

Company Registration No. SC372021

Imenco UK Limited

Unaudited Report and Financial Statements

31 December 2017

**COMPANIES HOUSE
EDINBURGH**

28 SEP 2018

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Imenco UK Limited

Report and financial statements 2017

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Imenco UK Limited

Report and financial statements 2017

Officers and professional advisers

Director

G E Ostebovik

Registered office

Campus 1 Aberdeen Innovation Park Balgownie Road
Bridge of Don
Aberdeen
AB22 8GT

Solicitor

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

Banker

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

Accountant

Deloitte LLP
Aberdeen
1 Union Wynd
Aberdeen
AB10 1SL

Imenco UK Limited

Director's report

Directors

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

The director presents his annual report on the affairs of the company, together with the financial statements, for the year ended 31 December 2017.

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 £618,259 (2016: £675,601) and profit for the financial year of £64,230 (2016: loss of £7,734).

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.

Approved by the Director



G E Ostebovik
Director

28.09.

2018

Imenco UK Limited

Directors' responsibilities statement

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 including section 1A of FRS102 "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 judgments and accounting estimates that are reasonable and prudent 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.

Accountant's report to the board of directors on the preparation of the unaudited statutory financial statements of Imenco UK Limited for the year ended 31 December 2017

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 2017 which comprises the profit and loss account, the balance sheet, and the related notes 1 to 15 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 to the Board of Directors of Imenco UK Limited, as a body, in accordance with the terms of our engagement letter dated 16 August 2018. 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 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 profit of Imenco UK Limited. You consider 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

28.9.2018

Imenco UK Limited

Profit and loss account Year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover		618,259	675,601
Cost of sales		(450,725)	(578,412)
Gross profit		167,534	97,189
Administrative expenses		(107,320)	(125,577)
Other operating income		-	-
Operating profit/(loss)		60,214	(28,388)
Finance income (net)	3	-	97
Profit/(loss) before taxation	4	60,214	(28,291)
Tax on profit/(loss)	5	4,016	20,557
Profit/(loss) for the financial year		64,230	(7,734)
Retained profits at 1 January		809,126	816,860
Profit/(loss) in the year		64,230	(7,734)
Retained profits at 31 December		873,356	809,126

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 above. Accordingly, no separate statement of comprehensive income has been presented.

Imenco UK Limited

Balance sheet As at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	6	82	199
		<u>82</u>	<u>199</u>
Current assets			
Stock	7	2,644	2,644
Debtors	8	641,965	349,934
Cash at bank and in hand		301,412	628,164
		<u>946,021</u>	<u>980,742</u>
Creditors: amounts falling due within one year	9	<u>(47,747)</u>	<u>(146,781)</u>
Net current assets		<u>898,274</u>	<u>833,961</u>
Total assets less current liabilities		898,356	834,160
Provisions for liabilities	10	-	(34)
Net assets		<u>898,356</u>	<u>834,126</u>
Capital and reserves			
Share capital	11	1	1
Share premium	11	24,999	24,999
Profit and loss account	11	873,356	809,126
Shareholder's funds		<u>898,356</u>	<u>834,126</u>

Imenco UK Limited

Balance sheet (continued) As at 31 December 2017

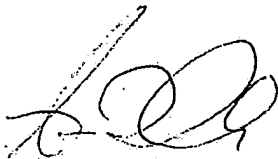
For the year ending 31 December 2017, Imenco UK Limited was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 accounts have been prepared in accordance with the special 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 28th September 2018.



G E Ostebovik
Director

Imenco UK Limited

Notes to the financial statements Year ended 31 December 2017

1. Accounting policies

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior year.

General information and basis of accounting

Imenco UK Limited is a private company limited by shares in Scotland under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

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.

The functional currency of Imenco UK Limited is considered to be pound sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pound sterling.

Exemptions

Under FRS 102 the Company is exempt from the requirements to:

- To prepare a statement of cash flows
- Disclose remuneration of key management personnel
- Disclose details about financial instruments required by sections 11 and 12 of FRS 102
- Prepare consolidated financial statements

on the grounds that the parent undertaking includes the Company in its own published consolidated financial statements. These are available at the address found in note 14.

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 or valuation, 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

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.

Imenco UK Limited

Notes to the financial statements (continued) Year ended 31 December 2017

1. Accounting policies (continued)

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.

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) *Investments*

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

(iii) *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.

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Notes to the financial statements (continued) Year ended 31 December 2017

1. Accounting policies (continued)

Financial instruments (continued)

(iv) *Convertible loan notes*

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition, the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in the equity reserve within equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria in (i) above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method.

(v) *Derivative financial instruments*

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

The Company does not apply hedge accounting.

(vi) *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.

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.

Imenco UK Limited

Notes to the financial statements (continued) **Year ended 31 December 2017**

1. Accounting policies (continued)

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.

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. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical accounting judgement

There are no material sources of judgement impacting the financial statements.

Key sources of estimation uncertainty

There are no material key sources of estimation uncertainty impacting the financial statements.

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Notes to the financial statements (continued) Year ended 31 December 2017

3. Finance costs (net)

	2017 £	2016 £
Bank interest	-	97

4. Profit/(loss) before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2017 £	2016 £
Depreciation of owned tangible fixed assets	118	347
Loss on foreign exchange	5,134	45,975
Operating lease rentals – other	11,262	15,150

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Notes to the financial statements (continued) Year ended 31 December 2017

5. Tax on profit on ordinary activities

The tax charge for the year comprises:

	2017 £	2016 £
Current tax:		
Current tax charge	-	-
Prior year adjustments	-	(20,513)
Total current tax charge	-	(20,513)
Deferred taxation:		
Origination and reversal of timing differences	(4,547)	(69)
Effect of changes in tax rates	531	5
Total deferred tax	(4,016)	(64)
Total tax credit	(4,016)	(20,577)

The actual tax credit for the year differs from the standard rate of corporation tax in the UK of 19.25 % (2016: 20%) for the reasons set out in the following reconciliation.

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	60,214	(28,291)
Tax charge on profit/(loss) on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20%)	11,589	(5,658)
<i>Effects of:</i>		
Losses carried back	-	20,282
Income not taxable	(16,314)	(14,693)
Expenses not deductible for tax purposes	178	-
Adjustments in respect of prior periods	-	(20,513)
Effects of other tax rates/credits	531	5
	(4,016)	(20,577)

Imenco UK Limited

Notes to the financial statements (continued) Year ended 31 December 2017

6. Tangible fixed assets

	Plant and Machinery £	Office equipment £	Total £
Cost			
At 1 January 2017	115	5,479	5,594
Additions	-	-	-
At 31 December 2017	115	5,479	5,594
Depreciation			
At 1 January 2017	36	5,358	5,394
Charge for year	29	89	118
At 31 December 2017	65	5,447	5,512
Net book value			
At 31 December 2017	50	32	82
At 31 December 2016	79	120	199

7. Stock

	2017 £	2016 £
Stock	2,644	2,644

8. Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	40,144	120,685
Amounts due from related parties	549,093	153,226
Other debtors	28,100	57,644
Corporation tax	24,628	18,379
	641,965	349,934

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

Imenco UK Limited

Notes to the financial statements (continued) Year ended 31 December 2017

9. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	11,227	39,275
Other creditors	13,000	41,151
Amounts due to related parties	23,520	66,355
	<u>47,747</u>	<u>146,781</u>

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

10. Deferred tax

	£
At 1 January 2016	98
Credited to profit and loss account	(64)
At 31 December 2016	34
Debited to profit and loss account	(34)
At 31 December 2017	-

The deferred tax provision relates to fixed asset timing differences and losses.

11. Share capital

	2017 £	2016 £
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.

Imenco UK Limited

Notes to the financial statements (continued) Year ended 31 December 2017

12. Financial commitments

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

	Land and buildings 2017 £	Land and buildings 2016 £
Within one year	11,262	15,150
Between one and five years	-	11,262
Total	<u>11,262</u>	<u>26,412</u>

13. Related party transactions

The Company has taken advantage of the exemptions conferred by Financial Reporting Standard 102 with regard to non-disclosure of transactions with other wholly owned group undertakings.

14. Ultimate parent company

At 31 December 2017 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 Ostebovik.

15. Subsequent events

On 28 June 2018 Imenco UK Limited entered into an agreement to acquire the subsea camera and harsh environment CCTV systems business of Kongsberg Maritime UK, a subsidiary of Norway-based Kongsberg Gruppen.