

THYSSENKRUPP MARINE SYSTEMS LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

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COMPANIES HOUSE

THYSSENKRUPP MARINE SYSTEMS LLP

PARTNERSHIP INFORMATION

Designated member

thyssenkrupp Marine Systems GmbH

Member

thyssenkrupp Technologies Beteiligungen GmbH

Partnership number

OC307812

Registered office

Third Floor
Friars Gate 1
1011 Stratford Road
Shirley
B90 4BN

Independent Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Commerzbank AG
London Branch
Commerzbank House
23 Austin Friars
London
EC2J 2JD

THYSSENKRUPP MARINE SYSTEMS LLP

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THYSSENKRUPP MARINE SYSTEMS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The members present their report and the audited financial statements, together with the Auditors' Report, for the year ended 30 September 2017.

Principal activities and review of the business

The principal activity of the LLP is the management of a number of indirect offset and agency agreements related to submarine contracts of the designated member.

The financial statements include recognition of success fees due to the LLP on the signing of the contracts. Other revenues and associated costs relating to these contracts are recognised by the LLP over the life of the contracts.

Members

The following members held office since 1 October 2016 and until the date of signing:

thyssenkrupp Marine Systems GmbH
thyssenkrupp Technologies Beteiligungen GmbH

The capital introduced by the LLP's members is not repayable to the members during the existence of the LLP. The capital introduced is only available for repayment on the cessation of the LLP or the withdrawal of a member from the LLP, as laid down in the Partnership Agreement.

Independent Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that PricewaterhouseCoopers LLP be re-appointed as auditors will be presented at the General Meeting.

Statement of member's responsibilities in respect of financial statements

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law, as applied to limited liability partnerships, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the members and signed on their behalf on the 27 June 2018.


thyssenkrupp Marine Systems GmbH
Designated member


thyssenkrupp Technologies Beteiligungen GmbH
Member

THYSSENKRUPP MARINE SYSTEMS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THYSSENKRUPP MARINE SYSTEMS LLP REPORT ON THE FINANCIAL STATEMENTS

Report on the audit of the financial statements

Opinion

In our opinion, thyssenkrupp Marine Systems LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 30 September 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the members' report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2017; the statement of comprehensive income, the statement of cash flows; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

THYSSENKRUPP MARINE SYSTEMS LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THYSSENKRUPP MARINE
SYSTEMS LLP REPORT ON THE FINANCIAL STATEMENTS

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of member's responsibilities in respect of financial statements set out on page 1, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

27 June 2018

THYSSENKRUPP MARINE SYSTEMS LLP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017

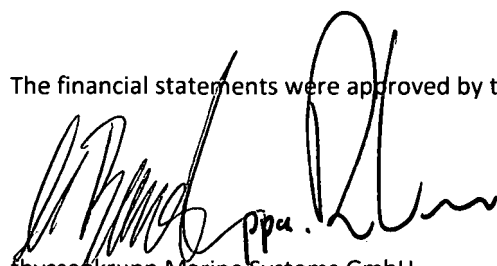
Note	Year ended 30 September 2017 €	Restated Year ended 30 September 2016 €
2	Revenue	17,298,955
	Cost of Sales	(16,472,063)
	Gross Profit	826,892
	Administrative expenses	(754,436)
6	Other Income	4,215
	Dividend Payment	(15,000)
4	Interest payable	(70,000)
5	Interest Receivable	928
	Total comprehensive income for the year before interest on members' loans	2,544,766
	Finance cost	-
	Corporation Tax	-
11	Total comprehensive income for the year available for division among members	2,544,766

Notes on pages 7 to 17 form part of these financial statements.

THYSSENKRUPP MARINE SYSTEMS LLP
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

Note	30 September 2017		Restated 30 September 2016	
	€	€	€	€
	Non-current assets			
	Property, plant and equipment	-	-	-
8	Investments	-	-	-
	Current assets			
9	Trade and other receivables	3,781,311	5,795,458	
10	Cash and cash equivalents	9,551,934	6,648,502	
		13,333,245		12,443,960
	Total assets	13,333,245		12,443,960
	MEMBERS' INTERESTS AND LIABILITIES			
	Members' other interests			
11	Members' capital	1,031,702		1,031,702
11	Profit for the period	59,041		2,544,766
		1,090,743		3,576,468
	Current liabilities			
12	Trade and other payables	12,242,502	8,650,113	
	Non-Current Liabilities			
13	Trade and other payables	-	217,379	
	Total liabilities	12,242,502		8,867,492
	Total members' interests and liabilities	13,333,245		12,443,960
11	Total members' interests			
	Members' other interests	1,090,743		3,576,468
	Amounts due to/(from) members	658,833		(1,885,933)
		1,749,576		1,690,535

The financial statements were approved by the Board on the 27 June 2018 and signed on its behalf by:


 thyssenkrupp Marine Systems GmbH
 Designated member


 thyssenkrupp Technologies Beteiligungen GmbH
 Member

Date authorised by the Executive Board for issue: 27 June 2018
 Partnership Registration No. OC307812

Notes on pages 7 to 17 form part of these financial statements.

THYSSENKRUPP MARINE SYSTEMS LLP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Notes	Year ended 30 September 2017 €	Year ended 30 September 2016 €
	Cash flows from operating activities	
	Net profit for period	2,544,766
	Adjustments for:	
4	Finance costs	70,000
5	Interest Received	(928)
	<hr/>	<hr/>
	57,456	2,613,838
10	(Increase)/Decrease in prepayments and other receivables	2,221,354
13	Increase(Decrease) in trade and other payables	(5,564,225)
	<hr/>	<hr/>
	Net cash inflows/(outflows) from operating activities	(729,033)
	<hr/>	<hr/>
	Cash flows from investing activities	
5	Interest received	928
	<hr/>	<hr/>
	Net cash inflows from investing activities	928
	<hr/>	<hr/>
	Cash flows from financing activities	
4	Interest paid	(70,000)
	Loan from TKMS GmbH	
	<hr/>	<hr/>
	Net cash outflows from financing activities	(70,000)
	<hr/>	<hr/>
11	Net increase/(decrease) in cash and cash equivalents	(798,105)
11	Cash and cash equivalents at the beginning of period	7,446,607
11	Cash and cash equivalents at the end of period	6,648,502
	<hr/>	<hr/>

Notes on pages 7 to 17 form part of these financial statements.

THYSSENKRUPP MARINE SYSTEMS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. Accounting Policies

a) Accounting convention

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union, the LLP SORP (March 2010) and with those parts of the Companies Act 2006 applicable to limited liability partnerships (LLPs) reporting under IFRS. The financial statements have been prepared on an accruals basis and on the basis that the LLP is a going concern.

Restatement

During the period sales of €550,034 were identified which had been deferred in prior year but which should have been recognised in the period ending 30 September 2016. Given the magnitude of the amounts in question they have been recognised as a prior period adjustment in these financial statements in accordance with the provisions of IAS 8. The financial impact of the adjustment has been to increase the reported profit in the prior period from €1,994,732 to €2,544,766 and to increase the members' interests from €1,140,501 to €1,690,535.

b) Revenue

Revenue comprises fees due to the LLP for the successful negotiation and execution of contracts for the sale of naval vessels and submarines, net of VAT and trade discounts.

The fees due to the LLP in relation to successful contracts comprise an initial success fee, which is recognised on the signing of a contract, plus fees recognised over the life of those contracts. The naval vessels and submarines are supplied by one of the member companies, thyssenkrupp Marine Systems GmbH, which accounts for its own revenue from those contracts under the percentage of completion (POC) method of accounting.

c) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Euro (€) at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

d) Cash and cash equivalents

Cash and cash equivalents comprise current bank balances with banks. For the purpose of the cash flow statement, cash equivalents are as defined above, net of outstanding bank overdrafts.

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

e) Accounting standards issued but not yet adopted

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

International Accounting Standard (IAS/IFRS)	Effective Date
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue contracts with customers	1 January 2018
IFRS 16 Lease Arrangement	1 January 2019

In so far as they are relevant to the company's operations, future adoption of these standards as they become effective is not expected to have a material impact on the financial statements of the company. The above standards and amendments to standards are not expected to have a significant impact on the LLP.

h) Group financial statements

These financial statements present information about the LLP as an individual undertaking and not about its group. Consolidated group financial statements have not been prepared due to the only subsidiary undertaking being immaterial.

i) Going Concern

The members have provided confirmation of their intention to support the LLP for the foreseeable future and in particular manage short term cash flow requirements on individual contracts. In light of the confirmation they consider it appropriate to prepare the financial statements on a going concern basis.

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2.	Revenue	Year ended 2017 €	Year ended 2016 €
	Geographical market		
	South America		-
	Asia	1,149,781	6,859,538
	Europe	4,179,393	791,371
	Africa	11,969,781	2,625,000
		<hr/>	<hr/>
		17,298,955	10,275,909
		<hr/>	<hr/>
3.	Loss from operations	Year ended 2017 €	Year ended 2016 €
	Loss from operations is shown after charging/crediting:		
	Auditors' remuneration	18,145	17,938
	Loss on foreign currency	38	2,493
		<hr/>	<hr/>
4.	Interest payable	Year ended 2017 €	Year ended 2016 €
	Other interest payable	-	70,000
		<hr/>	<hr/>
5.	Interest Received	Year ended 2017 €	Year ended 2016 €
	Bank and other interest received	1,585	928
		<hr/>	<hr/>
6.	Other income	Year ended 2017 €	Year ended 2016 €
	Other Income Columbia Office	-	4,215
		<hr/>	<hr/>

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

7. Members' shares of profits and losses

Profits and losses are divided among the members, in accordance with the partnership agreement, after the end of the year/period.

	2017	2016
	Number	Number
Average number of members	2	2
	<hr/>	<hr/>
	2017	2016
	€	€
Average profit per member before interest on members' capital	29,521	1,272,383
	<hr/>	<hr/>

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

8. Investments

	Shares in group undertakings and participating interests
Cost	€
As at 1 October 2016	-
Additions	-
As At 30 September 2017	-
Provisions for diminution in value	
As At 1 October 2016	-
Impairment	-
As At 30 September 2017	-
Net book value	
At 30 September 2016 & 30 September 2017	-

Holdings of more than 20%

The LLP holds more than 20% of the share capital of the following companies:

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertakings			
thyssenkrupp Marine Systems India Private Limited	India	Ordinary	100.00

Registered office: 16th Floor, Building No. 9, Tower B, DLF Cyber City, Phase – III, Gurgaon - 122002, INDIA

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and Reserves 30 September 2017 €	Profit for the year 30 September 2017 €
thyssenkrupp Marine Systems India Private Limited	Support services	244,035	45,687

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9.	Trade and other receivables	2017	2016
		€	€
	Current assets		
	Receivables from members (note 11)	-	1,885,934
	Other receivables	3,406	-
	Prepayments	3,777,905	3,909,524
		<hr/>	<hr/>
		3,781,311	5,795,458
		<hr/>	<hr/>

10. Cash and cash equivalents

	At 01.10.15	Cash flow	At 30.09.16	Cash flow	At 30.09.17
	€	€	€	€	€
Cash at bank and in hand	7,446,607	(798,105)	6,648,502	2,903,432	9,551,934
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,446,607	(798,105)	6,648,502	2,903,432	9,551,934
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

11. Members' interests

	Profits/(Losses) to be divided €	Members' Capital €	Total Equity €	Amounts due to/(from) members €	Total members' interests €
At 01.10.15	3,984,038	1,031,702	5,015,740	(5,869,971)	(854,231)
Allocation of prior year (profits)/losses	(3,984,038)	-	(3,984,038)	3,984,038	-
	-	1,031,702	1,031,702	(1,885,933)	(854,231)
Profit of the current period	2,544,766	-	2,544,766	-	2,544,766
At 30.09.16	2,544,766	1,031,702	3,576,468	(1,885,933)	1,690,535
Allocation of prior year (profits)	(2,544,766)	-	(2,544,766)	2,544,766	-
Profits of the current period	59,041	-	59,041	-	59,041
At 30.09.17	59,041	1,031,702	1,090,743	658,833	1,749,576
Amounts due to Members				658,833	
Amounts due from Members					
				658,833	

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

12.	Trade and other payables	2017	2016
		€	€
	Receivables to members (note 11)	658,833	-
	Trade payables (note 19)	217,379	424,844
	Accruals	6,123,908	447,047
	Other payables	5,242,382	7,778,222
		<hr/>	<hr/>
		12,242,502	8,650,113
		<hr/>	<hr/>
13.	Non-Current Liabilities		
	Trade Payables	-	217,379
		<hr/>	<hr/>
		-	217,379
		<hr/>	<hr/>

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

14. Financial assets and liabilities

The LLP's financial instruments comprise borrowings, cash and cash equivalents and various items such as trade receivables, trade payables and accruals that arise directly from its operations.

The main purpose of these financial instruments is to finance the LLP's operations.

	2017	2016
	€	€

Extent and nature of financial instruments

The LLP held the following financial assets at 30 September 2017:

Trade and other receivables including amounts owed by members	3,781,311	5,245,424
Cash in Hand and at Bank	9,551,934	6,648,502
	<hr/>	<hr/>
	13,333,245	11,893,926
	<hr/>	<hr/>

Financial liabilities

Financial liabilities comprise amounts owed to members, employee costs, and other liabilities arising from trading operations.

	2017	2016
	€	€

The LLP had the following financial liabilities at 30 September:

Trade and other payables	12,242,502	8,867,492
	<hr/>	<hr/>
	12,242,502	8,867,492
	<hr/>	<hr/>

	€	€
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The maturity of the above financial liabilities at 30 September is as follows:

Within one year	12,242,502	8,650,113
After more than one year	-	217,379
	<hr/>	<hr/>
	12,242,502	8,867,492
	<hr/>	<hr/>

Borrowing facilities

At 30 September 2017, the LLP had no undrawn committed borrowing facilities (2016: None).

THYSSENKRUPP MARINE SYSTEMS LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

15. Employees	2017 Number	2016 Number
The average monthly number of employees (excluding members) during the year/period was:		

Office and management	0	0
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Employee costs	2017 €	2016 €
Wages and salaries	-	-
Social security costs	-	-
	-	-

16. Operating lease commitments

At the period end the LLP had no commitments to make payments under non-cancellable operating leases (2016: €nil).

Operating lease payments recognised in the Statement of Comprehensive Income for the period totalled €nil (2016: €nil).

17. Control

The company regarded by the directors as being the ultimate controlling company being thyssenkrupp AG and the immediate parent group undertaking is thyssenkrupp Marine Systems GmbH who are both incorporated in Germany. This is the largest and smallest group within which is consolidated. The consolidated financial statements of thyssenkrupp AG can be obtained from thyssenkrupp, Allee 1, Postfach 45063, 45143 Essen, Germany.

18. Related party transactions

At the statement of financial position date thyssenkrupp Marine Systems GmbH, a member, was owed €217,379 (2016: €642,223), included in trade payables and non-current liabilities, from the LLP. Also, thyssenkrupp Marine Systems GmbH owed €nil (2016: €2,670,000), included in trade receivables, to the LLP.