

Company Registration No. SC372021

Imenco UK Limited

Unaudited Report and Financial Statements

31 December 2015



Imenco UK Limited

Report and financial statements 2015

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Imenco UK Limited

Report and financial statements 2015

Officers and professional advisers

Director

G E Ostebovik

Registered office

Enterprise Centre
Aberdeen Science and Technology Park
Exploration Drive
Aberdeen
AB23 8GX

Solicitor

Burness Paull LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1DQ

Banker

DnB NOR Bank ASA
20 St. Dunstan's Hill
London
EC3R 8HY

Independent Accountant

Deloitte LLP
Aberdeen

Imenco UK Limited

Director's report

The director presents his annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2015.

This director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

No Strategic Report is presented as the company has taken the small companies exemption.

Principal activity

The principal activity of the company is the sale and rental of products and systems for the marine market. These include deepwater innovative engineering, subsea cameras, subsea lighting, lasers, manipulators, Remote Operated Vehicle (ROV) tooling, handling and lifting tooling, helicopter refuelling systems and full hyperbaric diving systems.

Result for the period

The company generated turnover of £1,077,518 (2014: £1,419,476) and profit for the financial year of £90,820 (2014: £314,536).

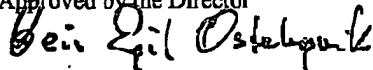
Going concern

The company has significant cash reserves and no external financing. Having considered the trading outlook for the company and the level of cash reserves, the director continues to consider the going concern basis of preparation to be appropriate.

Directors

G E Ostebovik was the sole director who held office in the year and to the date of this report.

Approved by the Director



G E Ostebovik
Director

3 March 2017

Chartered accountant's report to the Director on the preparation of the unaudited statutory financial statements of Imenco UK Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Imenco UK Limited for the year ended 31 December 2015 which comprises the profit and loss account, the balance sheet and the related notes 1 to 17, from the company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/membershandbook.

This report is made solely to the Director, in accordance with the terms of our engagement letter dated 3 February 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Imenco UK Limited and state those matters that we have agreed to state to you in this report in accordance with AAF 02/10 as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Imenco UK Limited and its Director for our work or for this report.

It is your duty to ensure that Imenco UK Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Imenco UK Limited. You consider that Imenco UK Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Imenco UK Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants
Aberdeen

3 March 2017

Imenco UK Limited

Profit and loss account Year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	2	1,077,518	1,419,476
Cost of sales		(751,493)	(928,507)
Gross profit		326,025	490,969
Administrative expenses		(200,962)	(97,391)
Other operating income		-	8,489
Operating profit		125,063	402,067
Interest receivable and similar income	4	55	26
Profit on ordinary activities before taxation	5	125,118	402,093
Taxation on profit on ordinary activities	6	(34,298)	(87,557)
Profit for the financial year	13	90,820	314,536

The results for the current and prior year relate to continuing activities.

There are no recognised gains or losses in the current or prior year other than those included in the profit and loss account. Accordingly no statement of total recognised gains and losses has been included.

Imenco UK Limited

Balance sheet 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	7	546	1,499
		<u>546</u>	<u>1,499</u>
Current assets			
Stock	8	2,644	2,644
Debtors	9	416,453	747,852
Cash at bank and in hand		674,664	220,975
		<u>1,093,761</u>	<u>971,471</u>
Creditors: amounts falling due within one year	10	<u>(252,349)</u>	<u>(221,630)</u>
Net current assets		<u>841,412</u>	<u>749,841</u>
Total assets less current liabilities		<u>841,958</u>	<u>751,340</u>
Provisions for liabilities	11	<u>(98)</u>	<u>(300)</u>
Net assets		<u>841,860</u>	<u>751,040</u>
Capital and reserves			
Share capital	12	1	1
Share premium	13	24,999	24,999
Profit and loss account	13	816,860	726,040
		<u>841,860</u>	<u>751,040</u>
Shareholder's funds	14	<u>841,860</u>	<u>751,040</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities effective January 2015.

For the year ended 31 December 2015 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- The director acknowledges his responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements of Imenco UK Limited, registered number SC372021, were approved by the Director and authorised for issue on 3 March 2017.

Approved by:

Geir Eil Ostebovik

GE Ostebovik
Director

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2015

1. Accounting policies

The principal accounting policies adopted are described below. They have all been applied consistently throughout the current and prior year.

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2015).

Cash flow statement

The director has taken advantage of the exemption within Financial Reporting Standard No. 1 (revised) from including a cash flow statement on the grounds that it is a small company in accordance with the provisions of the Companies Act 2006.

Going concern

The company has significant cash reserves and no external financing. Having considered the trading outlook for the company and the level of cash reserves, the going concern basis is adopted in the preparation of the financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any identified provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of assets on a straight line basis over their expected useful lives, as follows:

Office equipment - 25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost consists of materials. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current 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 differences 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2015

1. Accounting policies (continued)

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is right to consideration and is recorded at the value of the consideration due.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any exchange gain or loss arising is included as an exchange gain or loss in the profit and loss account.

2. Turnover

Turnover represents amounts derived from the sale and rental of products and systems which fall within the company's ordinary activities after deduction of trade discounts and sales tax. Turnover is 90% (2014: 85%) attributed to sales in the United Kingdom and 10% (2014: 15%) attributed to sales in Norway.

3. Information regarding directors

The director who served during the year is an executive of the group holding company and also a director of Imenco UK Limited. The director received remuneration of £91,038 (2014: £77,762) from the group holding company during the year but it is not considered practical to meaningfully estimate the proportion of remuneration that relates to services as a director of the company and therefore no allocation is made.

4. Interest receivable and similar income

	2015	2014
	£	£
Bank interest	55	26

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2015	2014
	£	£
Depreciation of owned tangible fixed assets	1,068	1,337
Loss on foreign exchange	25,184	2,676
Operating lease rentals – other	15,150	22,532

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2015

6. Tax on profit on ordinary activities

The tax charge for the year comprises:

	2015 £	2014 £
Current tax:		
Current tax charge	35,215	90,532
Prior year adjustments	(715)	(2,761)
Total current tax charge	34,500	87,771
Deferred taxation:		
Origination and reversal of timing differences	(194)	(230)
Effect of changes in tax rates	(8)	16
Total tax charge	34,298	87,557

The actual tax charge for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%) for the reasons set out in the following reconciliation.

	2015 £	2014 £
Profit on ordinary activities before tax	125,118	402,093
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49%)	25,332	86,410
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9,714	3,892
Capital allowances for the period in excess of depreciation	193	230
Adjustments in respect of prior periods	(716)	(2,761)
Effects of other tax rates/credits	(23)	-
	34,500	87,771

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2015

7. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2015	5,479
Additions	115
At 31 December 2015	<u>5,594</u>
Depreciation	
At 1 January 2015	3,980
Charge for year	1,068
At 31 December 2015	<u>5,048</u>
Net book value	
At 31 December 2015	<u>546</u>
At 31 December 2014	<u>1,499</u>

8. Stock

	2015 £	2014 £
Stock	<u>2,644</u>	<u>2,644</u>

9. Debtors: amounts falling due within one year

	2015 £	2014 £
Trade debtors	192,467	481,056
Amounts due from related parties (note 16)	177,949	261,493
Other debtors	46,037	5,303
	<u>416,453</u>	<u>747,852</u>

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2015

10. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	11,880	25,833
Other creditors	35,797	54,638
Amounts due to related parties (note 16)	141,533	50,527
Corporation tax	63,139	90,632
	<u>252,349</u>	<u>221,630</u>

11. Provisions for liabilities

Deferred tax

	£
At 1 January 2015	300
Credited to profit and loss account	(202)
At 31 December 2015	<u>98</u>

The deferred tax provision relates entirely to fixed asset timing differences.

12. Share capital

	2015 £	2014 £
Called up, allotted and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

13. Reserves

	Profit and loss account £	Share premium account £	Total £
At 1 January 2015	726,040	24,999	751,039
Profit for the financial year	90,820	-	90,820
At 31 December 2015	<u>816,860</u>	<u>24,999</u>	<u>841,859</u>

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2015

14. Reconciliation of movements in shareholder's funds

	2015 £	2014 £
Profit for the financial year	90,820	314,536
Dividend	-	(350,000)
Opening shareholder's funds	751,040	786,504
Closing shareholder's funds	841,860	751,040

15. Lease commitments

At year end, the company had outstanding annual commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings 2015 £	Land and buildings 2014 £
Expiry date:		
Within one year	-	-
After five years	15,150	15,150

16. Related party transactions

During the year the company made purchases of £308,068 (2014: £537,316) from Imenco AS and sales of £86,972 (2014: £17,780) to Imenco AS. Geir E Ostebovik, the director, is also a director of Imenco AS. At 31 December 2015, a net balance of £112,671 was due from Imenco AS (2014: £111,493).

During the year the company made purchases of £124,213 (2014: £41,049) and sales of £28,947 (2014: £65,323) to Norweigan Offshore Rental AS, a company incorporated in Norway. Geir E Ostebovik, the director has a 50% indirect shareholding in Norweigan Offshore Rental AS. At 31 December 2015, a net balance of £45,429 (2014: £19,702) was due to Norweigan Offshore Rental AS.

At 31 December 2015 a balance of £30,825 (2014: £30,825) was due to Imenco Asia Pacific Pte Ltd, a company incorporated in Singapore. Geir E Ostebovik is the ultimate controlling party of Imenco Asia Pacific Pte Ltd.

17. Controlling party

The company is wholly owned by Norwegian Universal Technology AS, a company incorporated in Norway. Norwegian Universal Technology AS is owned in equal shares by G E Ostebovik, a director, and Jan Sigvard Ostebovik via JSO Holdings AS.