NORCON PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2013

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Gaute Vik Arne Dag Aanensen Jorn Longem Trond Tostrup Kenneth West
Nominated Adviser and Broker:	FinnCap 60 New Broad Street London EC2M 1JJ UK
Independent Auditors:	PKF Savvides & Co Limited Certified Public Accountants and Registered Auditors 229 Arch. Makarios III Ave. Meliza Court Floors 4, 5 & 6 3105 Limassol, Cyprus
Legal Advisers:	Memery Crystal 44 Southampton Buildings London WC2A 1AP UK Cains Fiduciaries Limited Fort Anne Douglas Isle of Man 1M1 5PD Chrysses Demetriades & Co LLC 13 Karaiskakis Street 3032 Limassol - Cyprus
Registered office:	Fort Anne Douglas IM1 5PD Isle of Man
Bankers:	Bank of Cyprus Public Company Ltd Societe Generale Bank, Cyprus DNB Bank ASA, Norway Saudi Investment Bank, Saudi Arabia National Bank of Abu Dhabi, UAE National Bank of Kuwait, Kuwait PT ANZ Panin Bank, Indonesia HSBC Bank Middle East Limited, Oman Malayan Banking Berhad, Malaysia Regions Bank, Allen, Texas, USA HSBC Bank Plc, UK
Registration number:	002730V

CHAIRMAN'S STATEMENT

2013 has undoubtedly proved another challenging year for Norcon Plc. Last year I expressed confidence that we were well placed to start seeing the results of our transition strategy into an expanding marketplace and I am pleased to report that this has been the case.

We have continued to make additional investment in both personnel and new markets and this has resulted in our EBITDA being positive and the group reporting a relatively minor negative result before taxes. By developing a more sophisticated product mix to better position our offering in the value chain we are beginning to make real traction although clearly it takes time to penetrate new customers and geographical markets.

I am pleased to report that our historical reliance on one major client in Saudi Arabia has been further reduced with our changing geographical distribution. New markets in the US and Europe now account for more than 10% of our turnover and our presence in Asia is growing.

As communications play an ever important role in all global societies the accompanying need for new technologies to expand existing capacity, and widen product and service offerings, are key for the growth in our market. Figures from IDATE, July 2013 show Telecom Capex globally estimated at € 237 bn of which € 101.6 bn emanates from the Asian-Pacific area. I am pleased to tell you we are well positioned to take advantage of such investment programmes.

Our focus as a company, and as a Board, is to return Norcon to full profitability and our efforts to expand our business will remain our key priority going forward. Looking into the expanding market place we serve I am confident of success. 2014 will see the company continuing to invest in key personnel necessary for our geographical growth and 2015 will bring the full benefits of our cost reduction plan, started in 2012/13 and our expansion into new market places.

We benefit from a dedicated and highly capable team in the Norcon Group. These people are our greatest asset and I thank every Norcon colleague for their commitment, enthusiasm and efforts throughout the year.

Trond Tostrup
Executive chairman

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited consolidated financial statements of NORCON PLC and its subsidiaries (the Group) for the year ended 31 December 2013.

Incorporation
The Company NORCON PLC was incorporated in the Isle of Man on 2 June 2008, as a company limited by shares under the Isle of Man companies act 2006. On 28 July 2008, the company became public and had been admitted for trading at the AIM of the London Stock Exchange.

Principal activities
The principal activities of the Group, which are unchanged from last year, and are the provision of project management and outsourcing services as well as consulting engineers. The group comprises of the holding company Norcon PLC, registered in the Isle of Man, the subsidiary company Norconsult Telematics Limited, registered in Cyprus (which includes branches/operations in Saudi Arabia, U.A.E. Abu Dhabi, Kuwait, Indonesia and Malaysia) and its subsidiary companies Norconsult Telematics and Company LLC registered in the Sultanate of Oman, Norconsult Telematics AS registered in Norway, the group of Norcon Global Management & Consulting Ltd registered in Cyprus and its subsidiary undertakings Norcon Global Management & Consulting Inc and Norcon Global Management and Consulting LLC registered in the state of Delaware, USA, Norconsult Telematics Integrated Solution Co. Ltd registered in the Republic of Sudan (dormant), Norconsult Telematics Ltd registered in Southern Sudan (dormant), Norconsult Telematics Ltd (UK) registered in the United Kingdom and the associate company Norconsult Telematics (Saudi) Ltd registered in the Kingdom of Saudi Arabia.

In 2013 the group has operated in the following countries: Saudi Arabia, Indonesia, Kuwait, UAE Abu Dhabi, Oman, Malaysia, Qatar, United Kingdom, Thailand and the United States of America.

Review of current position, future developments and significant risks
The Group's development to date, financial results and position as presented in the financial statements are considered satisfactory despite this year's loss and the Board of Directors is making an effort to reduce cost on the legacy business while still investing as required to follow the diversification strategy.

Overview
During 2013 we achieved steady progress with our transition plan, which will deliver a stable platform for future growth, limit our business exposure to single markets/customers and widen our portfolio of services to include key differentiators across our propositions.

In 2013 we have added new customers and projects across all our markets with mix of legacy and new services. Although these projects may not be of significant value, they are significant to our strategy in that they open up new key accounts and also lower our dependency on markets/customers as we had planned.

In addition to strengthening our position in new markets, we are also aligning our offerings to fit neatly with customers changing requirements. The cost pressure on our customers side are driving newer cost saving initiatives that match our higher value services. Our customer base has now extended into Management Consulting companies that rely on our credibility in the market with technical and project management skills to complement their business services and package them as a joint offering to Telecommunication Operators.

We believe the business is now positioned on a much stronger platform for sustaining future growth across all our markets.

Operations
Our customers extend across Defence, Telecoms and Transport sectors and are sub-divided into government departments, Mobile and Fixed Network Operators and infrastructure providers – mainly within regulated markets. In 2013 we have secured new business across all these sectors and also added Management Consulting firms too. There is a clear attraction to our long-term credibility, our independence and ability to offer innovative propositions.

Through 2013 we attracted a range of new opportunities driven mainly by; Network Modernisation, towers/sites/asset rationalisation, FTTH within the Middle East, LTE strategy and deployments, Network Operator consolidation and niche defence projects.

Norcon Global Management & Consulting , is now fairly established in the USA and achieving the expected growth with its revenues. The UK business is now delivering a number of projects and is in its second year of operation. Our wider business is benefiting from the transfer of knowledge of new initiatives being deployed in the UK telecoms market with consolidation etc, as planned.

Asia Pacific continues to grow its business and we remain very optimistic about renewed projects in core markets and future wins in new markets.

Investing for future growth
We have taken some positive steps forward in the execution of our strategy to diversify the customer and portfolio of services to reduce our legacy dependence. We have been encouraged by securing some early adopter customers for our new engineering solutions, which is a positive indicator. However we recognise that we still have more work to do so we truly differentiate our offerings and also ensure our organisation is structured to deliver.

We will continue to look at all possibilities in our space, which can provide an aid to accelerate our strategy, and also continue to seek out possible partnerships and even M&A opportunities. A number of these new partnerships in 2013 have been established with management consulting companies that need our technical “know how” to complement their business services at a time when our combined customers demand cost implications of network changes and different operational models.

We expect also 2014 to be a challenging year, but we believe we are on track with our 3 year investment plan and believe the group is being better equipped to meet the future demands in the market. The Management team are 100% committed to execute on the strategy and in the fastest possible timeframe.

The main risks and uncertainties faced by the Group and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results
The Group's results for the year are set out on page 8.

Dividends
The group's policy to pay out a dividend of at least 25% of net income on an annual basis remains unchanged. Due to the group's ongoing investment into the market and business development with geographical diversification strategy, the board proposed not to pay any dividend in 2014 from 2013 statements.

Share capital
Authorised capital
Under its Memorandum the Company fixed its share capital at 100.000.000 ordinary shares of nominal value of Stg£0,01 each.
Issued capital
The Company was admitted to trading on 28 July 2008 at AIM London Stock Exchange and issued 41.123.188 ordinary shares of nominal value of Stg£0,01 each. In connection with the listing a total of 2.246.376 ordinary shares were sold to new investors out of which 1.123.188 were issued at a share premium of Stg£0,68 per share and were new shares while the other 1.123.188 were sold by existing shareholders.

On 9 October 2009, the company made the first issue of LTIP Award plan for 758.833 Ordinary shares Stg£0,01 each, which were admitted for trading at AIM London Stock Exchange. The total number of shares issued following the admission of these ordinary shares were 41.881.521 (Note 22).

REPORT OF THE BOARD OF DIRECTORS

On 29 March 2010, the company issued 3.521.668 new ordinary shares of Stg£0,01 each at a share premium of Stg£0,74 per share (cum-dividend). On 9 April 2010 the company issued 2.639.286 ordinary shares of Stg£0,01 each at a share premium of Stg£0,69 per share (ex-dividend).

On 28 July 2010, the company made the second issue of LTIP Award plan for 758.333 ordinary shares of Stg£0,01 each which were admitted for trading on AIM London stock exchange in February 2011. The total number of shares issued thereafter are 48.800.808 ordinary shares (Note 22).

Board of Directors
The members of the Group's Board of Directors as at 31 December 2013 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2013.

All directors presently members of the Board continue in office.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 31 to the financial statements.

Independent Auditors
The Independent Auditors, PKF Savvides & Co Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Director

Limassol, 29 April 2014

Independent auditor's report

To the Members of NORCON PLC

Report on the consolidated financial statements

We have audited the consolidated financial statements of NORCON PLC (the "Company") and its subsidiaries (together with the Company, the "Group") on pages 8 to 37 which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Limassol Office
PKF Savvides & Co Limited | 229 Arch. Makarios Ave., Meliza Court 4th floor | 3105 Limassol-Cyprus
Tel +357 25 868000 | Fax + 357 25 587871 | P.O. Box 51263,3503 Limassol - Cyprus | Email: info@pkf.com.cy
Nicosia Office
PKF / ATCO Limited | 2 Limassol Avenue, Aluminium Tower, Floors 3 & 4 | 2003 Nicosia-Cyprus
Tel +35722 462727 | Fax +35722 339866 | P.O. Box 24384, 1703 Nicosia - Cyprus | www.pkf.com.cy
The list of partners' names of each firm is open for inspection at their principal place of business.

Independent auditor's report (continued)

To the Members of NORCON PLC

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of NORCON PLC and its subsidiaries as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU .

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Zenon Ipsarides
Certified Public Accountant and Registered Auditor
for and on behalf of
PKF Savvides & Co Limited
Certified Public Accountants and Registered Auditors

Limassol, 29 April 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2013

	Note	**2013 US$**	2012 US$
Revenue	6	**46.050.736**	49.627.733
Cost of sales		**(39.785.044)**	(43.869.869)
		6.265.692	5.757.864
Other income		**35**	11.596
Profit from investing activities	7	**49.325**	31.726
Administration expenses		**(5.951.248)**	(5.481.692)
Operating profit	8	**363.804**	319.494
Finance costs	10	**(685.721)**	(933.028)
Share of results of associates before tax		**(6.050)**	(28.944)
Loss before tax		**(327.967)**	(642.478)
Tax	11	**(1.664.674)**	(1.021.918)
Net loss for the year		**(1.992.641)**	(1.664.396)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(1.992.641)**	(1.664.396)
Attributable to:			
Equity holders of the parent		**(1.948.314)**	(1.714.073)
Non-controlling interests		**(44.327)**	49.677
		(1.992.641)	(1.664.396)
Basic loss per share attributable to equity holders of the parent (cent)	12	**(3,99)**	(3,51)
Diluted loss per share attributable to equity holders of the parent (cent)	12	**(3,99)**	(3,51)

The notes on pages 12 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2013

	Note	2013 US$	2012 US$
ASSETS			
Non-current assets			
Property, plant and equipment	14	**131.214**	169.888
Investments in associated undertakings	15	**555.217**	561.267
		686.431	731.155
Current assets			
Trade and other receivables	16	**30.106.371**	30.047.453
Short term deposits	17	**6.220.659**	6.177.125
Cash at bank and in hand	18	**5.794.579**	4.820.904
		42.121.609	41.045.482
Total assets		**42.808.040**	41.776.637
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**937.100**	937.100
Other reserves	20	**14.854.092**	14.778.260
Retained earnings		**5.096.092**	7.027.917
		20.887.284	22.743.277
Non-controlling interests		**7.185**	51.512
Total equity		**20.894.469**	22.794.789
Non-current liabilities			
Employees' terminal benefits	23	**7.538.367**	8.382.345
		7.538.367	8.382.345
Current liabilities			
Trade and other payables	24	**9.567.430**	7.723.093
Borrowings	21	**3.749.095**	2.718.824
Current tax liabilities	25	**1.058.679**	157.586
		14.375.204	10.599.503
Total liabilities		**21.913.571**	18.981.848
Total equity and liabilities		**42.808.040**	41.776.637

On 29 April 2014 the Board of Directors of NORCON PLC authorised these consolidated financial statements for issue.

Gaute Vik
Director

Arne Dag Aanensen
Director

Trond Tostrup
Director

The notes on pages 12 to 37 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2013

		Attributable to equity holders of the Company					
	Note	Share capital US$	Other reserves (Note 20) US$	Retained earnings US$	Total US$	Non-controlling interests US$	Total US$
Balance at 1 January 2012		**937.100**	**14.670.759**	**9.742.457**	**25.350.316**	**1.835**	**25.352.151**
Total comprehensive loss for the year		-	-	(1.714.073)	(1.714.073)	49.677	(1.664.396)
Dividends	13	-	-	(1.000.000)	(1.000.000)	-	(1.000.000)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		-	107.501	(467)	107.034	-	107.034
Balance at 31 December 2012/ 1 January 2013		**937.100**	**14.778.260**	**7.027.917**	**22.743.277**	**51.512**	**22.794.789**
Total comprehensive loss for the year		-	-	(1.948.314)	(1.948.314)	(44.327)	(1.992.641)
Equity settled employee benefits reserve		-	123.775	-	123.775	-	123.775
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		-	(47.943)	16.489	(31.454)	-	(31.454)
Balance at 31 December 2013		**937.100**	**14.854.092**	**5.096.092**	**20.887.284**	**7.185**	**20.894.469**

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2013

	Note	**2013 US$**	2012 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(327.967)**	(642.478)
Adjustments for:			
Depreciation of property, plant and equipment	14	**65.920**	66.697
Exchange difference arising on the translation of non current assets in foreign currencies		**19**	467
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		**(31.454)**	107.034
Share of loss from associates	15	**6.050**	28.944
Gain from the sale of property, plant and equipment		**(35)**	-
Employees' terminal benefits	23	**(843.978)**	(2.132.545)
Interest income	7	**(49.325)**	(31.726)
Interest expense	10	**413.249**	416.698
Expenses recognized in comprehensive income in respect of equity-settled share-based payments		**123.775**	-
Cash flows used in operations before working capital changes		**(643.746)**	(2.186.909)
(Increase)/decrease in trade and other receivables		**(58.918)**	5.216.290
Increase in trade and other payables		**1.844.337**	1.180.520
(Increase)/decrease in short-term deposits		**(43.534)**	30.339
Cash flows from operations		**1.098.139**	4.240.240
Tax paid		**(763.581)**	(1.597.377)
Net cash flows from operating activities		**334.558**	2.642.863
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	14	**(28.384)**	(77.094)
Proceeds from disposal of property, plant and equipment		**1.154**	-
Interest received		**49.325**	31.726
Net cash flows from/(used in) investing activities		**22.095**	(45.368)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**-**	(5.327.290)
Proceeds from borrowings		**3.749.095**	-
Interest paid		**(413.249)**	(416.698)
Dividends paid		**-**	(1.000.000)
Net cash flows from/(used in) financing activities		**3.335.846**	(6.743.988)
Net increase /(decrease) in cash and cash equivalents		**3.692.499**	(4.146.493)
Cash and cash equivalents:			
At beginning of the year		**2.102.080**	6.248.573
At end of the year	18	**5.794.579**	2.102.080

1. Incorporation and principal activities

Country of incorporation

The Company NORCON PLC (the "Company") was incorporated in the Isle of Man on 2 June 2008, as a company limited by shares under the Isle of Man companies act 2006. On the 28 July 2008, the company became public and had been admitted for trading at the AIM of the London Stock Exchange. Its registered office is at Fort Anne, Douglas, IM1 5PD, Isle of Man.

Principal activities

The principal activities of the Group, which are unchanged from last year, and are the provision of project management and outsourcing services as well as consulting engineers. The group comprises of the holding company Norcon PLC, registered in the Isle of Man, the subsidiary company Norconsult Telematics Limited, registered in Cyprus (which includes branches/operations in Saudi Arabia, U.A.E. Abu Dhabi, Kuwait, Indonesia and Malaysia) and its subsidiary companies Norconsult Telematics and Company LLC registered in the Sultanate of Oman, Norconsult Telematics AS registered in Norway, the group of Norcon Global Management & Consulting Ltd registered in Cyprus and its subsidiary undertakings Norcon Global Management & Consulting Inc and Norcon Global Management and Consulting LLC registered in the state of Delaware, USA, Norconsult Telematics Integrated Solution Co. Ltd registered in the Republic of Sudan (dormant), Norconsult Telematics Ltd registered in Southern Sudan (dormant), Norconsult Telematics Ltd (UK) registered in the United Kingdom and the associate company Norconsult Telematics (Saudi) Ltd registered in the Kingdom of Saudi Arabia.

In 2013 the group has operated in the following countries: Saudi Arabia, Indonesia, Kuwait, UAE Abu Dhabi, Oman, Malaysia, Qatar, United Kingdom, Thailand and the United States of America.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). These consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised IFRSs and International Accounting Standards (IAS), which are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the consolidated financial statements of the Group.

2. Accounting policies (continued)

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company NORCON PLC and the financial statements of the following: Norconsult Telematics Ltd, including Saudi Arabia, U.A.E. Abu Dhabi, Malaysia, Kuwait and South East Asia branches of the company and the subsidiary companies Norconsult Telematics and Company LLC, registered in the Sultanate of Oman, Norconsult Telematics AS registered in Norway, the group of Norcon Global Management & Consulting Ltd registered in Cyprus and its subsidiaries undertakings Norcon Global Management & Consulting Inc and Norcon Global Management and Consulting LLC registered in the state of Delaware, USA, Norconsult Telematics Ltd registered in Southern Sudan, Norconsult Telematics Integrated Solutions Co. Ltd registered in Sudan, Norconsult Telematics Ltd (UK) registered in the United Kingdom and the activities of the associate company Norconsult Telematics (Saudi) Ltd, registered in the Kingdom of Saudi Arabia.

The consolidated financial statements include the audited financial statements of subsidiary Norconsult Telematics Ltd and Saudi Arabia, U.A.E. Abu Dhabi, Kuwait, Malaysia and South East Asia branches. The financial statements of Saudi Arabia branch, the Saudi Arabia associate and Norway subsidiaries are prepared in accordance with local accepted accounting standards. The financial statements of these branches would not materially differ had they been prepared under IFRS with the exception of recognising a deferred asset. The financial statements of the U.A.E. Abu Dhabi, Kuwait, Malaysia and South East Asia branches and the Oman, Norcon Global Management & Consulting Ltd (group) and United Kingdom subsidiaries are prepared in accordance with International Financial Reporting Standards. The subsidiary companies in the Southern Sudan and Sudan are inactive companies.

The Branch in Saudi Arabia is registered under a temporary license (No. 767) expiring on 31 December 2014.

The Branch in Abu Dhabi, UAE operates under Commercial Registration No. CN-1003263 from the Department of Economic Development which expires on 16 December 2014.

All inter-company transactions and balances between Group companies have been eliminated during consolidation. The financial statements are prepared in United States Dollars. The exchange rates used for the translation of the financial statements are shown in note 28.

The consolidated financial statements have been prepared under IFRS but do not fall under the scope of IFRS 3 in relation to the combination of the company and its direct subsidiary Norconsult Telematics Ltd. The acquisition of the shares in Norconsult Telematics Ltd by Norcon PLC is considered to be a combination of entities under common control.

In the absence of an IFRS that specifically applies to this transaction the company has relied on the hierarchy in IAS 8, paragraphs 10 -12 to decide on the appropriate accounting treatment. Specifically, the following relevant hierarchy has been checked whether it applies to the transaction:

- IFRS and interpretations
- Definitions, recognition and measurement principles in the framework
- Recent pronouncements for other standard setting bodies with similar framework
- Other accounting literature
- Accepted industry practice

The income and expenses of the subsidiary are included in the consolidated financial statements from the date of the combination. The underlying carrying amount of the assets and liabilities of the subsidiaries have been recorded on the combination date. When the cost of acquiring of the shares in the subsidiary company is less that the respective underlying net assets value of this subsidiary, the difference is credited to a merger reserve in the shareholder's equity.

2. Accounting policies (continued)

Basis of consolidation (continued)

The group
The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	**2013 Holding**	2012 Holding
Norconsult Telematics A.S.	Norway	Royalty earning company	**100**	100
Norcon Global Management and Consulting Ltd	Cyprus	Telecommunication consultancy services	**100**	100
Norconsult Telematics Ltd	United Kingdom	Telecommunication consultancy services	**100**	100
Norconsult Telematics Company LLC	Oman	Engineering consultancy services	**65**	65
Norconsult Telematics Ltd	Cyprus	Project management and outsourcing services	**100**	100
Norconsult Telematics Integrated Solutions Co. Ltd	Sudan	Dormant	**75**	75
Norconsult Telematics Ltd	Southern Sudan	Dormant	**75**	75

Business combinations

The acquisition of subsidiaries in Norconsult Telematics Limited is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2. Accounting policies (continued)

Business combinations (continued)

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of comprehensive income.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests as at the date of the original business combination and the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the statement of comprehensive income.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost and are accounted for by the equity method of accounting.

2. Accounting policies (continued)

Segmental reporting

A segment is a component of the Group distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue comprises the fair value of the consideration received or receivable as per the invoiced amount for the sale of services net of rebates and discounts. Revenues earned by the Group are recognised on the following bases:

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Work executed**

  Revenue from a contract to provide services is recognized by reference to the progress of completion of the contract based on the provisions of each contract.

  Revenue from time and material contracts is recognized at the contractual rates as labour hours are delivered and direct expenses are incurred and is based on the value of work performed as well as on time spent on each contract.

  On long term contracts, revenue is recognised on the percentage of completion basis. No profit is taken until the related contract has progressed to the point where the ultimate realizable profit can be determined reasonably. On other contracts, revenue is recognized based on the value of work performed. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

- **Interest income**

  Interest income is recognised on an accrual basis.

Employee benefits

Provision is made for amounts payable under GCC laws and regulations applicable to employees' accumulated period of service at the statement of financial position date. In addition the Group provides retirement benefits in the form of lump sum amounts based on a fixed benefit retirement plan to its employees.

2. Accounting policies (continued)

Equity-settled share based payment

Equity-settled share payments to employees and directors are measured at the fair value of the equity instrument as of the grant date 28 July 2008 or the date a significant change to the vesting condition is made.

The fair value of the equity-settled share based payment is expensed over the vesting period. The corresponding increase in equity is credited directly to shareholders' equity.

This policy is applied to all equity settled share-based benefits which were granted on 28 July 2008 and considered as earned upon approval of the remuneration committee in the given year with vesting as of the anniversary date 28 July in the given year.

The first year's vesting condition has been confirmed as satisfied by the remuneration committee as of the vesting date of 28 July, 2009 based on the confirmation by the committee as of 30 March 2009 that the net income condition related to the approved plan was met.

The second year's vesting condition has been met and confirmed by the remuneration committee on 22 March 2010 with vesting on 28 July 2010 and admission of those shares to AIM London stock exchange in February 2011.

LTIP vesting condition for the 2010, 2011 and 2012 financial years have not been met and therefore no additional shares have been issued under the plan for 2010, 2011 and 2012.

The company has a long term investment plan (LTIP) in place for key employees. LTIP vesting conditions for 2010, 2011 and 2012 financial years have not been met, therefore no shares have been issued under the plan for 2010, 2011 and 2012.

On 30 April 2013, the company revised the LTIP plan for two more years 2013 and 2014. Details are shown in note 22 to the financial statements.

On 28 April, 2014 the Remuneration Committee confirmed that vesting conditions for certain employees have been met based on the results of the financial year ended 31 December 2013.

The share price on grant date was 0,16p for the revised LTIP plan.

Debtors and provisions for bad debts

Bad debts are written off to the statement of comprehensive income and a specific provision is made, where it is considered necessary. No general provision for bad debts is made. Trade debtors are stated after deducting the specific provision for bad and doubtful debts, if any.

Finance income

Finance income includes interest income which is recognised on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to the consolidated statement of comprehensive income as incurred.

2. Accounting policies (continued)

Foreign currency translation

(1) **Functional and presentation currency**
Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US$), which is the Group's functional and presentation currency.

(2) **Translation from functional to presentation currency**
The results and financial position of the Group are translated into the presentation currency as follows:
(i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the reporting date;
(ii) income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); The exchange rates used are disclosed in note 28 and
(iii) all resulting exchange differences are recognised as a separate component of equity as a cumulative translation reserve.

(3) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Interim dividends are recognised in equity in the year in which they are paid. Dividend distribution to the Group's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Group's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Motor vehicles	20
Furniture, fixtures and office equipment	15 - 33,33
Computer hardware and software	15 - 33,33

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

2. Accounting policies (continued)

Property, plant and equipment (continued)

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Financial assets at fair value through profit or loss

  This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Group's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date. During the year the Group did not hold any investments in this category.

- Held-to-maturity investments

  Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, that do not meet the definition of loans and receivables. During the year, the Group did not hold any investments in this category.

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

- Available-for-sale financial assets

  Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date. During the year the Group did not hold any investments in this category.

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at cost.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated statement of comprehensive income, is removed from equity and recognised in the consolidated statement of comprehensive income.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at cost.

2. Accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

2. Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Contingent Liabilities

Contingent liabilities are disclosed if the confirmation of the expense or loss is considered possible from future events.

Events after the reporting period

Current assets and liabilities of the group are adjusted to reflect any events after the reporting period and include additional information for amounts calculated on the basis ruling at the statement of financial position date.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors
The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, capital risk management and business risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed by investing in fully controlled subsidiaries as well as in associates in which it exercises significant influence and by continuously monitoring the factors that affect their value.

3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3. Financial risk management (continued)

3.3 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The group monitors receivables on an ongoing basis and continuously follows up outstanding balances for collection.

The credit risk on liquid funds is limited, as majority of the counter parties are well known banks, with high credit rating by international credit rating agencies.

The maximum exposure to credit risk for the group is represented by the carrying amount of each financial asset as disclosed in the financial statements.

In line with the high concentration of revenue from two clients, (note 6) accounts receivable are similarly concentrated (note 16) While based on past experience this has worked out without any problems for the Group, such concentration does imply potentially greater credit risk.

3.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and having available an adequate amount of credit facilities.

3.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar against the Euro and local currencies listed in note 28. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 Capital risk management
The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

3.7 Business risks
The Group has renewed its major clients at high rates in prior years, with major client relationships lasting in excess of ten years. While the Group aims to work (and frequently does so) through Master Purchase Agreements or Frame Agreements that cover a multi-year period, it does renew contracts on an annual basis. While this practice has worked very well for the Group during its period of operations, contract renewing on an annual basis as well as high a concentrated client basis (notes 6 and 16) do convey a certain extent of business risk should in future contracts are not renewed and/or receivables are not collected.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Critical accounting estimates and judgements (continued)

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Staff end-of-service gratuity**

  The branches compute the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as at the year end. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

5. Segmental analysis

The consolidated entity operates in one business segment (telecommunications, IT and defence systems consulting) for primary reporting and four geographical segments for secondary reporting being as follows: United States of America, Europe, Middle East and Asia.

2013	**Europe US$**	**United States of America US$**	**Middle East US$**	**Asia US$**	**Total US$**
Results					
(Loss)/income for the year	(1.903.916)	(58.823)	(1.432.523)	1.446.948	(1.948.314)
Assets and Liabilities					
Segment assets	4.215.417	932.674	34.307.989	3.351.960	42.808.040
Segment liabilities	(496.584)	(343.056)	(16.656.297)	(4.417.634)	(21.913.571)
Other segment information					
Acquisition/(disposal) of fixed assets	(897)	2.346	9.958	15.310	26.717
Depreciation	2.513	1.430	55.226	6.751	65.920
Net cash flow	1.392.056	(66.470)	2.432.370	(65.457)	3.692.499

2012	Europe US$	United States of America US$	Middle East US$	Asia US$	Total US$
Results					
(Loss)/income for the year	(2.235.413)	(212.964)	(45.766)	780.070	(1.714.073)
Assets and Liabilities					
Segment assets	1.783.893	973.778	37.849.059	1.169.907	41.776.637
Segment liabilities	(946.339)	(198.980)	(16.294.109)	(1.542.420)	(18.981.848)
Other segment information					
Acquisition of fixed assets	8.840	3.354	41.445	23.455	77.094
Depreciation	2.058	620	62.637	1.382	66.697
Net cash flow	(174.702)	85.293	(4.139.973)	52.550	(4.176.832)

6. Revenue

	2013 US$	2012 US$
Value of work executed	**46.050.736**	49.627.733
	46.050.736	49.627.733

The Group's revenues are highly concentrated with the majority of it earned from its primary client (approximately 46%, 2012:70%) with a further 15% (2012:12%) approximately, coming from its second largest client.

7. Profit from investing activities

	2013 US$	2012 US$
Interest income	**49.325**	31.726
	49.325	31.726

8. Operating profit

	2013 US$	2012 US$
Operating profit is stated after (crediting)/charging the following items:		
Gain from sale of property, plant and equipment (Note 14)	**(35)**	-
Depreciation of property, plant and equipment (Note 14)	**65.920**	66.697
Staff costs including Directors in their executive capacity (Note 9)	**4.569.028**	3.405.618
Auditors' remuneration	**234.685**	163.021

9. Staff costs

	2013 US$	2012 US$
Wages and salaries	**4.445.253**	3.405.618
Expenses related to defined benefits plan	**123.775**	-
	4.569.028	3.405.618

10. Finance costs

	2013 US$	2012 US$
Net foreign exchange transaction losses	**48.594**	331.413
Interest expense	**413.249**	416.698
Sundry finance expenses	**223.878**	184.917
	685.721	933.028

11. Tax

11.1 Tax recognised in profit or loss

	2013 US$	2012 US$
Overseas tax	**1.649.940**	1.017.198
Defence contribution - current year	**14.734**	4.720
Charge for the year	**1.664.674**	1.021.918

11. Tax (continued)

The tax on the Group's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2013	2012
	US$	US$
Loss before tax	**(327.967)**	(642.478)
Tax calculated at the applicable tax rates	**(40.996)**	(64.248)
Tax effect of allowances and income not subject to tax	**2.826**	5.374
Tax effect of tax loss for the year	**38.170**	58.874
Defence contribution current year	**14.734**	4.720
Overseas tax during the year	**1.649.940**	1.017.198
Tax charge	**1.664.674**	1.021.918

Corporation tax by country of operations:	**2012**	2012
	US$	US$
Corporation tax for Kuwait	413.841	356.086
Corporation tax for South East Asia	1.096.185	562.043
Corporation tax for Malaysia	32.285	75.602
Corporation tax for Norway	20.421	23.467
Corporation tax for Norcon Global Management	87.208	-
	1.649.940	1.017.198

The corporation tax rate is 12,5% (2012:10%). The Board of Directors have decided to register the company as a Cyprus tax resident, as it is deemed that the management and control of the company is exercised in Cyprus. In this respect tax computation under Cyprus tax law has been prepared.

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (up to 31 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011).

Income tax on the Saudi Arabia branch has been provided on the estimated taxable profit at 20% (2012: 20%). As a result of a tax examination carried out for the years 2006 - 2012 by local tax authorities at the company's Saudi Arabian branch an additional tax liability in the amount of approximately US$535.000 (SAR 2.004.948) has arisen. Upon verification of the settlement, deposits held against guarantees towards DZIT should within reasonable time be free with the amount of USD 6,220,659. The claim is under evaluation by management for raising an objection.

Income tax on the Kuwait branch has been provided on the estimated taxable profit at 15% (2012: 15%).

Income tax on the SE Asia Operations branch has been provided on the estimated taxable profit at 25% plus 20% on the profit after tax - repatriation of profits (2012: 25% plus 20% on the profit after tax - repatriation of profits).

Income tax of the Malaysia branch has been provided on the estimated taxable profit at 25% (2012:25%).

The subsidiary company in Norway is subject to 28% tax of its income (2012:28%).

The subsidiary company in Oman is subject to income tax at the rate of 12% on taxable income in excess of RO30.000.

The subsidiary company in United Kindgom is subject to 23,45% income tax on its taxable income.

12. Loss per share attributable to equity holders of the parent

	2013	2012
Loss attributable to shareholders (US$)	**(1.948.314)**	(1.714.073)
Weighted average number of ordinary shares in issue during the year	**48.800.808**	48.800.808
Basic earnings per share (cent)	**(3,99)**	(3,51)

Diluted earnings per share

	2013 US$	2012 US$
Loss attributable to shareholders (US$)	**(1.948.314)**	(1.714.073)
Ordinary shares issued	**48.800.808**	48.800.808
	48.800.808	48.800.808
Diluted earnings per share (cent)	**(3,99)**	(3,51)

13. Dividends

	2013 US$	2012 US$
Final dividend paid	**-**	1.000.000
	-	1.000.000

The Board of Directors does not recommend the payment of a dividend for the year 2013.

Dividends are subject to a deduction of special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter for individual shareholders that are residents of Cyprus. Dividends payable to non-residents of Cyprus are not subject to such a deduction.

14. Property, plant and equipment

	Motor vehicles	Furniture, fixtures and office equipment	Computer hardware and software	Total
	US$	US$	US$	US$
Cost				
Balance at 1 January 2012	118.360	474.027	272.675	865.062
Additions	-	43.547	33.547	77.094
Exchange differences	-	-	(1.182)	(1.182)
Written off	-	(66.041)	(2.558)	(68.599)
Reclassifications	-	112.332	(112.412)	(80)
Balance at 31 December 2012/ 1 January 2013	**118.360**	**563.865**	**190.070**	**872.295**
Additions	-	19.021	9.363	28.384
Disposals	-	(897)	(770)	(1.667)
Exchange differences	-	-	(80)	(80)
Written off	-	-	(2.624)	(2.624)
Balance at 31 December 2013	**118.360**	**581.989**	**195.959**	**896.308**
Depreciation				
Balance at 1 January 2012	47.345	426.955	230.805	705.105
Charge for the year	23.671	17.356	25.670	66.697
Exchange differences	-	-	(716)	(716)
Written off	-	(66.041)	(2.558)	(68.599)
Transfers	-	123.184	(123.264)	(80)
Balance at 31 December 2012/ 1 January 2013	**71.016**	**501.454**	**129.937**	**702.407**
Charge for the year	23.673	19.598	22.649	65.920
On disposals	-	(150)	(398)	(548)
Exchange differences	-	-	(61)	(61)
Written off	-	-	(2.624)	(2.624)
Reclassifications	-	(2.141)	2.141	-
Balance at 31 December 2013	**94.689**	**518.761**	**151.644**	**765.094**
Net book amount				
Balance at 31 December 2013	**23.671**	**63.228**	**44.315**	**131.214**
Balance at 31 December 2012	**47.344**	**62.411**	**60.133**	**169.888**

15. Investments in associated undertakings

	2013	2012
	US$	US$
Balance at 1 January	**561.267**	590.211
Share of results of associates before tax	**(6.050)**	(28.944)
Balance at 31 December	**555.217**	561.267

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	2013 Holding %	2012 Holding %	2013 US$	2012 US$
Norconsult Telematics (Saudi) Ltd	Saudi Arabia	Dormant	**50**	50	**555.217**	561.267
					555.217	561.267

15. Investments in associated undertakings (continued)

Significant aggregate amounts in respect of associated undertakings:

	2013 US$	2012 US$
Assets		
Current assets	**1.110.433**	1.122.535
	1.110.433	1.122.535
Liabilities		
Net assets	**1.110.433**	1.122.535
Expenses	**(12.100)**	(57.887)
Net loss after tax	**(12.100)**	(57.887)

Note: The investment is stated at under equity method of accounting. The company is under voluntary liquidation.

16. Trade and other receivables

	2013 US$	2012 US$
Trade receivables	**19.425.327**	24.630.238
Retentions receivable	**489.092**	767.588
Unbilled receivables	**6.346.929**	989.318
Deposits and prepayments	**927.491**	871.054
Other receivables	**2.825.658**	2.776.536
Refundable VAT	**91.874**	12.719
	30.106.371	30.047.453

As at 31 December, the ageing of trade receivables is as follows:

	2013 US$	2012 US$
Up to 30 days	**3.653.768**	9.808.451
31- 60 days	**2.552.572**	3.798.733
61 - 90 days	**1.428.610**	620.808
91 - 120 days	**853.812**	82.178
More than 120 days	**10.936.565**	10.320.068
	19.425.327	24.630.238

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

Included in trade receivables are amounts totalling US$15,01m (2012:US$21,17m) due from Government and quasi Government institutions of the Kingdom of Saudi Arabia out of which approximately US$9,81m (2012:US$9,81) is more than one year old.

Included in other receivables are interest free loans extended to employees via the company's Saudi Arabia branch.

Certain trade receivable invoices were assigned to a local bank in Saudi Arabia against a short term loan.

Based on past experience the Group had not faced any problems in recovering its receivables. It should be mentioned that approximately 77% (2012:89%) of the receivables relate to the group's primary client, while approximately another 11% (2012:8%) emanates from its second largest client.

17. Short term deposits

	2013	2012
	US$	US$
Balance at 31 December	**6.220.659**	6.177.125

Short term deposits represent deposits kept with the bank against guarantees issued by the bank in favour of Department of Zakat and income tax to issue No Objection Letters for release of retention money from the customers relating to the company's Saudi Arabia branch.

18. Cash at bank and in hand

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2013	2012
	US$	US$
Cash at bank and in hand	**5.794.579**	4.820.904
Bank overdrafts (Note 21)	**-**	(2.718.824)
	5.794.579	2.102.080

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

An amount of US$650.550 (2012:US$650.550) is blocked as guarantee for performance bond given by the company's branch in Abu Dhabi to its client. Futhermore, the branch has a tender bond in issue in favour of a potential client for US$27.200 (AED 100.000) which is blocked and expires on 31st of May 2014.

19. Share capital

	2013	**2013**	2012	2012
	Number of shares	**GBP**	Number of shares	GBP
Authorised				
Ordinary shares of €1,71 each	**100.000.000**	**1.000.000**	100.000.000	1.000.000
		US$		US$
Issued and fully paid				
Balance at 1 January	**48.800.808**	**937.100**	48.800.808	937.100
Balance at 31 December	**48.800.808**	**937.100**	48.800.808	937.100

Authorised capital
Under its Memorandum the Company fixed its share capital at 100.000.000 ordinary shares of nominal value of Stg£0,01 each.

Issued capital
The Company was admitted to trading on 28 July 2008 at AIM London Stock Exchange and issued 41.123.188 ordinary shares of nominal value of Stg£0,01 each. In connection with the listing a total of 2.246.376 ordinary shares were sold to new investors out of which 1.123.188 were issued at a share premium of Stg£0,68 per share and were new shares while the other 1.123.188 were sold by existing shareholders.

On 9 October 2009, the company made the first issue of LTIP Award plan for 758.833 Ordinary shares Stg£0,01 each, which were admitted for trading at AIM London Stock Exchange. The total number of shares issued following the admission of these ordinary shares were 41.881.521 (Note 22).

19. Share capital (continued)

On 29 March 2010, the company issued 3.521.668 new ordinary shares of Stg£0,01 each at a share premium of Stg£0,74 per share (cum-dividend). On 9 April 2010 the company issued 2.639.286 ordinary shares of Stg£0,01 each at a share premium of Stg£0,69 per share (ex-dividend).

On 28 July 2010, the company made the second issue of LTIP Award plan for 758.333 ordinary shares Stg£0,01 each which were admitted for trading on AIM London Stock Exchange in February 2011. The total number of shares issued thereafter are 48.800.808 ordinary shares (Note 22).

20. Other reserves

	Share premium US$	Merger Reserve US$	Statutory reserve US$	Equity-settled employee benefits US$	Translation reserve US$	Total US$
Balance at 1 January 2012	6.257.283	7.647.006	(1.641)	800.024	(31.913)	14.670.759
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	107.501	107.501
Balance at 31 December 2012/ 1 January 2013	**6.257.283**	**7.647.006**	**(1.641)**	**800.024**	**75.588**	**14.778.260**
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	(47.943)	(47.943)
Equity settled employee benefits reserve (Note 22)	-	-	-	123.775	-	123.775
Balance at 31 December 2013	**6.257.283**	**7.647.006**	**(1.641)**	**923.799**	**27.645**	**14.854.092**

Note

The commercial Company Law of Oman requires 10% of the company's profit to be transferred to a non-distributable legal reserve until the amount becomes equal to one third of the issued share capital.

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. United States dollars) are recognised directly in other comprehensive income and accumulate in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

21. Borrowings

	2013	2012
	US$	US$
Current borrowings		
Bank overdrafts (Note 18)	**-**	2.718.824
Other loans	**3.749.095**	-
	3.749.095	2.718.824

Note

- The short term loan is secured over the assignment of certain trade receivable invoices. It carries interest at commercial rates.
- The bank overdraft relates to the Saudi Arabia branch of the subsidiary company and was secured by a guarantee from the subsidiary. It was repaid during the year.

22. Share-based payment

The company has adopted a Long Term Incentive Plan (LTIP) for eligible employees and directors.

The initial plan provides for 2.274.999 shares to be granted to these employees and directors over a three year period. These shares represent 5,25% of the company's issued share capital. This initial award will count towards the company's overall dilution limit for employee shares schemes of 10% in any ten year rolling period.

As per the initial LTIP award, one third of the award will vest and become exercisable on the first anniversary of the date of the grant, one third on the second anniversary of the date of the grant and the balance on the third anniversary of the date of the grant subject to satisfying the only vesting condition of the 10% growth in the net income year over year.

The company's board of directors remuneration committee on its meeting of 4 April, 2011 has amended the performance target for the third tranche of the award as follows:

In the event that the performance target is not achieved in relation to the 2010 financial year, the third tranche of the award shall not lapse and shall instead continue in existence (subject to the rules of the Plan) and shall vest on the fourth anniversary of the original date of grant if the consolidated net income of the group for 2011 is equal to or greater than 1.1 times the consolidated net income of the group for 2010;

In the event that the performance target is not achieved in relation to the 2011 financial year, the third tranche of the award shall not lapse and shall instead continue in existence (subject to the rules of the Plan) and shall vest on the fifth anniversary of the original date of grant if the consolidated net income of the group for 2012 is equal to or greater than 1.1 times the consolidated net income of the group for 2011;

To the extent that the performance target is not achieved in relation to any of the 2010, 2011 and 2012 financial years, the third tranche of the award shall continue to be in existence subject to the rules of the plan.

The company had adopted one share-based award plan which is described below:

Type of arrangement:	Senior management and directors share benefits award plan
Date of grant:	28 July, 2008
Number of share granted:	2.274.999 ordinary shares
Contractual life:	5 years
Vesting condition:	Increase in consolidated net profit of 10% over the previous year's net profit

The estimated fair value of each share granted to the above individuals is Stg£0,35 per share. This is based on the free market offer received by Finncap (the company's underwriters) at around the last amendment to the LTIP agreement in December 2008.

On 9 October 2009, the company made the first issue of LTIP Award plan for 758.833 Ordinary shares Stg£0,01 each, which were admitted for trading on AIM London Stock Exchange. The total number of shares issued following the admission of these ordinary shares were 41.881.521.

On 28 July 2010, the company made the second issue of LTIP Award plan for 758.333 ordinary shares Stg£0,01 each which were admitted for trading on AIM London stock exchange in February 2011. The total number of shares issued thereafter are 48.800.808 ordinary shares.

LTIP vesting conditions for 2010, 2011 and 2012 financial years have not been met, therefore no shares have been issued under the plan for 2010, 2011 and 2012.

22. Share-based payment (continued)

On 30th April 2013, the company revised the LTIP plan for two more years 2013 and 2014. The major characteristics of this new LTIP plan are:
a) the plan is administered by the Remuneration Committee who decide who can receive awards under the LTIP.
b) the eligible employees receive the right to acquire ordinary shares if certain vesting conditions are met.
c) awards vest over the two financial years commencing 1 January 2013 and 1 January 2014.
d) Two performance targets are set as follows: (i) share price and (ii) achieving certain level EBITDA for each year (not the same for all eligible employees).

Type of arrangement:	Key marketing management employees
Date of grant:	30 April 2013
Number of shares granted:	3.266.000 ordinary shares
Contractual life:	2 years

Vesting conditions:

- 25% of the award will vest if the Company's closing share price on AIM reaches £0.35per share and maintains an average closing price of at least £0.35 over a fourteen day period during the Company's financial year commencing 1 January 2013.
- 25% of the award will vest if the Company reaches the target level of EBITDA for the Company's financial year commencing 1 January 2013.
- 25% of your award will vest if the Company's closing share price on AIM reaches £0.45per share and maintains an average closing price of at least £0.45 over a fourteen day period during either of the Company's financial years commencing 1 January 2013 or 1 January 2014.
- 25% of the award will vest if the Company reaches the target level of EBITDA for the Company's financial year commencing 1 January 2014.

The target EBITDA will be set by the Remuneration Committee. If the vesting conditions for any part of the award are not met at the end of the relevant financial year, that part of the award will not lapse but continue to be in existence subject to the rules of the plan.

On 28 April, 2014 the Remuneration Committee confirmed that vesting conditions for certain employees have been met based on the results of the financial year ended 31 December 2013.

The share price on grant date was 0,16p for the revised LTIP plan.

23. Employees' terminal benefits

	Employees' terminal benefits US$
Balance at 1 January 2012	10.514.890
Repaid during the year (net)	(2.132.545)
Balance at 31 December 2012/ 1 January 2013	**8.382.345**
Repaid during the year (net)	(843.978)
Balance at 31 December 2013	**7.538.367**

Provision is made for amounts payable under GCC laws and regulations applicable to employees' accumulated period of service at the statement of financial position.

24. Trade and other payables

	2013 US$	2012 US$
Trade payables	**6.786.934**	4.851.746
Accruals	**1.555.440**	1.222.818
Other creditors	**1.225.056**	1.648.529
	9.567.430	7.723.093

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

25. Current tax liabilities

	2013 US$	2012 US$
Corporation tax	**1.043.949**	152.869
Special contribution for defence	**14.730**	4.717
	1.058.679	157.586

Corporation tax liabilities/(refundable) by country of operations:

	2013 US$	2012 US$
Cyprus	**(194.518)**	(194.518)
Saudi Arabia	**(1.165.013)**	(1.147.687)
South East Asia	**1.923.405**	1.135.625
Norway	**20.421**	24.301
Kuwait	**413.841**	356.086
United States of America	**68.593**	-
Malaysia	**(22.780)**	(20.938)
	1.043.949	152.869

26. Related party transactions

The Company's majority shareholders are: 53,63% Norconsult Telematics Holdings Limited, a company incorporated in Cyprus, 13,53% Mr. Gaute Vik, company director, 5,53 % Mr. Arnold Rorholt, company ex director, (resigned on 4.12.2012) 4,98% Church House Investments with the remaining 22,33% ownership belonging to a number of shareholders comprising less than 4,0% each.

The following transactions were carried out with related parties:

26.1 Compensation of key management personnel

The remuneration of Directors and other members of key management was as follows:

	2013 US$	2012 US$
Trond Tostrup	**150.000**	108.750
Kenneth West	**97.000**	78.683
Jorn Longem	**57.000**	77.000
Arnold Rorholt (resigned 04.12.2012)	**-**	972.453
Gaute Vik	**555.114**	543.052
Marne Martin (resigned 21.09.2012)	**-**	759.490
Arne Dag Aanensen (appointed 04.12.2012)	**365.424**	27.295
Stephen Ralph Preston (appointed 01.10.2012)	**763.066**	147.182
	1.987.604	2.713.905

27. Largest shareholders

The largest shareholders holding of the share capital of the Company as at 31 December 2013 were:

	31 December 2013 %	31 December 2012 %
Norconsult Telematics Holdings Ltd	53,63	47,19
Gaute Vik (director)	13,53	13,53
Church House Investments	4,98	3,15
Henderson Global Investors	-	4,94
AXA Investment Managers	-	4,81
Arnold Rorholt (director - resigned on 4.12.2012)	5,53	5,62

28. Exchange rates

The exchange rates against the US$ used for the translation of the financial statements of branches/entities which are using a different functional currency were:

End of the year rates	**2013**	2012	2011
SAR	**3,75**	3,75	3,75
AED	**3,676**	3,676	3,676
RO	**0,3840**	0,3840	0,3840
KD	**0,2817**	0,2815	0,2781
MYR	**0,3038**	0,3344	0,3153
NOK	**6,1200**	5,5835	5,9950
GBP	**1,6491**	1,6168	-
Average rates			
SAR	**3,75**	3,75	3,75
AED	**3,676**	3,676	3,676
RO	**0,3840**	0,3840	0,3840
KD	**0,2816**	0,2798	0,2794
MYR	**0,3038**	0,3344	0,3153
NOK	**5,8518**	5,7820	5,9456
GBP	**1,6491**	1,6168	-

29. Contingent liabilities

The bankers of the Saudi Arabia branch have given bank guarantees to the equivalent of US$6.210.451 (2012:US$6.403.499) in the normal course of the Branch's business.

Letters of guarantee (Performance Bonds) for the group's operations in UAE Abu Dhabi amounting to US$2.602.000 (2012:US$2.602.200) were in issue as at 31st December 2013. An amount of US$650.550 (2012:US$650.550) (which represents 25% of the performance bond) is blocked from the branch's bank balances as security for the issue of this performance bond with the remaining balance being secured by the issue of a corporate guarantee from the Branch's ultimate holding company Norcon Plc. Also a letter of guarantee for AED50.000 for the registration of the Norconsult Abu Dhabi branch was in issue as at 31st December 2013 (2012:AED50.000).

As of 31 December 2013 a tender bond has also been in issue, in favour of a potential client for AED100.000 and expires on 31st May 2014.

The company has provided a corporate guarantee of US$750.000 to its subsidiary company Norconsult Telematics Limited in favour of Societe Generale Bank- Cyprus Limited as a security among others for credit facilities provided by the bank to the subsidiaries.

30. Commitments

Operating lease commitments
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2013	2012
	US$	US$
Within one year	**140.500**	122.285
	140.500	122.285

31. Events after the reporting period

As a result of a tax examination carried out for the years 2006 - 2012 by local tax authorities at the company's Saudi Arabian branch an additional tax liability in the amount of approximately US$535.000 (SAR 2.004.948) has arisen. Upon verification of the settlement, deposits held against guarantees towards DZIT should within reasonable time be free with the amount of USD 6,220,659. The claim is under evaluation for dispute.

Independent auditor's report on pages 6 and 7

DETAILED INCOME STATEMENT
Year ended 31 December 2013

	Page	2013 US$	2012 US$
Revenue			
Income from work executed	39	**6.265.692**	5.757.864
Other operating income			
Gain from sale of property, plant and equipment		**35**	-
Other income		**-**	11.596
Interest income		**49.325**	31.726
		6.315.052	5.801.186
Operating expenses			
Administration expenses		**(5.951.248)**	(5.481.692)
Operating profit		**363.804**	319.494
Finance costs	40	**(685.721)**	(933.028)
Share of results of associates before tax		**(6.050)**	(28.944)
Net loss for the year before tax		**(327.967)**	(642.478)

INCOME FROM WORK EXECUTED
Year ended 31 December 2013

	2013 US$	2012 US$
Income		
Value of work executed	**46.050.736**	49.627.733
Cost of sales		
Consulting fees	**847.408**	403.102
Cost of work executed	**38.937.636**	43.466.767
	39.785.044	43.869.869
Gross profit from work executed	**6.265.692**	5.757.864

FINANCE COSTS
Year ended 31 December 2013

	2013	2012
	US$	US$
Finance costs		
Interest expense		
Bank overdraft interest	**412.869**	416.602
Other interest	**380**	-
Interest on taxes	**-**	96
Sundry finance expenses		
Bank charges	**223.878**	184.917
Net foreign exchange transaction losses		
Realised exchange loss	**48.594**	331.413
	685.721	933.028