balance sheet value of stocks and their replacement cost.

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

12 DEBTORS

	2012 £ '000	2011 £ '000
Amounts falling due within one year:		
Trade debtors	5,974	6,380
Amounts owed by group undertakings	2,336	1,478
Prepayments and accrued income	901	255
Other debtors	29	14
Corporation tax	138	86
Deferred tax (see note 9)	153	136
	<u>9,531</u>	<u>8,349</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £ '000	2011 £ '000
Trade creditors	851	508
Amounts owed to group undertakings	4,864	5,043
Other taxation and social security	493	158
Accruals and deferred income	1,929	1,729
	<u>8,137</u>	<u>7,438</u>

14 CALLED-UP SHARE CAPITAL

	2012 £ '000	2011 £ '000
Authorised		
2,772,681 ordinary shares of £ 1 each	<u>2,773</u>	<u>2,773</u>
Allotted, called-up and fully-paid		
2,772,681 ordinary shares of £ 1 each	<u>2,773</u>	<u>2,773</u>

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

15 RESERVES

	Profit and Loss £ '000
At 1 January 2012	13,037
Retained profit for the year	1,655
At 31 December 2012	<u>14,692</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £ '000	2011 £ '000
Opening shareholders' funds	15,810	12,964
Profit for the financial year	<u>1,655</u>	<u>2,846</u>
Closing shareholders' funds	<u>17,465</u>	<u>15,810</u>

17 CONTINGENT LIABILITY

HM Customs and Excise hold a deferred duty bond with a value of £ 350,000 (2011: £350,000).

18 CAPITAL COMMITMENTS

	2012 £ '000	2011 £ '000
Capital expenditure contracted for but not provided in the financial statements	<u>502</u>	<u>567</u>

Kongsberg Maritime Limited

Notes to the financial statements for the year ended 31 December 2012 (continued)

19 OPERATING LEASE COMMITMENTS

At 31 December the company had annual commitments under non-cancellable operating leases as follows:

	2012 Motor Vehicles £ '000	2011 Motor Vehicles £ '000
Expiring within one year	13	12
Expiring within 1 to 5 years	44	91
	<u>57</u>	<u>103</u>

	2012 Buildings £ '000	2011 Buildings £ '000
Expiring within one year	13	97
Expiring within 1 to 5 years	-	27
Expiring in more than 5 years	494	-
	<u>507</u>	<u>124</u>

20 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard No. 8, not to disclose details of transactions and balances with group companies on the basis that it is a 100% owned subsidiary whose voting rights are controlled within the group.

21 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is Kongsberg Maritime Holding Limited.

The company's ultimate parent company and ultimate controlling party is Kongsberg Gruppen ASA, a company registered in Norway.

The only group which prepares consolidated financial statements (including those of the company) is Kongsberg Gruppen ASA. Copies of these financial statements can be obtained from Kongsberg Gruppen ASA, PO Boks 1003, N-3601 Kongsberg, Norway.