Registered Number:SC372021

IMENCO UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

COMPANY INFORMATION

Directors	Geir Egil Ostebovik Rune Bringedal (resigned 22 March 2024) Alan Buchan (appointed 31 March 2024, resigned 5 May 2025) Daniele Petrone (appointed 5 May 2025)
Registered number	SC372021
Registered office	Campus 1 Aberdeen Innovation Park Balgownie Road Bridge Of Don Aberdeen AB22 8GT
Independent auditor	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

IMENCO UK LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 27

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

This report details the results for Imenco UK Limited, for the year ended 31 December 2024.

Business review

The company generated turnover of £17,332,084 (2023: £14,852,183) and profit for the financial year of £742,906 (2023: £1,469,663). The directors are satisfied with the financial performance and position of the Company.

Principal risks and uncertainties

The company is operating in a volatile market and faces various risks. At the present company's primary markets are Oil & Gas and Naval/Defence. The director has structures in place to increase activities within Offshore Wind and Aquaculture activities.

Oil & Gas market

The oil price has been volatile in recent years due to large swings in demand and supply. The director expects this volatility to continue. A weak oil price has a noticeable effect on the company's financial performance, but the company follows the price constantly and takes necessary defensive measures when price drop is dramatic. The oil price rise in 2024 has seen the company busy in all product areas. The business is presently following other markets and intend to be less dependent on oil & gas in the coming years.

Brexit

The company has limited activities within EU nations with only a small number of sales projects each year and purchase of a small number of parts from EU countries. Given the volume of trade with the EU, the transition to Britain's new relationship with the EU will not dramatically affect the company. The director is following the situation and is in the process of finding substitute suppliers where required.

Financial risk

The company trade in several currencies and will be affected by currency fluctuation. The situation is continually monitored and if uncertainties are regarded high, the entity may enter into currency mitigation transactions.

Financial key performance indicators

Given the nature of the Company's trading activities, the director assesses key performance indications of the business to be revenue, profit before tax, and net assets. These are used in the analysis of the business to gain an understanding of developments, performance, and financial position of the business.

This report was approved by the board and signed on its behalf.

Geir Egil Ostebovik
Director

Date: 23 March 2026

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Results and dividends

The profit for the year, after taxation, amounted to £742,906 (2023 - £1,469,663).

During the period, no dividends were paid to ordinary shareholders (2023 - £nil).

Directors

The directors who served during the year were:

Geir Egil Ostebovik
Rune Bringedal (resigned 22 March 2024)
Alan Buchan (appointed 31 March 2024, resigned 5 May 2025)

Future developments

The director believes that there will be no significant changes to Imenco UK Limited in the near future.

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

A resolution to appoint AAB Audit & Accountancy Limited as auditor of the Company will be proposed at the next general meeting.

This report was approved by the board and signed on its behalf.

Geir Egil Ostebovik
Director

Date: 23 March 2026

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMENCO UK LIMITED

Opinion

We have audited the financial statements of Imenco UK Limited (the 'Company') for the year ended 31 December 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMENCO UK LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMENCO UK LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation. We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets;
- Timing and completeness of revenue recognition;
- Management judgement applied in calculating provisions; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing a sample of sales transactions back to source contracts and ensure revenue recognition around the year end was captured in the correct period;
- Testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Enquiries of management about litigation and claims and inspection of relevant correspondence; and
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMENCO UK LIMITED (CONTINUED)

Use of our report

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.

Graeme Penman (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

24 March 2026

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Turnover	4	17,332,084	14,852,183
Cost of sales		(11,790,321)	(8,891,208)
Gross profit		5,541,763	5,960,975
Administrative expenses		(4,249,925)	(4,334,144)
Other operating income	5	33,877	58,086
Operating profit	6	1,325,715	1,684,917
Interest receivable and similar income	10	34,394	15,526
Interest payable and similar expenses	11	(544,513)	(483,448)
Profit before tax		815,596	1,216,995
Tax on profit	12	(72,690)	252,668
Profit for the financial year		742,906	1,469,663

There was no other comprehensive income for 2024 (2023:£NIL).

The notes on pages 11 to 27 form part of these financial statements.

IMENCO UK LIMITED
REGISTERED NUMBER:SC372021

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £		2023 £
Fixed assets					
Intangible assets	13		5,124		9,596
Tangible assets	14		2,677,049		2,984,936
			2,682,173		2,994,532
Current assets					
Stocks	15	5,966,117		4,533,664	
Debtors: amounts falling due within one year	16	5,291,420		4,508,837	
Cash at bank and in hand	17	658,316		508,123	
		11,915,853		9,550,624	
Creditors: amounts falling due within one year	18	(8,977,425)		(7,224,839)	
Net current assets			2,938,428		2,325,785
Total assets less current liabilities			5,620,601		5,320,317
Creditors: amounts falling due after more than one year	19		(730,000)		(1,140,000)
Provisions for liabilities					
Deferred tax	21	(252,711)		(285,333)	
			(252,711)		(285,333)
Net assets			4,637,890		3,894,984
Capital and reserves					
Called up share capital	22		25,000		25,000
Profit and loss account			4,612,890		3,869,984
			4,637,890		3,894,984

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Geir Egil Ostebovik
Director

Date: 23 March 2026

The notes on pages 11 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2023	25,000	2,400,321	2,425,321
Comprehensive income for the year			
Profit for the year	-	1,469,663	1,469,663
At 1 January 2024	25,000	3,869,984	3,894,984
Comprehensive income for the year			
Profit for the year	-	742,906	742,906
At 31 December 2024	25,000	4,612,890	4,637,890

The notes on pages 11 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

Imenco UK Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The address of it's registered office and principal place of business is Campus 1 Aberdeen Innovation Park Balgownie Road, Bridge of Don, Aberdeen, Scotland, AB22 8GT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Imenco Invest AS as at 31 December 2024 and these financial statements may be obtained from Kophaug 3, 5570 Aksdal, Norway.

2.3 Going concern

At 31 December 2024, the Company has net assets of £4,637,890 (2023 - £3,894,984). Included within the net assets are amounts due to intercompany of £372,075 (2023 - £1,061,831) and bank overdrafts of £5,963,312 (2023 - £4,677,450). The Company's overdraft position remains part of the group financing facility which has been renewed for a period of 12 months from the date of approving the financial statements. The Company's parent and fellow group companies have confirmed their continued support and that they have sufficient resources to satisfy the settlement of the group banking facility if required and will not seek repayment of the intercompany balances to the detriment of third parties.

The directors have carefully considered the forward working capital requirements of the company and wider group and given their knowledge of the market and strong trading results, the directors remain confident that the company has adeqaute resouces to meet its obligations. The directors therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

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. When a contract has only been partially completed at the balance sheet date turover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as of creditors due within one year.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and loss account when they fall due.
Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specified software. These costs are amortised on a straight line basis over their estimated useful life of 3-5 years.

Other intangible fixed assets represents the intellectual property acquired alongside the purchase of a business unit. Amortisation is applied in line with the estimated useful life of this business unit which is assessed as 4 years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- 25 years
Plant and machinery	- 3-10 years
Office equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. Accounting policies (continued)

2.17 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

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

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Basic financial liabilities

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 the deduction of all its liabilities.

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

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

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily available 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. Revision to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Useful lives and impairment of property, plant and equipment

The company reviews the estimated useful lives of tangible fixed assets at the end of each reporting period based on condition and usage of those assets. Based on management's assessment as at the end of the reporting period, the useful lives of tangible fixed assets remain appropriate. The company reviews at the end of each reporting period, the carrying amounts of its tangible fixed assets to determine whether there is any indication that these assets have suffered an inpairment loss. No impairment loss was recognised during the year.

Intangible asset impairment

Intangible assets are assessed annually for impairment or more frequently if there are indications that it might be impaired. If there are indicators of impairment, recoveable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected future cash flows.

Stock Provisions

The company makes an assessment of any stock items that are slow moving or obsolete. When making this assessment management consider various factors including the physical state of the stock and any items that are slow moving and establishes and appropriate provision against such items.

4. Turnover

Analysis of turnover by country of destination:

	2024 £	2023 £
United Kingdom	4,579,038	4,546,482
Rest of Europe	3,741,278	2,607,357
Rest of the world	9,011,768	7,698,344
	17,332,084	14,852,183

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5. Other operating income

	2024	2023
	£	£
Intercompany commission income	13,825	34,232
Research and Development tax credits	-	5,094
Other grant income	20,052	18,760
	33,877	58,086

R&D tax credits are recognised at the fair value of the asset received or receivable when there is reasonable assurance that claims will be successful, and the amount can be estimated reliably. R&D tax credits are recognised as part of the taxation charge or credit in the year the recognition criteria is met. R&D tax credits relating to earlier periods are included within the current tax charge or credit as adjustments in respect of prior periods. The company are confident that any claim made for R&D tax relief on their development work will be successful, and all activities claimed for meet the criteria described within s1138 of the Corporation Tax Act 2010 (CTA 2010).

6. Operating profit

The operating profit is stated after charging:

	2024	2023
	£	£
Depreciation of tangible fixed assets	603,827	576,616
Exchange differences	(94,436)	(11,959)
Amortisation of intangible fixed assets	6,072	44,127

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2024	2023
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	36,350	34,160

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Employees

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

	2024	2023
	£	£
Wages and salaries	5,673,295	4,706,756
Social security costs	594,990	489,692
Cost of defined contribution scheme	434,734	371,386
	6,703,019	5,567,834

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

	2024	2023
	No.	No.
Operations	78	70
Administration	21	16
Management	16	14
	115	100

9. Directors' remuneration

	2024	2023
	£	£
Directors' emoluments	116,829	-
Company contributions to defined contribution pension schemes	21,607	-
	138,436	-

During the year retirement benefits were accruing to 1 director (2023 - NIL) in respect of defined contribution pension schemes.

10. Interest receivable

	2024	2023
	£	£
Other interest receivable	34,394	15,526
	34,394	15,526

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	488,852	419,876
Foreign exchange losses	55,661	63,572
	544,513	483,448

12. Taxation

	2024 £	2023 £
Corporation tax		
Adjustments in respect of previous periods	92,049	(378,081)
Foreign tax on income for the year	13,263	-
	13,263	-
Total current tax	105,312	(378,081)
Deferred tax		
Origination and reversal of timing differences	72,544	132,397
Adjustments in respect of previous periods	(105,166)	(6,984)
Total deferred tax	(32,622)	125,413
Taxation on profit/(loss) on ordinary activities	72,690	(252,668)

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2023 - higher than) the standard rate of corporation tax in the UK of 25% (2023 - 23.52%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	815,596	1,216,995
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.52%)	203,899	286,244
Effects of:		
Fixed asset differences	19,497	16,451
Expenses not deductible for tax purposes	995	1,022
Adjustments to tax charge in respect of prior periods	(105,166)	(378,081)
Additional deduction for R&D expenditure	(150,500)	(177,956)
R&D expenditure credits	92,049	(1,198)
Foreign tax credits	13,263	-
Adjustment to deferred tax charge in respect of previous periods	-	(6,985)
Remeasurement of deferred tax for changes in tax rates	-	7,835
Other differences leading to an increase (decrease) in the tax charge	1,969	-
Other permanent differences	(3,316)	-
Total tax charge for the year	72,690	(252,668)

Factors that may affect future tax charges

There are no factors noted that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13. Intangible assets

	IT software	Nautronix IP	Total
	£	£	£
Cost			
At 1 January 2024	70,036	302,001	372,037
Additions	1,600	-	1,600
At 31 December 2024	71,636	302,001	373,637
Amortisation			
At 1 January 2024	60,440	302,001	362,441
Charge for the year on owned assets	6,072	-	6,072
At 31 December 2024	66,512	302,001	368,513
Net book value			
At 31 December 2024	5,124	-	5,124
At 31 December 2023	9,596	-	9,596

14. Tangible fixed assets

	Land & buildings	Plant & machinery	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2024	1,949,667	3,144,728	5,479	5,099,874
Additions	-	295,264	676	295,940
At 31 December 2024	1,949,667	3,439,992	6,155	5,395,814
Depreciation				
At 1 January 2024	428,927	1,680,532	5,479	2,114,938
Charge for the year on owned assets	77,987	525,164	676	603,827
At 31 December 2024	506,914	2,205,696	6,155	2,718,765
Net book value				
At 31 December 2024	1,442,753	1,234,296	-	2,677,049
At 31 December 2023	1,520,740	1,464,196	-	2,984,936

15. Stocks

	2024	2023
	£	£
Raw materials and consumables	5,711,977	4,092,947
Work in progress	254,140	440,717
	5,966,117	4,533,664

16. Debtors

	2024 £	2023 £
Trade debtors	1,988,232	1,889,884
Amounts owed by group undertakings	2,270,066	1,045,078
Other debtors	282,191	635,509
Prepayments and accrued income	153,791	133,853
Corporation tax recoverable	597,140	804,513
	5,291,420	4,508,837

17. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	658,316	508,123
Less: bank overdrafts	(5,963,312)	(4,677,450)
	(5,304,996)	(4,169,327)

18. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdrafts	5,963,312	4,677,450
Bank loans (note 20)	410,000	410,000
Trade creditors	797,873	538,617
Amounts owed to group undertakings	372,075	1,061,831
Other taxation and social security	258,812	185,809
Other creditors	119,499	226,419
Accruals and deferred income	1,055,854	124,713
	8,977,425	7,224,839

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

Imenco UK Limited is part of the group overdraft facility, bearing interest at NIBOR +1.75% repayable on demand. The assets of Imenco UK Limited are pledged as security against the group facility (note 25).

19. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Bank loans (note 20)	730,000	1,140,000

20. Loans

Analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year		
Bank loans	410,000	410,000
Amounts falling due 1-2 years		
Bank loans	450,000	660,000
Amounts falling due 2-5 years		
Bank loans	280,000	480,000
	1,140,000	1,550,000

The company have two bank loans at the balance sheet date. The first bank loan of £800,000 bears interest at a rate of Libor + 3.25% and repaid in quarterly installments of £40,000 plus interest. The assets of Imenco UK Limited are pledged as security.

A second bank loan of £750,000 bears interest at a rate of Libor + 3.25% and is repaid through quarterly repayments of £62,500 plus interest and a final payment of £500,000 upon maturity of the loan in Q1 2025. The assets of Imenco UK Limited are pledged as security.

21. Deferred taxation

	2024 £
At beginning of year	(285,333)
Charged to profit or loss	32,622
At end of year	(252,711)

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Fixed asset timing differences	(280,006)	(351,176)
Short term timing differences	22,705	42,425
Losses and other deductions	4,590	23,418
	(252,711)	(285,333)

22. Share capital

	2024 £	2023 £
Allotted, called up and fully paid		
25,000 (2023 - 25,000) Ordinary shares of £1.00 each	25,000	25,000

23. Pension commitments

During the year the company contributed £434,734 (2023 - £371,386) to define contribution pension schemes on behalf of employees. There were contributions of £119,499 (2023 - £99,073) outstanding at year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

24. Commitments under operating leases

At 31 December 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	53,625	48,300
Later than 1 year and not later than 5 years	214,500	193,200
Later than 5 years	3,700,125	3,381,000
	3,968,250	3,622,500

The operating lease commitment relates to a ground lease which runs to January 2098. The disclosed commitment is based on the current annual charge, however the lease agreement stipulates that this can be revised in line with market rates during the course of the lease.

25. Guarantees

Imenco UK Limited have provided a guarantee in respect of the group banking facility to the parent company and its subsidiaries. At 31 December 2024, the guarantee of NOK 63,891,448 (£4,491,722) (2023: 3,416,368 NOK (£294,671)) pledged as floating charge over the assets of Imenco UK Limited.

The company has a bank guarantee of £223,000 to cover payments in the normal course of its business with HM Revenue and Customs.

26. Related party transactions

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

27. Controlling party

At 31 December 2024 the company's share capital was owned by Imenco Invest AS, a company incorporated in Norway with a registered address of Kophaug 3, 5570 Aksdal, Norway. Imenco Invest AS is owned by G E Østebøvik.

The smaller and largest group in which Imenco UK Limited is consolidated is in the Imenco Invest AS financial statements. These accounts can be requested from Kophaug 3, 5570 Aksdal, Norway.

The ultimate controlling party is G E Østebøvik.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.