

Imenco UK Limited

Annual report and financial statements

for the year ended 31 December 2016

Registered number SC372021



Imenco UK Limited

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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 2016.

This director's report has been prepared in accordance with the provisions applicable to companies entitled to 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 £675,601 (2015: £1,077,518) and loss for the financial year of £7,734 (2015: profit of £90,820).

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.

Director

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

Approved by the Board and signed on its behalf by:



G E Østebøvik
Director

8th December 2017

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

Accountants' report to the board of directors on the preparation of the unaudited statutory financial statement of Imenco UK Limited for the year ended 31 December 2016

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 2016 which comprises the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 13 from the company's accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made solely to the Board of Directors of Imenco UK Limited, as a body, in accordance with the terms of our engagement letter dated 30 November 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 ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Imenco UK Limited and its Board of Directors as a body 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 loss 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

Aberdeen

14 December 2017

Imenco UK Limited

Profit and loss account

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		675,601	1,077,518
Cost of sales		(578,412)	(751,493)
Gross profit		97,189	326,025
Administrative expenses		(125,577)	(200,962)
Operating (loss)/profit		(28,388)	125,063
Finance income	2	97	55
(Loss)/profit before taxation	3	(28,291)	125,118
Tax on loss/profit	4	20,557	(34,298)
(Loss)/profit for the financial year attributable to the equity shareholders of the Company		(7,734)	90,820

There are no gains or losses for the current and prior year other than as included above. Accordingly, no separate Statement of Comprehensive Income is presented.

Imenco UK Limited

Balance sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	199	546
		<u>199</u>	<u>546</u>
Current assets			
Stocks	6	2,644	2,644
Debtors	7	349,934	416,453
Cash at bank and in hand		628,164	674,644
		<u>980,742</u>	<u>1,093,761</u>
Creditors: amounts falling due within one year	8	<u>(146,781)</u>	<u>(252,349)</u>
Net current assets		<u>833,961</u>	<u>841,412</u>
Total assets less current liabilities		<u>834,160</u>	<u>841,958</u>
Provisions for liabilities	9	<u>(34)</u>	<u>(98)</u>
Net assets		<u><u>834,126</u></u>	<u><u>841,860</u></u>
Capital and reserves			
Called up share capital	10	1	1
Share premium	10	24,999	24,999
Profit and loss account	10	809,126	816,860
		<u><u>834,126</u></u>	<u><u>841,860</u></u>

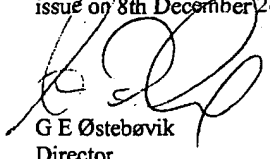
For the year ending 31 December 2016, Imenco UK Limited was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The accounts have been prepared in accordance with the provisions of Section 1A of FRS 102

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts;
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Imenco UK Limited, registered number SC372021, were approved by the Director and authorised for issue on 8th December 2017.


G E Østebøvik
Director

Imenco UK Limited

Statement of changes in equity For the year ending 31 December 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2016	1	24,999	726,040	751,040
Profit for the financial year	-	-	90,820	90,820
Total comprehensive income	-	-	90,820	90,820
At 31 December 2016	1	24,999	816,860	841,860
Loss for the financial year	-	-	(7,734)	(7,734)
Total comprehensive income	-	-	(7,734)	(7,734)
At 31 December 2017	1	24,999	809,126	834,126

Imenco UK Limited

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

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Imenco UK Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is shown on page 1.

The average monthly number of employees (including executive directors) was 4 (2016: 4).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

This is the first year that the company has presented its financial statements under FRS 102. The last financial statements under previous FRSSE were for the year ended 31 December 2015. And the date of transition to FRS 102 was therefore 1 January 2015. As a consequence of adopting FRS 102, there has been no change to the previous reported profits or net assets.

b. 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.

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office equipment 25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

d. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Imenco UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) *Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iii) *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

d. *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials. Provision is made for obsolete, slow-moving or defective items where appropriate.

e. *Impairment of assets*

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Imenco UK Limited

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

f. 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.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. 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 a right to consideration and is recorded at the fair value of the consideration received or receivable.

h. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange 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.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

2. Finance income

	2016 £	2015 £
Bank interest received	97	55
	<u>97</u>	<u>55</u>

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Notes to the financial statements (continued) For the year ended 31 December 2016

3. (Loss)/profit before taxation

(Loss)/profit before taxation is stated after charging:

	2016 £	2015 £
Depreciation of owned tangible fixed assets	347	1,068
Loss on foreign exchange	45,975	25,184
Operating lease rentals - other	15,150	15,150
	<u> </u>	<u> </u>

4. Tax on (loss)/profit on ordinary activities

The tax (credit)/charge for the year comprises:

	2016 £	2015 £
Current tax:		
Current tax charge	-	35,215
Prior year adjustments	(20,513)	(715)
Total current tax (credit)/charge	<u>(20,513)</u>	<u>34,500</u>
Deferred taxation:		
Origination and reversal of timing differences	(69)	(194)
Effect of changes in tax rates	5	(8)
Total deferred tax	<u>(64)</u>	<u>(202)</u>
Total tax (credit)/charge	<u>(20,577)</u>	<u>34,298</u>

The actual tax (credit)/charge for the year differs from the standard rate of corporation tax in the UK of 20 % (2015: 20.25%) for the reasons set out in the following reconciliation.

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(28,291)	125,118
Tax charge on (loss)/profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	(5,658)	25,332
<i>Effects of:</i>		
Losses carried back	20,282	-
Income not taxable	(14,693)	-
Expenses not deductible for tax purposes	-	9,714
Capital allowances for the period in excess of depreciation	-	193
Adjustments in respect of prior periods	(20,513)	(716)
Effects of other tax rates/credits	5	(23)
	<u>(20,577)</u>	<u>34,500</u>

Imenco UK Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

5. Tangible fixed assets

	Office equipment and Total £
Cost or valuation	
At 1 January 2016 and 31 December 2016	5,594
Depreciation	
At 1 January 2016	5,048
Charge for the year	347
At 31 December 2016	5,395
Net book value	
At 31 December 2016	199
At 31 December 2015	546

6. Stocks

	2016 £	2015 £
Stocks	2,644	2,644

Imenco UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

7. Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	120,685	192,467
Amounts due from related parties (note 12)	153,226	177,949
Other debtors	57,644	46,037
Corporation tax	18,379	-
	<u>349,934</u>	<u>416,453</u>

Amounts due from related parties are unsecured, interest free and repayable on demand.

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	39,275	11,880
Other creditors	41,151	35,797
Amounts due to related parties (note 12)	66,355	141,533
Corporation tax	-	63,139
	<u>146,781</u>	<u>252,349</u>

Amounts due to related parties are unsecured, interest free and repayable on demand.

9. Provisions for liabilities

Deferred tax

	£
At 1 January 2016	98
Credited to profit and loss account	(64)
At 31 December 2016	<u>34</u>

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

10. Share capital

	2016 £	2015 £
Called up, allotted and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

The company has one class of ordinary share, which carry no right to fixed income.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserves represent cumulative profits or losses net of dividends paid.

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Notes to the financial statements (continued) Year ended 31 December 2016

11. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
- within one year	15,150	15,150
- between one and five years	11,262	26,513
	<u>26,412</u>	<u>41,663</u>

12. Related party transactions

The transactions throughout the year and year-end position with related parties are:

	Sales £	Purchases £	Debtor £	Creditor £
Imenco AS	13,384	241,515	153,076	(33,593)
Norwegian Offshore Rental AS	16,695	96,266	150	(32,762)
	<u>30,079</u>	<u>337,781</u>	<u>153,226</u>	<u>(66,355)</u>

13. Ultimate controlling party

The company's share capital is owned equally by NUT II AS and JSO Holdings II AS, companies incorporated in Norway.

The ultimate holding company for NUT II AS is Norwegian Universal Technology AS which is owned by G E Østebøvik.

The ultimate holding company for JSO Holdings II AS is JSO Holdings AS which is owned by J S Østebøvik.