Company Registration No. 01400252

Furuno (UK) Limited

and Subsidiary Company

Report and Financial Statements

31 December 2012

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REPORT AND FINANCIAL STATEMENTS 2012

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REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Koike
Y Furuno
S Ametani
J Williams
C W Oliver

SECRETARY

C W Oliver

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Hussar Court
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Aberdeen
AB15 4ZT

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Registered Auditors
St Albans, United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

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 £341,377 (2011 £1,119,127) which they consider to be encouraging 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 the related notes from pages 13 - 23 The position of the group at the year end is set out in the consolidated balance sheet on page 8 and in the related notes on pages 13 to 23 The position of the company at the year end is set out in the balance sheet on page 9 and in the related notes on pages 13 to 23

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 20 5% (2011 24 3%) and an operating margin of 2 9% (2011 9 9%) The movement in margins is primarily due to increased raw material cost influenced by currency fluctuations

The directors were encouraged by the level of business gained in 2012 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 2013 with the introduction of several innovative new products and services in the leisure, merchant marine and fisheries markets

There were no significant events since the balance sheet date

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 and 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

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 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, operating lease receivables and investments

The group's credit risk is primarily attributable to its trade and operating 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 (CONTINUED)

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

During the year, the company paid a dividend of 700p (2011 450p) per share amounting to £1,400,000 (2011 £900,000) 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 2012 were equivalent to 55 (2011 59) days' purchases, based on the average daily amount invoiced by suppliers during the year

FUTURE PROSPECTS

The group has considerable financial resources and together with group prospects for the financial year 2012, which include long term contracts in its leasing operations with a number of customers across the marine sector operations, the directors believe that the company is well prepared for further growth beyond the current global situation into the recovery period

•The leasing operation has currently over 989 live contracts (2011 1,040) running at a standard contract period of 5 years and has obtained new equipment at the beginning of 2012 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 2013 will see the introduction of two new models of scanning sonar We expect to sell a considerable number of these highly innovative equipments in the coming year We will continue with investment into the V-Sat communications market with competitive marine broadband systems We also expect large numbers of ECDIS charting systems to be sold due to forthcoming legislation Building on our initial success in the premium leisure market with the unique TZ touch MFD, we expect volumes to increase in 2013

•Fish prices continue to remain high which translates into further investment resulting in good levels of sales in this sector Legislation and wind farm vessels continue to boost the Commercial and Deep-sea sectors The Leisure sector will continue to prove challenging apart from the premium sector, where are products are targeted

• 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 2012 Without any external loan obligations, the directors perceive the company as well positioned in the current economic environment

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 Thus, they continue to adopt the going concern basis in preparing the annual report and accounts

DIRECTORS' REPORT (CONTINUED)

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

The present membership of the board is set out on page 1 All of the directors served throughout the year and to the date of signing this report

AUDITOR

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 2006) of which the company's auditor is 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

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

S Ametani
Director
11th March 2013

West Building
Penner Road
Havant
Hampshire
PO9 1QY

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors 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 company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

We have audited the financial statements of Furuno (UK) Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the related consolidated Cash Flow notes 1 to 3 and the related other notes 1 to 24 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

Helen Perkins

Helen Perkins (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom
11th March 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	9,337,794	10,462,569
Cost of sales		(7,420,510)	(7,919,403)
Gross profit		1,917,284	2,543,166
Distribution costs		(636,249)	(588,312)
Administrative expenses		(1,012,925)	(918,765)
		(1,649,174)	(1,507,077)
Operating profit	4	268,110	1,036,089
Interest receivable and similar income	5	79,133	88,172
Interest payable and similar charges	5	(5,866)	(5,134)
Profit on ordinary activities before taxation		341,377	1,119,127
Tax on profit on ordinary activities	6	(110,576)	(309,192)
Profit for the financial year	17	230,801	809,935

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 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	4,578,670	4,605,282
CURRENT ASSETS			
Stocks	11	2,837,795	2,561,746
Debtors	12	1,311,093	1,888,100
Investments - short term deposits		3,576,135	6,538,907
Cash at bank and in hand		5,159,762	3,246,921
		12,884,785	14,235,674
CREDITORS: amounts falling due within one year	13	(1,372,254)	(1,582,217)
NET CURRENT ASSETS		11,512,531	12,653,457
TOTAL ASSETS LESS CURRENT LIABILITIES		16,091,201	17,258,739
CREDITORS: amounts falling due after more than one year	14	(25,765)	(24,104)
NET ASSETS		16,065,436	17,234,635
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit and loss account	17	15,865,436	17,034,635
SHAREHOLDERS' FUNDS	18	16,065,436	17,234,635

The financial statements of Furuno (UK) Limited, registered number 01400252 were approved by the Board of Directors and authorised for issue on 11th March 2013

Signed on behalf of the Board of Directors

S.Ametani **Director**

J Williams **Director**

COMPANY BALANCE SHEET
31 December 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	2,729,855	2,869,972
Investments	10	100,000	100,000
		2,829,855	2,969,972
CURRENT ASSETS			
Stocks	11	2,837,795	2,561,746
Debtors	12	1,170,739	1,757,884
Investments – short term deposits		3,576,135	6,538,907
Cash at bank and in hand		5,159,760	3,246,919
		12,744,429	14,105,456
CREDITORS: amounts falling due within one year	13	(6,576,656)	(6,401,592)
NET CURRENT ASSETS		6,167,773	7,703,864
TOTAL ASSETS LESS CURRENT LIABILITIES		8,997,628	10,673,836
CREDITORS: amounts falling due after more than one year	14	-	(3,572)
NET ASSETS		8,997,628	10,670,264
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit and loss account	17	8,797,628	10,470,264
SHAREHOLDERS' FUNDS	18	8,997,628	10,670,264

The financial statements of Furuno (UK) Limited, registered number 01400252 were approved by the Board of Directors and authorised for issue on 11th March 2013

Signed on behalf of the Board of Directors

S.Ametani **Director**

J Williams **Director**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2012

	Note	2012 £	£	2011 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1		1,355,885		1,884,504
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			73,267		83,038
Interest paid		(5,866)		(5,134)	
Interest received		79,133		88,172	
TAXATION PAID			(270,960)		(251,441)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(992,585)		(1,052,694)	
Receipts from sale of tangible fixed assets		184,462		193,635	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(808,123)		(859,059)
EQUITY DIVIDEND PAID			(1,400,000)		(900,000)
CASH (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES			(1,049,931)		(42,958)
MANAGEMENT OF LIQUID RESOURCES					
Sale of investments	3		2,962,772		982,838
INCREASE/ IN CASH	2, 3		1,912,841		939,880

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2012

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

	2012 £	2011 £
Operating profit	268,110	1,036,089
Depreciation charges	828,608	832,701
Profit on sale of tangible fixed assets	(53,873)	(86,831)
Impairment loss	60,000	-
(Increase)/Decrease in stocks	(276,049)	553,150
Decrease/ (Increase) in debtors	612,800	(210,507)
Decrease in creditors	(83,711)	(240,098)
Net cash inflow from operating activities	1,355,885	1,884,504

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

	2012 £	2011 £
Increase in cash in the year	1,912,841	939,880
Decrease in liquid resources	(2,962,772)	(982,838)
Movement in net funds in the year	(1,049,931)	(42,958)
Net funds at 1 January	9,785,828	9,828,786
Net funds at 31 December	8,735,897	9,785,828

3. ANALYSIS OF NET FUNDS

	At 1 January 2012 £	Cash flows £	At 31 December 2012 £
Cash	3,246,921	1,912,841	5,159,762
Short term deposits	6,538,907	(2,962,772)	3,576,135
Net funds	9,785,828	(1,049,931)	8,735,897
Short term deposits – maturity			
Between 1-3 months	1,538,907	1,537,228	3,076,135
After 3 months	5,000,000	(4,500,000)	500,000
	6,538,907	(2,962,772)	3,576,135

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2012

3. ANALYSIS OF NET FUNDS (CONTINUED)

	At 1 January 2012 £	Cash flows £	Effects of foreign exchange £	At 31 December 2012 £
Cash - foreign exchange impact				
Sterling	686,540	(170,200)	-	516,340
Japanese Yen	2,153,334	2,740,989	(559,257)	4,335,066
Norwegian Kroner	166,735	(55,570)	2,363	113,528
Euro	240,312	(41,910)	(3,574)	194,828
	3,246,921	2,473,309	(560,468)	5,159,762

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

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 2012

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

The Group acts as a lessor of certain types of rental equipment As the risks and rewards of the assets are deemed to be retained these are accounted for as fixed assets within the Group

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 2012

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 There are no active contracts as at 31 December 2012

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 2012 £	2011 £
Directors' emoluments:		
Emoluments	298,034	290,212
Pension contributions	32,847	31,794
	330,881	322,006
The emoluments of the highest paid director were as follows:		
Emoluments	160,222	155,083
Pension contributions	17,689	17,123
	177,911	172,206

Two directors were members of a defined contribution pension scheme (2011 two) M Koike, Y Furuno and S Ametani are directors of the ultimate parent company, Furuno Electric Company Limited, where their remuneration and benefits are disclosed and none of these amounts are allocated to the company

	Group and Company 2012 No.	2011 No.
Average number of persons employed (including UK-based directors):		
Production	15	15
Sales and distribution	5	5
Administration	8	8
	28	28

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

3. ADDITIONAL INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	Group and Company 2012 £	2011 £
Employee costs of the group during the year (including directors' remuneration) were:		
Wages and salaries	1,176,606	1,117,731
Social security costs	118,174	109,883
Other pension costs (Note 23)	88,956	81,850
	1,383,736	1,309,464

4. OPERATING PROFIT

	2012 £	2011 £
Operating profit is stated after charging/(crediting)		
Depreciation	828,608	832,701
Auditors' remuneration		
- Audit fee (Company £25,078 (2011 £15,050))	32,278	22,250
- Other services	6,150	7,350
Operating lease rentals		
- Land and buildings	3,027	3,182
Profit on disposal of fixed assets	(53,873)	(86,831)
Impairment loss	60,000	-
Foreign exchange losses/(gains)	479,453	(159,032)

	2012 £	2011 £
Fees payable to the company's auditors and their associates for the audit of the company's annual accounts	25,078	15,050
The audit of the company's subsidiaries pursuant to legislation	7,200	7,200
Total audit fees	32,278	22,250

	2012 £	2011 £
Fees payable to the company's auditors and their associates for other services to the Group		
- Tax advisory	6,150	7,350
Total non audit fees	6,150	7,350

5. INTEREST RECEIVABLE/PAYABLE AND SIMILAR INCOME/CHARGES

Interest payable and similar charges represent interest on temporary bank overdrafts and bank charges
Interest receivable and similar income represent interest on cash deposits and cash investments held

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on profit on ordinary activities

	2012 £	2011 £
Current taxation		
United Kingdom corporation tax at 24 5% (2011 26 5%)	137,869	319,958
Adjustment in respect of prior years	-	651
Total current tax	137,869	320,609
Deferred taxation		
Timing differences, origination and reversal	(30,068)	(13,726)
Adjustments in respect of prior years	4,335	-
Decrease in tax rate	(1,560)	2,309
Total deferred tax (see note 15)	(27,293)	(11,417)
Total Tax on Profit on ordinary activities	110,576	309,192

Factors affecting tax charge for the current year

The tax assessed for the period is lower (2011 higher) than that resulting from applying the standard rate of corporation tax in the UK

The differences are explained below	2012 %	2011 %
Standard tax rate for year as a percentage of profits	24 5	26 5
Effects of		
Prior year adjustment	(2 7)	-
Expenses not deductible for tax purposes	(9 4)	1 2
Capital allowances in excess of depreciation	(5 4)	1 7
Movement in short term timing differences	2 6	(0 4)
Non taxable income	0 0	(0 4)
Group relief	(12 3)	
Rate Differences	-	0 1
Current tax rate for year as a percentage of profits	(2 7)	28 7

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The profit/loss attributable to the parent company for the financial year, before dividends, is £272,636 loss (2011 £372,062 profit)

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

8. DIVIDENDS

	2012	2011
	£	£
700p per ordinary share (2011 450p)	1,400,000	900,000

9 TANGIBLE FIXED ASSETS

	Land and buildings	Motor vehicles	Furniture and fittings	Plant and equipment	Rental equipment	Computers	Total
	£	£	£	£	£	£	£
GROUP							
Cost							
1 January 2012	2,697,807	271,733	139,320	582,803	4,737,378	85,895	8,514,936
Additions	-	77,015	452	56,594	878,703	12,821	992,585
Disposals	-	(61,958)	(690)	(15,479)	(619,816)	(5,370)	(703,313)
31 December 2012	2,697,807	286,790	139,082	590,918	4,996,265	93,346	8,804,208
Depreciation							
1 January 2012	288,610	123,082	111,942	312,557	3,002,068	71,395	3,909,654
Charge for year	40,909	50,072	11,772	46,552	671,958	7,345	828,608
Impairment loss	60,000						60,000
Disposals	-	(36,127)	(668)	(4,168)	(526,576)	(5,185)	(572,724)
31 December 2012	389,519	137,027	123,046	354,941	3,147,450	73,555	4,225,538
Net book value							
31 December 2012	2,308,288	149,763	16,036	235,977	1,848,815	19,791	4,578,670
31 December 2011	2,409,197	148,651	27,378	270,246	1,735,310	14,500	4,605,282

Analysis of land and buildings

	Freehold land	Freehold buildings	Long leasehold buildings	Total
	£	£	£	£
Net book value				
31 December 2012	644,138	1,443,494	220,656	2,308,288
31 December 2011	644,138	1,539,639	225,420	2,409,197

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

9. TANGIBLE FIXED ASSETS (CONTINUED)

	Land and buildings £	Motor vehicles £	Furniture and fittings £	Plant and equipment £	Computers £	Total £
COMPANY						
Cost						
1 January 2012	2,697,807	271,733	139,320	582,803	85,895	3,777,558
Additions	-	77,015	452	56,594	12,821	113,882
Disposals	-	(61,958)	(690)	(15,479)	(5,370)	(83,497)
31 December 2012	2,697,807	286,790	139,082	590,918	93,346	3,807,943
Depreciation						
1 January 2012	288,610	123,082	111,942	312,557	71,395	907,586
Charge for year	40,909	50,072	11,772	46,552	7,345	156,650
Impairment Loss	60,000					60,000
Disposals	-	(36,127)	(668)	(4,168)	(5,185)	(46,148)
31 December 2012	389,519	137,027	123,046	354,941	73,555	1,078,088
Net book value						
31 December 2012	2,308,288	149,763	16,036	235,977	19,791	2,729,855
31 December 2011	2,409,197	148,651	27,378	270,246	14,500	2,869,972

Analysis of land and buildings

	Freehold land £	Freehold buildings £	Long leasehold buildings £	Total £
Net book value				
31 December 2012	644,138	1,443,494	220,656	2,308,288
31 December 2011	644,138	1,539,639	225,420	2,409,197

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

10. INVESTMENTS HELD AS FIXED ASSETS

COMPANY

	2012 £	2011 £
Shares in Furuno Leasing Limited		
100,000 ordinary shares of £1	100,000	100,000

Furuno Leasing Limited is a wholly owned subsidiary undertaking incorporated in England The total number of issued shares of the subsidiary is 100,000 of which 100% is held by Furuno (UK) Limited The principal activity of the company is the leasing and maintenance of marine electronic equipment

11. STOCKS

GROUP AND COMPANY

	2012 £	2011 £
Spare parts	297,269	233,844
Equipment	2,540,526	2,327,902
	2,837,795	2,561,746

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

12 DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	1,111,745	1,677,967	1,030,642	1,590,332
Amounts owed by fellow subsidiaries	34,005	60,028	34,005	60,028
Other debtors	86,969	107,524	86,969	107,524
Corporation tax receivable	8,500	-	8,500	-
Deferred tax asset (Note 15)	69,874	42,581	10,623	-
	1,311,093	1,888,100	1,170,739	1,757,884

All amounts are due within one year

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	299,131	222,432	113,228	94,829
Amounts owed to parent company	225,682	422,799	225,682	422,799
Amounts owed to fellow subsidiaries	57,209	1,954	57,209	1,954
Amounts owed to subsidiary company	-	-	5,605,880	5,201,696
Corporation tax payable	59,469	184,258	-	79,648
Other taxation and social security	51,248	50,698	51,248	50,698
Other creditors	301,753	289,319	301,753	289,319
Accruals and deferred income	377,762	410,757	221,656	260,649
	1,372,254	1,582,217	6,576,656	6,401,592

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accruals and deferred income	25,765	24,104	-	-
Deferred tax liability	-	-	-	3,572
	25,765	24,104	-	3,572

All amounts are due within five years of the balance sheet date

15. DEFERRED TAX (ASSET)/LIABILITY

	Group	Company
	£	£
Deferred taxation movement for the year		
Balance as at 1 January 2012	(42,581)	3,572
Charged to profit and loss account	(27,293)	(14,195)
Balance as at 31 December 2012 (Notes 12, 14)	(69,874)	(10,623)

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

15. DEFERRED TAX (ASSET)/LIABILITY (CONTINUED)

Analysis of deferred tax balances

	2012 £	2011 £
Group		
Capital allowances in excess of depreciation	(44,574)	(7,581)
Short term timing differences	(25,300)	(35,000)
Deferred tax receivable	(69,874)	(42,581)
Company		
Capital allowances in excess of depreciation	14,677	38,572
Short term timing differences	(25,300)	(35,000)
Deferred tax payable/(receivable)	(10,623)	3,572

A reduction in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012, and a further reduction to 23% (effective from 1 April 2012) was substantively enacted on 3 July 2012 The impact of the rate reduction has been reflected in the calculation of the UK deferred tax asset recognised at 31 December 2012 The government's Autumn Statement on 5 December 2012 announced that it is their intention to enact a further reduction in the main rate of corporation tax to 21% effective from 1 April 2014

16. CALLED UP SHARE CAPITAL

GROUP AND COMPANY

	2012 £	2011 £
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. PROFIT AND LOSS ACCOUNT RESERVE

	2012 £	2011 £
Group		
Balance at 1 January	17,034,635	17,124,700
Dividend paid	(1,400,000)	(900,000)
Profit retained for the year	230,801	809,935
Balance at 31 December	15,865,436	17,034,635

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

17. PROFIT AND LOSS ACCOUNT RESERVE (CONTINUED)

	2012 £	2011 £
Company		
Balance at 1 January	10,470,264	10,998,202
Dividend Paid	(1,400,000)	(900,000)
(Loss)/Profit retained for the year	(272,636)	372,062
Balance as at 31 December	8,797,628	10,470,264

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2012 £	2011 £
Group		
Profit for the financial year	230,801	809,935
Dividend paid	(1,400,000)	(900,000)
Opening shareholders' funds	17,234,635	17,324,700
Closing shareholders' funds	16,065,436	17,234,635

	2012 £	2011 £
Company		
(Loss)/Profit for the financial year	(272,636)	372,062
Dividend paid	(1,400,000)	(900,000)
Opening shareholders' funds	10,670,264	11,198,202
Closing shareholders' funds	8,997,628	10,670,264

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 no capital commitments contracted for at 31 December 2012 (2011 £nil)

NOTES TO THE ACCOUNTS
Year ended 31 December 2012

22. FINANCIAL COMMITMENTS

Some forward exchange contracts were entered into during the financial year (2011 none), but there were no open forward exchange contracts at 31 December 2012 (2011 none)

Annual commitments under non-cancellable operating leases are as follows

	2012 £ Land and buildings	2011 £ Land and buildings
Group		
Expiry date		
- within one year	3,227	3,227
- between two and five years	12,908	12,908
- after five years	159,737	162,964
	175,872	179,099

	2012 £ Land and buildings	2011 £ Land and buildings
Company		
Expiry date		
- within one year	3,227	3,227
- between two and five years	12,908	12,908
- after five years	159,737	162,964
	175,872	179,099

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 £88,956 (2011 £81,850) There are contributions of £nil due to the scheme at the year end (2011 £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 £13,914 (2011 £16,391) from the brother of C W Oliver These services were provided on normal commercial terms