

Navico UK Limited

Report and Financial Statements

Year Ended 31 December 2017

Registered number 00565631

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NAVICO UK LIMITED

Report of the director for the year ended 31 December 2017

The director presents the report and financial statements of the Company for the year ended 31 December 2017.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The Company is a member of the Navico Group AS group of companies whose principal activity is the design, manufacture and distribution of electronic marine navigation equipment and other related products. The Company provides specialist services to Navico group companies.

Results and dividends

The Company's profit for the financial year was £189,000 (2016: £149,000) which was transferred to reserves. The directors do not recommend the payment of a dividend (2016: £Nil).

Directors

J S Pudney, who was a director as at 1 January 2017, resigned on 15 December 2017.

L O Ottosson was appointed as a director on 8 September 2017.

Statement of director's responsibilities

The director is responsible for preparing the Report of the director 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 Financial Reporting Standard Number 102. 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 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 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.

NAVICO UK LIMITED

Report of the director for the year ended 31 December 2017 *(Continued)*

Statement of director's responsibilities *(Continued)*

The director is responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



L O Ottosson
Director
19 January 2018

Profit and loss account for the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Turnover	3	3,664	3,207
Cost of sales		(3,440)	(3,013)
Gross profit		224	194
Administrative expenses		(7)	(5)
Operating profit and Profit on ordinary activities before taxation	4	217	189
Tax on profit on ordinary activities	7	(28)	(40)
Profit on ordinary activities after taxation and Profit for the financial year	14, 15	189	149

Balance Sheet as at 31 December 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	9	169	15
Current assets			
Debtors	10	643	386
Cash at bank and in hand		231	470
		<hr/>	<hr/>
		874	856
Creditors: amounts falling due within one year	11	(319)	(295)
		<hr/>	<hr/>
Net current assets		555	561
		<hr/>	<hr/>
Total assets less current liabilities		724	576
Provisions for liabilities and charges	12	(4)	(45)
		<hr/>	<hr/>
Net assets		720	531
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	1,227	1,227
Share premium account	14	4,308	4,308
Profit and loss account	14	(4,815)	(5,004)
		<hr/>	<hr/>
Total shareholders' funds	15	720	531
		<hr/>	<hr/>

For the year ending 31 December 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year ending 31 December 2017 in accordance with section 476 of the Companies Act 2006
- The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements on pages 3 to 12 were approved by the board of directors on 19 January 2018 and signed on its behalf by:



L O Ottosson
Director

NAVICO UK LIMITED

Notes forming part of the financial statements for the year ended 31 December 2017

1 Company information

Navico UK Limited is a limited company registered in England and Wales with registered number 00565631. The Company's registered office is at First Floor, Templars House, Lulworth Close, Chandlers Ford, Hampshire SO53 3TL.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard Number 102. They have been prepared under the historical cost convention.

Basis of preparation

The financial statements have been prepared on the going concern basis.

Turnover

Turnover consists of sales after excluding value added tax. Turnover is recognised on despatch of goods or at the time of providing services.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Straight line annual rates of depreciation most widely used are:

Improvements to Short Leasehold Property	- Over remaining term of the lease
Office equipment	- 20% - 33%
Plant, machinery and motor vehicles	- 20% - 33%

Carrying values of tangible fixed assets are reviewed for impairment on an annual basis. Provision for impairment is made if events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Transactions in foreign currency are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

NAVICO UK LIMITED

Notes forming part of the financial statements for the year ended 31 December 2017 (*Continued*)

2 Accounting policies (*Continued*)

Leased assets

The costs of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases and hire purchase contracts and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligation are treated as finance charges. Finance charges are allocated over the period of the lease.

Deferred taxation

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.

A net deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of 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 an undiscounted basis.

Pension costs

The Company administers a Group Personal Pension Plan in compliance with the workplace pension regulations. The Company makes a defined contribution towards the individual employees' own money purchase plans, the assets of which are held in an independently administered fund. Contributions to the plan are charged to the profit and loss account in the year in which they become payable.

Property dilapidations

Provision is made for the estimated cost of repairs to buildings in accordance with obligations under property leases to which the company is a party.

Valuation of debt and equity

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. They are classified according to the substance of the contractual arrangements entered into.

a) Debt instruments

Debt is recognised in the balance sheet as the cash proceeds received less finance costs incurred directly in connection with the issue of the instrument. Finance costs in respect of the instruments, including discounts on issue, are charged to the profit and loss account over the term of the instrument to achieve a constant rate on the balance outstanding.

NAVICO UK LIMITED

Notes forming part of the financial statements for the year ended 31 December 2017 *(Continued)*

2 Accounting policies *(Continued)*

Valuation of debt and equity (Continued)

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

3 Turnover

All turnover is derived from the sale of services to customers located in Europe.

4 Operating profit

	2017 £'000	2016 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets - Land and buildings	17	-
- Other assets	22	24
Operating leases - land and buildings	94	74
- Other	16	13

5 Remuneration of directors

Total directors' emoluments and emoluments of the highest paid director:

	2017 £'000	2016 £'000
Aggregate emoluments	149	109
Compensation for loss of office	80	-
Company contributions to money purchase pension schemes	7	7
	<hr/>	<hr/>
	236	116
	<hr/>	<hr/>

Retirement benefits are accruing to the following number of directors under money purchase pension schemes:

	2017 Number	2016 Number
Number of directors	-	1
	<hr/>	<hr/>

NAVICO UK LIMITED

Notes forming part of the financial statements for the year ended 31 December 2017 *(Continued)*

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was 35 (2016: 36).

The aggregate payroll costs were as follows:

	2017 £'000	2016 £'000
Wages and salaries	2,208	1,921
Social security costs	248	218
Other pension costs	84	87
	<u>2,540</u>	<u>2,226</u>

At 31 December 2017 £13,000 (2016 - £13,000) was outstanding in respect of pension contributions.

7 Tax on profit on ordinary activities

	2017 £'000	2016 £'000
Current tax charge	<u>28</u>	<u>40</u>

The tax assessed for the year is lower (2016: higher) than the effective rate of corporation tax in the United Kingdom. The differences are explained below:

	2017 £'000	2016 £'000
Profit on ordinary activities before tax	<u>217</u>	<u>189</u>
Profit on ordinary activities at the effective rate of corporation tax in the UK of 19.25% (2016: 20%)	42	38
Effects of:		
Expenses not deductible for corporation tax	5	3
Tangible fixed asset timing differences	(19)	(1)
	<u>28</u>	<u>40</u>

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Notes forming part of the financial statements for the year ended 31 December 2017 (Continued)

8 Subsidiary undertaking

The Company owns 100% of the issued share capital of Brookes & Gatehouse Limited, a dormant company registered in England and Wales. The cost of the investment as at 31 December 2017 was £1 (2016: £1). The registered office of Brookes & Gatehouse Limited is at First Floor, Templars House, Lulworth Close, Chandlers Ford, Hampshire SO53 3TL.

9 Tangible fixed assets

	Improvements to short leasehold property £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2017	-	63	127	190
Additions	111	-	82	193
Disposals	-	-	(13)	(13)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	111	63	196	370
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At 1 January 2017	-	63	112	175
Charge for the year	17	-	22	39
Disposals	-	-	(13)	(13)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	17	63	121	201
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2017	94	-	75	169
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	-	-	15	15
	<hr/>	<hr/>	<hr/>	<hr/>

10 Debtors

	2017 £'000	2016 £'000
Amounts owed by fellow group undertakings	614	302
Other debtors	11	20
Prepayments and accrued income	18	64
	<hr/>	<hr/>
	643	386
	<hr/>	<hr/>

NAVICO UK LIMITED

Notes forming part of the financial statements for the year ended 31 December 2017 (*Continued*)

10 Debtors (*Continued*)

Amounts owed by fellow group undertakings are unsecured, interest free and fall due in accordance with normal trading terms.

Taxation timing differences are not significant and consequently no deferred tax asset is recognised.

11 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	32	30
Other creditors	13	13
Corporation tax	6	40
Other taxation and social security	115	77
Accruals and deferred income	153	135
	<hr/>	<hr/>
	319	295
	<hr/>	<hr/>

12 Provisions for liabilities and charges

	Property Dilapidations £'000
Balance at 1 January 2017	45
Charged to profit and loss account	4
Utilised	(45)
	<hr/>
Balance at 31 December 2017	4
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The provision for property dilapidations is a provision for repairs to leasehold property. The lease expires during 2022.

13 Called up share capital

	2017 £'000	2016 £'000
<i>Allotted, called up and fully paid</i>		
1,226,838 ordinary shares of £1 each (2016: 1,226,838)	1,227	1,227
	<hr/>	<hr/>

NAVICO UK LIMITED

Notes forming part of the financial statements for the year ended 31 December 2017 *(Continued)*

14 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2017	4,308	(5,004)
Profit for the financial year	-	189
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At 31 December 2017	4,308	(4,815)
	<hr/>	<hr/>

15 Reconciliation of movement in equity shareholders' funds

	2017 £'000	2016 £'000
At 1 January	531	382
Profit or loss for the financial year	189	149
	<hr/>	<hr/>
At 31 December	720	531
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16 Commitments

At the end of the year the Company had total commitments in respect of operating leases:

	2017 Land and buildings £'000	2017 Other £'000	2016 Land and buildings £'000	2016 Other £'000
Payments due within the next year	97	11	25	8
Payments due within two to five years	297	18	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	394	29	25	8
	<hr/>	<hr/>	<hr/>	<hr/>

17 Guarantees, other financial commitments and contingent liabilities

At 31 December 2017, the Company had given guarantees to HM Revenue & Customs in respect of duty deferment on import transactions amounting to £1,500 (2016: £1,500).

18 Parent companies, controlling party and disclosure exemptions

The Company's immediate parent company is Navico Holding AS, which is the parent of the smallest group of which the Company is a member. Navico Holding AS is registered in Norway.

The immediate parent company of Navico Holding AS is Navico Group AS. Navico Group AS prepares consolidated financial statements which include the results of the Company and which are publicly available. Navico Group AS provides the guarantee required under section 479A of the Companies Act 2006 in respect of the Company's exemption from audit. Navico Group AS is registered in Norway.

The Company's ultimate parent company and controlling party is Marine Innovations Group AS which is the parent of the largest group of which the Company is a member. Marine Innovations Group AS is registered in Norway with its registered office at Nyaskaiveien 2, 4370 Egersund, Norway. Copies of the consolidated financial statements of Marine Innovations Group AS are available from Brønnøysund Register Centre, Havnegata 48, N-8910 Brønnøysund, Norway.

The Company has taken advantage of the exemptions available to it under Paragraph 1.12 of Financial Reporting Standard Number 102 in respect of the Cash Flow Statement and Related Party Transactions since the consolidated financial statements of its ultimate parent company, Marine Innovations Group AS, are publicly available.