Company Registration No. 1400252

Furuno (UK) Limited

and Subsidiary Company

Report and Financial Statements

31 December 2008

REPORT AND FINANCIAL STATEMENTS 2008

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REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Koike
Y Furuno
S Ametani
J Williams
C W Oliver

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C W Oliver

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SOLICITORS

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Iain Smith Solicitors LLP
18 Queen's Road
Aberdeen
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AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Southampton, United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the group continues to be the marketing, installation and servicing of marine electronic equipment. There have not been any significant changes in the group's principal activities in the year under review. The directors are not aware, at the date of this report of any likely changes in the group's activities in the forthcoming year.

The directors are pleased to be able to report a consolidated profit before tax of £1,779,044 (2007: £1,452,330) which they consider to be excellent in the current economic conditions. Further details of the group's performance are given in the consolidated profit and loss account on page 7 and in the notes on pages 13 to 22. The position of the group at the year end is set out in the consolidated balance sheet on page 8 and in the notes on pages 17 to 22. The position of the company at the year end is set out in the balance sheet on page 9 and in the notes on pages 17 to 22.

The group's key measurement of effectiveness of its operations is calculating gross profit margin as well as the margin based on profit before tax. The group achieved a gross margin of 28.3% (2007: 27.8%) and an operating margin of 13.3% (2007: 11.5%).

PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in a highly competitive market which is a continuing risk to the company. The group manages this risk by providing value added services to its customers and delivering high quality products to its customers.

The company sources products from Europe and Japan is therefore exposed to movements in the Euro to Pound and Yen to Pound exchange rate. Risk of fluctuations is minimised by entering into foreign currency contracts.

BUSINESS REVIEW

The directors were encouraged by the level of business gained in 2008 from all sectors of the marine electronics market in the United Kingdom and Ireland considering the tough conditions in the marketplace. The directors expect increased performance in 2009 with the introduction of several innovative new product ranges in the leisure and fisheries markets.

There were no significant events since the balance sheet date.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts and dual currency contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, finance lease receivables and investments.

The group's credit risk is primarily attributable to its trade and finance lease receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

DIRECTORS' REPORT

Liquidity risk

The group does not hold any long- or short-term debt finance and manages its liquidity risk by frequent review of cash flow forecasts and use of different terms money market deposit accounts.

Price risk

The company is exposed to commodity price risk. The company does not manage its exposure to commodity price risk due to cost benefit considerations.

DIVIDENDS

The company has paid a dividend of 200p (2007: nil p) per share amounting to £400,000 (2007: nil) on the ordinary shares.

SUPPLIER PAYMENT POLICY

The company's policy, which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the group at 31 December 2008 were equivalent to 81 (2007: 58) days' purchases, based on the average daily amount invoiced by suppliers during the year.

FUTURE PROSPECTS

The group has considerable financial resources together with a strong order book for financial year 2009 and long term contracts in its leasing operations with a number of customers across the marine sector operations. As a consequence, the directors believe that the company is well prepared for further growth beyond the current global situation into the inevitable recovery period:

- The leasing operation has currently over 1,300 live contracts running at a standard contract period of 5 years and has obtained new equipment at the beginning of 2009 to satisfy additional contract requirements. The directors are therefore confident that rental and maintenance income can be sustained in the future.
- The sales operation continues to introduce new products to the market. For instance, Navnet-3D commenced delivery into the leisure market mid 2008 and has now gained increased penetration to the discerning customers at the premium level of the market. New radar products will be introduced in 2009 targeting the fishing market. Delivering unique technical innovations and product functions not available on other products in the marketplace means the group is well placed to perform satisfactorily in the future.
- Working capital management continues to be a key priority of the directors. Historically, the level of bad debt has been low and the directors are confident that they will be able to achieve the high level of bad debt recovery in the future.
- The directors have considered the cash flow forecast and are confident that the group will have sufficient cash resource for at least 12 months from the point of signing the financial statements for the year ended 31 December 2008. Without any external loan obligations, the directors perceive the company as well positioned in the current economic environment.
- Despite the economic downturn in general, fish prices continue to remain high accompanied with a considerable decrease in fuel cost from the highs of 2008. This translates into continued good incomes from the sale of fish and the reduction in boat running costs due to much lower fuel costs in 2009. This will ease the financial pressure on the company's customers.

Considering the factors above, the directors have a reasonable expectation that the group and the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

FINANCIAL INSTRUMENTS

The company uses forward exchange contracts in the ordinary course of business to mitigate foreign currency risk attached to its purchases in Yen. Further details are given in note 1 and note 22.

DIRECTORS' REPORT

DIRECTORS

The present membership of the board is set out on page 1. On 30th April 2008 Kiyoyuki Furuno resigned and Muneyuki Koike was appointed as a director and on 1st March 2009 Yoshio Kitani resigned and Shigenori Ametani was appointed as a director. All of the other directors served throughout the year. No director had a notifiable interest, as defined by the Companies Act 1985, in the shares of the company or the ultimate parent company at any time throughout the year.

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of S2342A of the Companies Act 1985.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

M. Koike

M Koike
Director 5 March 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FURUNO (UK) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Furuno (UK) Limited for the year ended 31 December 2008, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the related notes to the consolidated cash flow statement, and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual company's affairs as at 31 December 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Southampton, United Kingdom

5 March 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2008

	Note	Continuing Operations 2008 £	Continuing Operations 2007 £
Turnover	2	10,037,148	8,482,952
Cost of sales		(7,201,807)	(6,128,207)
Gross profit		2,835,341	2,354,745
Distribution costs		(566,031)	(506,069)
Administrative expenses		(937,694)	(870,458)
		(1,503,725)	(1,376,527)
Operating profit	4	1,331,616	978,218
Interest receivable and similar income		453,472	479,938
Interest payable and similar charges	5	(6,044)	(5,826)
Profit on ordinary activities before taxation		1,779,044	1,452,330
Tax on profit on ordinary activities	6	(488,628)	(419,782)
Profit for the financial year	18	1,290,416	1,032,548

All results are derived from continuing operations.

All gains and losses have been recognised in the profit and loss account for both the current year and the prior year. Accordingly a statement of total recognised gains and losses is not presented.

In both the current year and the prior year the only movement in shareholders' funds has been the profit retained in that year.

CONSOLIDATED BALANCE SHEET
31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	9	5,077,095	5,121,086
CURRENT ASSETS			
Stocks	11	2,454,208	1,623,632
Debtors	12	2,060,959	1,632,625
Investments - short term deposits		6,500,000	7,600,000
Cash at bank and in hand		2,916,729	1,586,304
		13,931,896	12,442,561
CREDITORS: amounts falling due within one year	13	(2,182,145)	(1,567,284)
NET CURRENT ASSETS		11,749,751	10,875,277
TOTAL ASSETS LESS CURRENT LIABILITIES		16,826,846	15.996,363
CREDITORS: amounts falling due after more than one year	14	(29,979)	(30,487)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(31,364)	(90,789)
NET ASSETS		16,765,503	15,875,087
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit and loss account	17	16,565,503	15,675,087
SHAREHOLDERS' FUNDS	18	16,765,503	15,875,087

These financial statements were approved by the Board of Directors on 5 March 2009.

Signed on behalf of the Board of Directors:

M. Koike

M Koike **Director**

J Williams **Director**

COMPANY BALANCE SHEET
31 December 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	9	2,894,069	2,802,860
Investments	10	100,000	100,000
		2,994,069	2,902,860
CURRENT ASSETS			
Stocks	11	2,454,208	1,623,632
Debtors	12	1,977,827	1,555,581
Investments – short term deposits		6,500,000	7,600,000
Cash at bank and in hand		2,916,727	1,586,302
		13,848,762	12,365,515
CREDITORS: amounts falling due within one year	13	(5,267,469)	(4,146,350)
NET CURRENT ASSETS		8,581,293	8,219,165
PROVISIONS FOR LIABILITIES AND CHARGES	15	-	-
NET ASSETS		11,575,362	11,122,025
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit and loss account	17	11,375,362	10,922,025
SHAREHOLDERS' FUNDS	18	11,575,362	11,122,025

These financial statements were approved by the Board of Directors on 5 March 2009.

Signed on behalf of the Board of Directors

M. Koike

M Koike **Director**

J Williams **Director**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2008

	Note	2008 £	£	2007 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1		1,319,037		2,029,774
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(6,044)		(5,826)	
Interest received		477,708		462,495	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			471,664		456,669
TAXATION					
Tax paid			(443,873)		(263,882)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(948,166)		(2,055,594)	
Receipts from sale of tangible fixed assets		231,763		177,443	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(716,403)		(1,878,151)
EQUITY DIVIDEND PAID			(400,000)		(100,000)
			230,425		244,410
MANAGEMENT OF LIQUID RESOURCES					
Sale/(Purchase) of investments			1,100,000		(300,000)
INCREASE/(DECREASE) IN CASH	2, 3		1,330,425		(55,590)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2008

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating profit	1,331,616	978,218
Depreciation charges	872,682	851,147
Profit on sale of tangible fixed assets	(112,288)	(48,297)
(Increase)/decrease in stocks	(830,576)	84,496
(Increase) in debtors	(452,570)	(45,944)
Increase in creditors	510,173	210,154
Net cash inflow from operating activities	1,319,037	2,029,774

2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	2007 £
Increase/(Decrease) in cash in the year	1,330,425	(55,590)
(Decrease)/Increase in liquid resources	(1,100,000)	300,000
Movement in net funds in the year	230,425	244,410
Net funds at 1 January	9,186,304	8,941,894
Net funds at 31 December	9,416,729	9,186,304

3. ANALYSIS OF NET FUNDS

	At 1 January 2008 £	Cash flows £	At 31 December 2008 £
Cash	1,586,304	1,330,425	2,916,729
Treasury reserve account	7,600,000	(1,100,000)	6,500,000
Net funds	9,186,304	230,425	9,416,729

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2008

3. ANALYSIS OF NET FUNDS (continued)

	At 1 January 2008 £	Cash flows £	At 31 December 2008 £
Treasury reserve account - maturity			
< 1 months	-		-
1-5 months	3,000,000	(2,250,000)	750,000
5 months	4,600,000	1,150,000	5,750,000
	7,600,000	(1,100,000)	6,500,000

	At 1 January 2008 £	Cash flows £	Effects of foreign exchange £	At 31 December 2008 £
Cash - foreign exchange impact				
Sterling	961,434	367,264	-	1,328,697
JapaneseYen	380,631	386,138	512,971	1,279,740
Norwegian Krona	173,277	64,174	14,095	251,546
Euro	70,962	(27,136)	12,919	56,745
	1,586,304	790,440	539,985	2,916,729

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

1. **ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the year and the preceding year. As detailed in the directors' report, the directors' continue to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the results of the parent company and its subsidiary for the year ended 31 December 2008.

Investments

Shares in group companies are stated at cost less provision for any impairment in value.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase invoice value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation are as follows:

Freehold and Leasehold buildings	2% per annum
Motor vehicles	20% per annum
Furniture and fittings	20% per annum
Plant and equipment	10% per annum
Rental equipment	20% per annum
Computers	25% per annum

No depreciation is charged on freehold land.

Leasehold buildings are being depreciated over the remaining life of the lease.

Turnover

Income from the sale of marine equipment is recognised at the point of delivery to the customer. Equipment rental income is recognised on a straight-line basis over the lease term. Maintenance and service income is recognised on an accruals basis over the term of the maintenance/service period.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

1. **ACCOUNTING POLICIES (continued)**

Foreign exchange

Gains or losses resulting from realignment of currencies or from conversion of foreign exchange are treated as normal items for the year's operations. Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if covered by forward exchange contracts, at the forward contract rate. Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the year end, with the exception of those covered by forward exchange contracts which are converted into sterling at the exchange rate specified in the forward exchange contract.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions actually paid by the company to the fund during the year under review.

Commissions

Agents' commission is payable at the inception of the lease and an accrual is made for the amounts due.

2. **TURNOVER**

Turnover and profit on ordinary activities before taxation are attributable to one class of business and are derived principally from work carried out in the United Kingdom. A segmental analysis of turnover has therefore not been provided.

3. **ADDITIONAL INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	Group and Company	
	2008	2007
	£	£
Directors' emoluments:		
Emoluments	272,902	230,450
Pension contributions	28,924	20,644
	301,826	251,094
The emoluments of the highest paid director were as follows:		
Emoluments	147,303	125,044
Pension contributions	15,577	11,122
	162,880	136,166

Two directors were members of a defined contribution pension scheme (2007: two).

	Group and Company	
	No.	No.
Average number of persons employed (including UK-based directors):		
Production	16	14
Sales and distribution	5	3
Administration	6	7
	27	24

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

3. ADDITIONAL INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	Group and Company	
	2008	2007
	£	£
Employee costs of the group during the year (including directors' remuneration) were:		
Wages and salaries	1,043,610	885,168
Social security costs	99,901	96,264
Other pension costs	68,937	47,559
	1,212,448	1,028,991

4. OPERATING PROFIT

	2008	2007
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation	872,682	851,147
Auditors' remuneration:		
- Audit fee (Company £20,990 (2007: £15,700))	27,690	21,800
- Other services	35,252	11,306
Operating lease rentals		
- Land and buildings	21,474	18,882
Equipment rental income	(1,478,494)	(1,440,138)
Profit on disposal of fixed assets	(112,288)	(48,297)
Foreign exchange (gains)/losses	(411,410)	113,293

	2008	2007
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	20,990	15,700
The audit of the company's subsidiaries pursuant to legislation	6,700	6,100
Total audit fees	27,690	21,800

	2008	2007
	£	£
Other services pursuant to legislation		
- IFRS/Tax services - compliance	12,000	7,350
- Tax advisory	23,252	3,956
Total non audit fees	35,252	11,306

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges represent interest on temporary bank overdrafts and bank charges.

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on profit on ordinary activities

	2008 £	2007 £
Current taxation:		
United Kingdom corporation tax at 28.5 %(2007: 30%) based on the profit for the year	570,207	420,789
Adjustment in respect of prior years	(22,154)	16,879
Total current tax	548,053	437,668
Deferred taxation:		
Timing differences, origination and reversal (see note 15)	(53,331)	34,063
Adjustments in respect of prior years (see note 15)	(6,094)	(47,897)
Increase/decrease in tax rate	-	(4,052)
Total tax on profit on ordinary activities	488,628	419,782

Factors affecting tax charge for the current year

The tax assessed for the year is higher (2007: higher) than that resulting from applying the standard rate of corporation tax in the UK:

The differences are explained below:

	2008 %	2007 %
Standard tax rate for year as a percentage of profits	28.5	30.0
Effects of:		
Prior year adjustment	(1.2)	1.2
Expenses not deductible for tax purposes	0.8	1.6
Depreciation in excess of capital allowances	1.4	(0.5)
Movement in short term timing differences	1.6	(2.0)
Other – proceeds restricted to cost	(0.3)	(0.1)
Current tax rate for year as a percentage of profits	30.8	30.2

7. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The profit for the financial year, before dividends, includes £853,337 (2007: £648,840) which is attributable to the parent company.

8. DIVIDENDS

	2008 £	2007 £
200 p per ordinary share (2007: Nil p)	400,000	-

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture and fittings £	Plant and equipment £	Rental equipment £	Computers £	Total £
THE GROUP							
Cost							
1 January 2008	2,440,123	202,722	126,165	421,289	5,103,924	117,892	8,412,115
Additions	185,250	12,921	3,565	27,876	708,261	10,293	948,166
Disposals	-	-	(3,500)	(10,581)	(1,007,162)	(23,142)	(1,044,385)
31 December 2008	2,625,373	215,643	126,230	438,584	4,805,023	105,043	8,315,896
Depreciation							
1 January 2008	131,269	59,032	59,583	165,616	2,785,698	89,831	3,291,029
Charge for year	35,775	41,389	18,720	31,196	729,609	15,993	872,682
Disposals	-	-	(3,325)	(6,261)	(893,310)	(22,014)	(924,910)
31 December 2008	167,044	100,421	74,978	190,551	2,621,997	83,810	3,238,801
Net book value							
31 December 2008	2,458,329	115,222	51,252	248,033	2,183,026	21,233	5,077,095
31 December 2007	2,308,854	143,690	66,582	255,673	2,318,226	28,061	5,121,086

Analysis of land and buildings

	Freehold land £	Freehold buildings £	Long leasehold buildings £	Total £
Net book value				
31 December 2008	644,138	1,628,941	185,250	2,458,329
31 December 2007	644,138	1,664,716	-	2,308,854

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

9. TANGIBLE FIXED ASSETS (continued)

	Land and buildings £	Motor vehicles £	Furniture and fittings £	Plant and equipment £	Computers £	Total £
THE COMPANY						
Cost						
1 January 2008	2,440,123	202,722	126,165	421,289	117,892	3,308,191
Additions	185,250	12,921	3,565	27,876	10,293	239,905
Disposals	-	-	(3,500)	(10,581)	(23,142)	(37,223)
31 December 2008	2,625,373	215,643	126,230	438,584	105,043	3,510,873
Depreciation						
1 January 2008	131,269	59,032	59,583	165,616	89,831	505,331
Charge for year	35,775	41,389	18,720	31,196	15,993	143,073
Disposals	-	-	(3,325)	(6,261)	(22,014)	(31,600)
31 December 2008	167,044	100,421	74,978	190,551	83,810	616,804
Net book value						
31 December 2008	2,458,329	115,222	51,252	248,033	21,233	2,894,069
31 December 2007	2,308,854	143,690	66,582	255,673	28,061	2,802,860

Analysis of land and buildings

	Freehold land £	Freehold buildings £	Long leasehold buildings £	Total £
Net book value				
31 December 2008	644,138	1,628,941	185,250	2,458,329
31 December 2007	644,138	1,664,716	-	2,308,854

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

10. INVESTMENTS HELD AS FIXED ASSETS

THE COMPANY

	2008	2007
	£	£
Shares in Furuno Leasing Limited 100,000 ordinary shares of £1	100,000	100,000

Furuno Leasing Limited is a subsidiary undertaking incorporated in England. The total number of issued shares of the subsidiary is 100,000. The principal activity of the company is the leasing and maintenance of marine electronic equipment. During the year the company acquired the one remaining ordinary share in Furuno Leasing Limited.

Furuno (UK) Limited and Furuno Leasing Limited each owned 50% of the total share capital of €2.539476 in Furuno (Ireland) Limited, a dormant, non-trading company incorporated in the Republic of Ireland which was wound up on 16th January 2009.

11. STOCKS

GROUP AND COMPANY

	2008	2007
	£	£
Spare parts	727,195	729,252
Equipment	1,727,013	894,380
	2,454,208	1,623,632

There is no material difference between the balance sheet value of stocks and their replacement cost.

12. DEBTORS

	The Group		The Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	1,705,074	1,176,382	1,584,986	1,092,758
Amounts owed by fellow subsidiaries	199,014	259,112	203,321	259,112
Other debtors	156,871	197,131	156,871	197,131
Group relief	-	-	-	4,307
Deferred tax asset	-	-	32,649	2,273
	2,060,959	1,632,625	1,977,827	1,555,581

All amounts are due within one year.

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2008	2007	2008	2007
	£	£	£	£
Trade creditors	190,950	301,395	120,407	171,685
Amounts owed to parent company	654,889	330,894	654,889	330,894
Amounts owed to fellow subsidiaries	5,154	436	5,154	436
Amounts owed to subsidiary company	-	-	3,560,067	3,072,730
Corporation tax payable	331,249	227,067	231,099	155,773
Other taxation and social security	44,966	38,988	44,966	38,988
Other creditors	264,077	201,442	264,077	201,442
Accruals and deferred income	690,860	467,062	386,810	174,402
	2,182,145	1,567,284	5,267,469	4,146,350

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group	
	2008	2007
	£	£
Accruals and deferred income	29,979	30,487

15. PROVISIONS FOR LIABILITIES AND CHARGES

	The Group	The Company
	£	£
Deferred taxation movement for the year		
Balance as at 1 January 2008	90,789	(2,273)
Credited to profit and loss account	(59,425)	(30,376)
Balance as at 31 December 2008	31,364	(32,649)

Analysis of deferred tax balances

	2008	2007
	£	£
The Group		
Capital allowances in excess of depreciation	74,484	105,171
Short term timing differences	(43,120)	(14,382)
	31,364	90,789
The Company		
Capital allowances in excess of depreciation	10,471	12,109
Short term timing differences	(43,120)	(14,382)
	(32,649)	(2,273)

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

16. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised:		
200,000 ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid:		
200,000 ordinary shares of £1 each	200,000	200,000

17. STATEMENT OF MOVEMENTS ON RESERVES

	2008 £	2007 £
The Group		
Balance at 1 January	15,675,087	14,642,539
Dividend paid	(400,000)	-
Profit retained for the year	1,290,416	1,032,548
Balance at 31 December	16,565,503	15,675,087
The Company		
Balance at 1 January	10,922,025	10,273,185
Dividend Paid	(400,000)	-
Profit retained for the year	853,337	648,840
Balance as at 31 December	11,375,362	10,922,025

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2008 £	2007 £
The Group		
Profit for the financial year	1,290,416	1,032,548
Dividend paid	(400,000)	-
Opening shareholders' funds	15,875,087	14,842,539
Closing shareholders' funds	16,765,503	15,875,087

	2008 £	2007 £
The Company		
Profit for the financial year	853,337	648,840
Dividend paid	(400,000)	-
Opening shareholders' funds	11,122,025	10,473,185
Closing shareholders' funds	11,575,362	11,122,025

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

19. FLOATING CHARGE

The company has granted a floating charge over its assets incorporating a fixed charge over its book debts in security for any monies which may be advanced by the company's bankers.

20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Furuno Electric Company Limited, a company incorporated in Japan, which is the parent undertaking of the smallest and largest group of which the company is a member, and for which group accounts are drawn up. Copies of their financial statements can be obtained from Osaka Securities Exchange, Osaka, Japan.

21. CAPITAL COMMITMENTS

There were £110,055 capital commitments contracted for at 31 December 2008 (2007: £nil).

22. FINANCIAL COMMITMENTS

At 31 December 2008, the company had entered into forward exchange contracts totalling £nil (2007: £2,385,159) in respect of future purchases in the ordinary course of business. The company agrees to purchase Yen at a fixed rate on a future date regardless of the market price for Yen at that point. The fair value of these contracts as per 31 December 2008 amounted to £nil (2007: £2,480,319).

At 31 December 2008, the company had entered into dual currency contracts totalling £nil (2007: £1,000,000). The company is entitled to interest income on the money deposited with the bank upon entering these contracts. The bank has the option to repay the company the initial amount deposited in sterling or to repay the equivalent amount in Yen translated at a pre-agreed strike rate. The fair value of these contracts per 31 December 2008 amounted to £nil (2007: £1,014,555).

23. DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £68,937 (2007: £47,559). There are contributions of £nil due to the scheme at the year end (2007: £nil).

24. RELATED PARTY TRANSACTIONS

In accordance with paragraph 3(c) of Financial Reporting Standard No.8 'Related Party Disclosures', transactions with the immediate parent company, Furuno Electric Company Limited, and the subsidiary company, Furuno Leasing Limited, have not been disclosed in these financial statements.

The company purchased services to the value of in the year £14,917 (2007: £18,120) from the brother of C W Oliver. These services were provided on normal commercial terms.