

REGISTERED NUMBER: 02361227 (England and Wales)

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 December 2018
for
Kongsberg Norcontrol Limited



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for the Year Ended 31 December 2018

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Kongsberg Norcontrol Limited

Company Information
for the Year Ended 31 December 2018

DIRECTOR:	Per-Erik Kristoffersen
SECRETARY:	Phillip Hogan of Henriques Griffiths
REGISTERED OFFICE:	12 High Street Winterbourne Bristol BS36 1JN
REGISTERED NUMBER:	02361227 (England and Wales)
SENIOR STATUTORY AUDITOR:	Michael Dunkley
AUDITORS:	Dunkley's Statutory Auditor Chartered Accountants Woodlands Grange Woodlands Lane Bradley Stoke Bristol BS32 4JY
BANKERS:	J P Morgan Chase Bank 25 Bank Street Canary Wharf London E14 5JP
SOLICITORS:	Henriques Griffiths Portland Square Bristol

Strategic Report
for the Year Ended 31 December 2018

The director presents his strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

The principal performance indicators used by the board are as follows:

	2018	2017
Increase / (Decline) in turnover	(32.14%)	68.2%
Pre-tax profit margin	18.3%	24.5%

FINANCIAL INSTRUMENTS

The company's financial instruments comprise of bank borrowing, asset finance, cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The company seeks to minimise financial risk and appropriate terms are negotiated with lenders, suppliers and customers. Management reviews the terms and the relationships and manages the exposure as appropriate.

POLICY ON PAYMENT OF SUPPLIERS

It is the company's policy to agree terms of payment prior to commencing trade with any supplier and to abide by those terms based on the timely submission of satisfactory invoices.

Trade creditor days of the company for the year ended 31 December 2018 was 1 day (2017 - 1 day) based on the ratio of company trade creditors, including group suppliers, at the end of the year to the amounts invoiced during the year by trade creditors.

ON BEHALF OF THE BOARD:



Per-Erik Kristoffersen - Director

15 March 2019

Report of the Director
for the Year Ended 31 December 2018

The director presents his report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the sales, installation, service, repair and maintenance of maritime surveillance systems for ports, coastal authorities and off shore applications.

DIVIDENDS

The total distribution of dividends paid in the year ended 31 December 2018 was £1,050,000 (2017 £250,000).

DIRECTOR

Per-Erik Kristoffersen held office during the whole of the period from 1 January 2018 to the date of this report.

BUSINESS REVIEW

The business review is detailed within the Strategic Report on page 2.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Dunkley's, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Per-Erik Kristoffersen - Director

15 March 2019

**Report of the Independent Auditors to the Members of
Kongsberg Norcontrol Limited**

Opinion

We have audited the financial statements of Kongsberg Norcontrol Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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 UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Kongsberg Norcontrol Limited**

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 Report of the Director.

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

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 Report of the Auditors.

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 a Report of the Auditors 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.



Michael Dunkley (Senior Statutory Auditor)
for and on behalf of Dunkley's
Statutory Auditor
Chartered Accountants
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date: 15/3/19

Kongsberg Norcontrol Limited (Registered number: 02361227)**Statement of Profit or Loss**
for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
CONTINUING OPERATIONS			
Revenue		2,582,798	3,806,181
Cost of sales		(1,591,136)	(2,445,657)
GROSS PROFIT		991,662	1,360,524
Other operating income		-	681
Administrative expenses		(554,371)	(469,718)
Other operating expenses		55,092	47,488
OPERATING PROFIT		492,383	938,975
Finance costs	4	(20,468)	(15,813)
Finance income	4	7,717	10,456
PROFIT BEFORE INCOME TAX	5	479,632	933,618
Income tax	6	(104,806)	(180,891)
PROFIT FOR THE YEAR		374,826	752,727

The notes form part of these financial statements

Kongsberg Norcontrol Limited (Registered number: 02361227)

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 December 2018

	31.12.18 £	31.12.17 £
PROFIT FOR THE YEAR	374,826	752,727
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>374,826</u>	<u>752,727</u>

The notes form part of these financial statements

Statement of Financial Position
31 December 2018

	Notes	31.12.18 £	31.12.17 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,297	8,029
CURRENT ASSETS			
Trade and other receivables	9	418,821	608,740
Cash and cash equivalents	10	1,140,126	1,983,414
		1,558,947	2,592,154
TOTAL ASSETS		1,564,244	2,600,183
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	60,001	60,001
Share premium	12	17,157	17,157
Retained earnings	12	423,792	1,098,966
TOTAL EQUITY		500,950	1,176,124
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,039,764	1,356,283
Tax payable		23,530	67,776
		1,063,294	1,424,059
TOTAL LIABILITIES		1,063,294	1,424,059
TOTAL EQUITY AND LIABILITIES		1,564,244	2,600,183

The financial statements were approved by the director on 15 March 2019 and were signed by:


Per-Erik Kristoffersen - Director

Kongsberg Norcontrol Limited (Registered number: 02361227)

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2017	60,001	346,239	17,157	423,397
Changes in equity				
Total comprehensive income	-	752,727	-	752,727
Balance at 31 December 2017	60,001	1,098,966	17,157	1,176,124
Changes in equity				
Dividends	-	(1,050,000)	-	(1,050,000)
Total comprehensive income	-	374,826	-	374,826
Balance at 31 December 2018	60,001	423,792	17,157	500,950

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31 December 2018

		31.12.18 £	31.12.17 £
Cash flows from operating activities			
Cash generated from operations	1	368,515	(803,664)
Interest element of hire purchase or finance lease rental payments paid		(20,468)	(15,813)
Tax paid		(149,052)	(115,921)
Net cash from operating activities		<u>198,995</u>	<u>(935,398)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(4,371)
Interest received		7,717	10,456
Net cash from investing activities		<u>7,717</u>	<u>6,085</u>
Cash flows from financing activities			
Equity dividends paid		(1,050,000)	-
Net cash from financing activities		<u>(1,050,000)</u>	<u>-</u>
Decrease in cash and cash equivalents		<u>(843,288)</u>	<u>(929,313)</u>
Cash and cash equivalents at beginning of year	2	1,983,414	2,912,727
Cash and cash equivalents at end of year	2	<u><u>1,140,126</u></u>	<u><u>1,983,414</u></u>

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2018

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.12.18	31.12.17
	£	£
Profit before income tax	479,632	933,618
Depreciation charges	2,732	2,990
Finance costs	20,468	15,813
Finance income	(7,717)	(10,456)
	<hr/>	<hr/>
	495,115	941,965
Decrease/(increase) in trade and other receivables	189,919	(93,458)
Decrease in trade and other payables	(316,519)	(1,652,171)
	<hr/>	<hr/>
Cash generated from operations	368,515	(803,664)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	1,140,126	1,983,414

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	1,983,414	2,912,727

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

Kongsberg Norcontrol Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Revenue recognition

Revenue represents net invoiced sales of goods and services, excluding value added tax.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Plant and machinery	- 25% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

3. EMPLOYEES AND DIRECTORS

	31.12.18	31.12.17
	£	£
Wages and salaries	112,604	103,537
Social security costs	31,997	31,646
Other pension costs	16,238	17,726
	<u>160,839</u>	<u>152,909</u>

The average number of employees during the year was as follows:

	31.12.18	31.12.17
Employees	<u>5</u>	<u>5</u>

	31.12.18	31.12.17
	£	£
Director's remuneration	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

4. NET FINANCE COSTS

	31.12.18	31.12.17
	£	£
Finance income:		
Deposit account interest	7,662	7,131
Other interest	55	3,325
	<u>7,717</u>	<u>10,456</u>
Finance costs:		
Motor & equipment leasing	<u>20,468</u>	<u>15,813</u>
Net finance costs	<u>12,751</u>	<u>5,357</u>

5. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	31.12.18	31.12.17
	£	£
Cost of inventories recognised as expense	1,591,136	2,445,657
Depreciation - owned assets	2,732	2,990
Auditors' remuneration	4,450	4,110
Foreign exchange differences	-	(681)
	<u></u>	<u></u>

6. INCOME TAX

Analysis of tax expense

	31.12.18	31.12.17
	£	£
Current tax:		
Taxation - current year	<u>104,806</u>	<u>180,891</u>
Total tax expense in statement of profit or loss	<u>104,806</u>	<u>180,891</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18	31.12.17
	£	£
Profit before income tax	<u>479,632</u>	<u>933,618</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	91,130	177,387
Effects of:		
Accelerated capital allowances in earlier years	430	(371)
Other disallowable expenses	678	1,557
Change in standard rate of tax in the year	-	2,318
Other timing differences	12,618	-
Prior year tax adjustment	(50)	-
Tax expense	<u>104,806</u>	<u>180,891</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. DIVIDENDS

	31.12.18 £	31.12.17 £
Ordinary shares of £1 each		
Interim	1,050,000	-

8. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2018					
and 31 December 2018	12,129	5,292	34,315	42,905	94,641
DEPRECIATION					
At 1 January 2018	12,129	5,292	30,267	38,924	86,612
Charge for year	-	-	1,657	1,075	2,732
At 31 December 2018	12,129	5,292	31,924	39,999	89,344
NET BOOK VALUE					
At 31 December 2018	-	-	2,391	2,906	5,297
At 31 December 2017	-	-	4,048	3,981	8,029

9. TRADE AND OTHER RECEIVABLES

	31.12.18 £	31.12.17 £
Current:		
Trade debtors	391,452	587,673
Other debtors	193	192
Prepayments	27,176	20,875
	418,821	608,740

10. CASH AND CASH EQUIVALENTS

	31.12.18 £	31.12.17 £
Cash in hand	12,287	14,102
Bank accounts	1,127,839	1,969,312
	1,140,126	1,983,414

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018****11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18 £	31.12.17 £
60,000	Ordinary	£1	60,000	60,000
1	Ordinary 'A' shares	£1	1	1
			<u>60,001</u>	<u>60,001</u>

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	1,098,966	17,157	1,116,123
Profit for the year	374,826		374,826
Dividends	(1,050,000)		(1,050,000)
At 31 December 2018	<u>423,792</u>	<u>17,157</u>	<u>440,949</u>

13. TRADE AND OTHER PAYABLES

	31.12.18 £	31.12.17 £
Current:		
Trade creditors	43,539	35,031
Social security and other taxes	8,433	10,213
Customer advances	516,566	993,423
Amounts owed to group undertakings	49,535	145,312
Accrued expenses	244,624	91,528
VAT	177,067	80,776
	<u>1,039,764</u>	<u>1,356,283</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.18 £	31.12.17 £
Within one year	16,196	20,000
Between one and five years	13,225	5,000
	<u>29,421</u>	<u>25,000</u>

15. ULTIMATE PARENT COMPANY

The parent company is Kongsberg Norcontrol AS (registered in Norway).

The ultimate parent company and controlling party is Kongsberg ASA (registered in Norway).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

16. RELATED PARTY DISCLOSURES

During the year the company sold goods and services to Kongsberg Norcontrol AS (its Norwegian parent) totalling £109,256 (2017 £24,427) and purchased goods and services amounting to £888,858,(2017 £1,138,680.)

As at 31 December 2018, the company owed £49,535 (2017 £145,312) to the parent company. These amounts are shown within creditors.

Kongsberg Norcontrol Limited (Registered number: 02361227)

Income Statement Summaries
for the Year Ended 31 December 2018

	31.12.18 £	31.12.17 £
REVENUE		
Sales	2,582,798	3,806,181
	<u>2,582,798</u>	<u>3,806,181</u>
COST OF SALES		
Direct costs	1,536,044	2,398,169
Proportion of admin costs allocated to direct costs	55,092	47,488
	<u>1,591,136</u>	<u>2,445,657</u>
OTHER OPERATING INCOME		
Exchange gains	-	681
	<u>-</u>	<u>681</u>

Income Statement Summaries
for the Year Ended 31 December 2018

	31.12.18 £	31.12.17 £
ADMINISTRATIVE EXPENSES		
Establishment costs		
Rent	20,000	20,000
Rates and water	4,686	5,285
Light and heat	2,152	2,236
Office cleaning	4,376	2,858
Administrative expenses		
Wages & staff related costs	112,604	103,537
Social security	31,997	31,646
Pensions	16,238	17,726
Telephone & fax	10,253	9,778
Post and stationery	3,416	4,302
Travel & subsistence	39,270	27,420
Motor expenses	3,172	6,776
Repairs & maintenance	207	21,845
Exhibition and seminar costs	17,557	22,939
Freight & duty	1,999	431
Sundry expenses	676	4,077
Legal fees	17,453	19,210
Business insurance	13,675	7,968
Subscriptions	6,171	2,986
Auditors' remuneration	4,450	4,110
Other administrative expenses		
Advertising and marketing	149,209	130,353
Entertainment	3,568	8,012
Bad debts	80,751	-
Course and training fees	4,162	11,273
Finance costs		
Bank charges	3,597	1,960
Depreciation		
Fixtures and fittings	1,657	1,657
Computer equipment	1,075	1,333
	<u>554,371</u>	<u>469,718</u>
 OTHER OPERATING EXPENSES		
Proportion of admin costs allocated to direct costs	(55,092)	(47,488)
	<u>(55,092)</u>	<u>(47,488)</u>
 FINANCE COSTS		
Motor & equipment leasing	20,468	15,813
	<u>20,468</u>	<u>15,813</u>

Kongsberg Norcontrol Limited (Registered number: 02361227)

Income Statement Summaries
for the Year Ended 31 December 2018

	31.12.18 £	31.12.17 £
FINANCE INCOME		
Deposit account interest	7,662	7,131
Other interest	55	3,325
	<hr/> 7,717	<hr/> 10,456