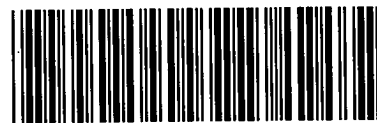


**Furuno (UK) Limited
and Subsidiary Company**

**Annual Report and Financial Statements
for the year ended 31 December 2014**

TUESDAY



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REPORT AND FINANCIAL STATEMENTS 2014

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REPORT AND FINANCIAL STATEMENTS 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Koike
Y Furuno
S Ametani
J Williams
C W Oliver

SECRETARY

C W Oliver

REGISTERED OFFICE

West Building
Penner Road
Havant
Hampshire
PO9 1QY

BANKERS

Clydesdale Bank plc
Riverside Branch
19 North Esplanade West
Aberdeen
AB11 5RJ

Barclays Bank PLC
Solent & Dorset Business Centre
P.O. Box 612
Ocean Way
Ocean Village
Southampton
SO14 2ZP

SOLICITORS

Biscoes
15a Somerset House
Hussar Court
Westside View
Waterlooville
Hampshire
PO7 7SG

Iain Smith Solicitors LLP
18 Queen's Road
Aberdeen
AB15 4ZT

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

STRATEGIC REPORT

The directors present their Strategic report and the affairs of the group for the year ended 31 December 2014.

STRATEGIC REVIEW

The principal activity of the group continues to be the marketing, installation, leasing 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 £2,131,875 (2013: £1,388,637) 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 to 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 measurements of the effectiveness of its operations are gross profit margin and the operating margin. The group achieved a gross margin of 32.6% (2013: 26.9%) and an operating margin of 18.3% (2013: 12.4%). The movement in margins is primarily due to decreased raw material cost influenced by currency fluctuations.

The directors were encouraged by the level of business gained in 2014 from all sectors of the marine electronics market in the United Kingdom and Ireland considering the prevailing conditions in the marketplace. The directors expect continuation of good performance in 2015 with the introduction of several innovative new products 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 strategic currency purchases.

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.

STRATEGIC 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.

FUTURE PROSPECTS

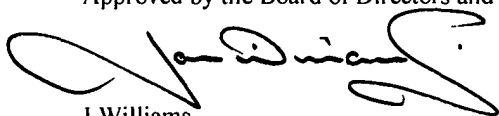
The group has considerable financial resources and together with group prospects for the financial year 2015, which include long term contracts in its leasing operations with a number of customers across the marine sector operations, the directors believe that the company is well prepared for further growth:

- The leasing operation has currently over 893 live contracts (2013: 928) running at a standard contract period of 5 years and has obtained new equipment at the beginning of 2014 to satisfy additional contract requirements. The directors are therefore confident that rental and maintenance income can be sustained in the future.
- New products will be again introduced across our market sectors during 2015. The merchant marine sector will see the introduction of further products to complement the current product range. These, together with our two successful ECDIS models will ensure our continuing success as the world's shipping fleets move closer to mandatory fitting of ECDIS systems, which must be completed by July 2018. We are also introducing a new range of chart radar systems which make use of Furuno's latest technological developments, which brings operational functionality to new levels.
- The fishing sector will benefit from the introduction of new fish finders and scanning sonar products, together with new radar models. We expect to continue to be the market leaders in this sector.
- The leisure sector, which remains challenging, will see the introduction of a new and competitively priced multi function display system, together with very innovative instrumentation to increase our market share in this very competitive sector.
- We expect to see good performance in both the merchant marine and the fishing sectors and continued growth in the leisure sector as confidence returns to this consumer market.

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.

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



J. Williams
Director
2nd March 2015

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

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.

GOING CONCERN

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 2014. Without any external loan obligations, the directors perceive the company as well positioned in the current economic environment.

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.

Considering the factors above and the future developments, 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.

DIVIDENDS

During the year, the company paid a total dividend of 250p (2013: 2,475p) per share amounting to £500,000 (2013: £4,950,000) 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 2014 were equivalent to 62 (2013: 57) days' purchases, based on the average daily amount invoiced by suppliers during the year.

AUDITOR

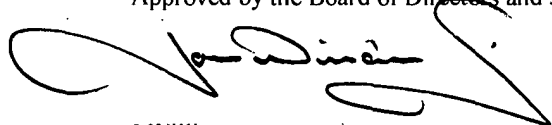
In the case of each of the persons who are directors of the company at the date when this report is approved:

- 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



J. Williams
Director
2nd March 2015

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 2014 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 2014 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 Strategic Report and 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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
2nd March 2015

FURUNO (UK) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	11,593,875	10,874,601
Cost of sales		(7,819,464)	(7,947,467)
Gross profit		<u>3,774,411</u>	<u>2,927,134</u>
Distribution costs		(647,880)	(609,814)
Administrative expenses		(1,005,589)	(973,475)
		<u>(1,653,469)</u>	<u>(1,583,289)</u>
Operating profit		2,120,942	1,343,845
Interest receivable and similar income	5	17,149	51,021
Interest payable and similar charges	6	(6,216)	(6,229)
Profit on ordinary activities before taxation	4	2,131,875	1,388,637
Tax on profit on ordinary activities	7	(454,021)	(352,425)
Profit for the financial year	18	<u>1,677,854</u>	<u>1,036,212</u>

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.

FURUNO (UK) LIMITED

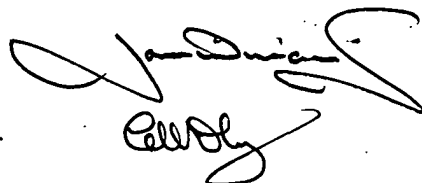
CONSOLIDATED BALANCE SHEET 31 December 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	10	5,449,250	5,668,200
CURRENT ASSETS			
Stocks	12	2,207,639	2,446,816
Debtors	13	1,820,849	1,611,502
Investments - short term deposits		2,628,787	1,614,394
Cash at bank and in hand		2,990,604	2,558,004
		9,647,879	8,230,716
CREDITORS: amounts falling due within one year	14	(1,731,721)	(1,540,808)
NET CURRENT ASSETS		7,916,158	6,689,908
TOTAL ASSETS LESS CURRENT LIABILITIES		13,365,408	12,358,108
CREDITORS: amounts falling due after more than one year	15	(35,906)	(206,460)
NET ASSETS		13,329,502	12,151,648
CAPITAL AND RESERVES			
Called up share capital	17	200,000	200,000
Profit and loss account	18	13,129,502	11,951,648
SHAREHOLDERS' FUNDS	19	13,329,502	12,151,648

The financial statements of Furuno (UK) Limited, registered number 01400252 were approved by the Board of Directors and authorised for issue on 2nd March 2015.

Signed on behalf of the Board of Directors:

J.Williams



Director

C.W.Oliver



Director

FURUNO (UK) LIMITED

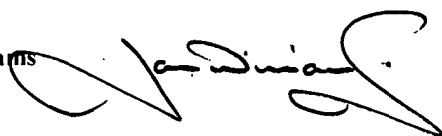
COMPANY BALANCE SHEET 31 December 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	10	2,282,818	2,708,702
Investments	11	100,000	100,000
		<u>2,382,818</u>	<u>2,808,702</u>
CURRENT ASSETS			
Stocks	12	2,207,639	2,446,816
Debtors	13	1,734,119	1,515,402
Investments – short term deposits		2,628,787	1,614,394
Cash at bank and in hand		2,990,602	2,558,002
		<u>9,561,147</u>	<u>8,134,614</u>
CREDITORS: amounts falling due within one year	14	<u>(6,303,727)</u>	<u>(6,143,608)</u>
NET ASSETS		<u>5,640,238</u>	<u>4,799,708</u>
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit and loss account	17	5,440,238	4,599,708
SHAREHOLDERS' FUNDS	18	<u>5,640,238</u>	<u>4,799,708</u>

The financial statements of Furuno (UK) Limited, registered number 01400252 were approved by the Board of Directors and authorised for issue on 2nd March 2015.

Signed on behalf of the Board of Directors

J. Williams



Director

C.W.Oliver



Director

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2014

	Note	2014 £	£	2013 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	1		3,160,498		2,588,134
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			10,933		44,792
Interest paid		(6,216)		(6,229)	
Interest received		17,149		51,021	
TAXATION PAID			(359,727)		(199,369)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(1,430,128)		(2,280,871)	
Receipts from sale of tangible fixed assets		565,417		233,815	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(864,711)		(2,047,056)
EQUITY DIVIDEND PAID			(500,000)		(4,950,000)
CASH (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES			1,446,993		(4,563,499)
MANAGEMENT OF LIQUID RESOURCES					
(Purchase)/sale of investments	3		(1,014,393)		1,961,741
INCREASE/(DECREASE) IN CASH	2, 3		432,600		(2,601,758)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2014

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

	2014 £	2013 £
Operating profit	2,120,942	1,343,845
Depreciation charges	1,156,310	1,056,964
Profit on sale of tangible fixed assets	(72,649)	(99,437)
Decrease in stocks	239,177	390,979
Increase in debtors	(237,256)	(342,755)
(Decrease)/Increase in creditors	(46,026)	238,538
Net cash inflow from operating activities	<u>3,160,498</u>	<u>2,588,134</u>

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

	2014 £	2013 £
Increase/(Decrease) in cash in the year	432,600	(2,601,758)
Increase/(Decrease) in liquid resources	<u>1,014,393</u>	<u>(1,961,741)</u>
Movement in net funds in the year	1,446,993	(4,563,499)
Net funds at 1 January	<u>4,172,398</u>	<u>8,735,897</u>
Net funds at 31 December	<u>5,619,391</u>	<u>4,172,398</u>

3. ANALYSIS OF NET FUNDS

	At 1 January 2014 £	Cash flows £	At 31 December 2014 £
Cash	2,558,004	432,600	2,990,604
Short term deposits	<u>1,614,394</u>	<u>1,014,393</u>	<u>2,628,787</u>
Net funds	<u>4,172,398</u>	<u>1,446,993</u>	<u>5,619,391</u>
Short term deposits – maturity			
Between 1-3 months	1,114,394	1,514,393	2,628,787
After 3 months	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>
	<u>1,614,394</u>	<u>1,014,393</u>	<u>2,628,787</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2014

3. ANALYSIS OF NET FUNDS (CONTINUED)

	At 1 January 2014 £	Cash flows £	Effects of foreign exchange £	At 31 December 2014 £
Cash - foreign exchange impact				
Sterling	852,803	(62,817)	-	789,986
Japanese Yen	1,414,470	706,187	(120,379)	2,000,278
Norwegian Kroner	86,945	(39,995)	(7,020)	39,930
Euro	203,786	(33,589)	(9,787)	160,410
	<u>2,558,004</u>	<u>569,786</u>	<u>(137,186)</u>	<u>2,990,604</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

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.

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 2014.

Going Concern

The directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 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. Turnover is charged net of VAT.

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 2014

1. ACCOUNTING POLICIES (CONTINUED)

Foreign exchange

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 2014.

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 wholly from the United Kingdom. A segmental analysis of turnover has therefore not been provided.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Group and Company	
	2014	2013
	£	£
Directors' emoluments:		
Emoluments	364,661	314,467
Pension contributions	34,455	33,558
	<u>399,116</u>	<u>348,025</u>
 The emoluments of the highest paid director were as follows:		
Emoluments	198,428	170,288
Pension contributions	18,554	18,071
	<u>216,982</u>	<u>188,359</u>

Two directors were members of a defined contribution pension scheme (2013: 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 recognised and disclosed. None of these amounts are allocated to the Group.

	Group and Company	
	2014	2013
	No.	No.
Average number of persons employed (including UK-based directors):		
Production	15	15
Sales and distribution	5	5
Administration	8	8
	<u>28</u>	<u>28</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2014

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (CONTINUED)

	Group and Company	
	2014	2013
	£	£
Employee costs of the group during the year (including directors' remuneration) were:		
Wages and salaries	1,344,307	1,222,844
Social security costs	134,172	127,750
Other pension costs (Note 23)	104,028	95,104
	<u>1,582,507</u>	<u>1,445,698</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation	1,156,310	1,056,964
Auditors' remuneration:		
- Audit fee (Company £29,826 (2013: £28,150))	37,026	35,350
- Other services	10,950	9,200
Operating lease rentals		
- Land and buildings	6,506	7,630
Profit on disposal of fixed assets	(72,649)	(99,437)
Foreign exchange losses	110,700	329,344
	<u>1,156,310</u>	<u>1,056,964</u>

	2014	2013
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's annual accounts	29,826	28,150
The audit of the company's subsidiaries pursuant to legislation	7,200	7,200
Total audit fees	<u>37,026</u>	<u>35,350</u>

	2014	2013
	£	£
Fees payable to the company's auditors and their associates for other services to the Group:		
- Tax advisory	10,950	9,200
Total non audit fees	<u>10,950</u>	<u>9,200</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

5. INTEREST RECEIVABLE

	2014	2013
	£	£
Interest receivable on cash at bank and short term deposits	17,149	51,021
	<u>17,149</u>	<u>51,021</u>

6. INTEREST PAYABLE

	2014	2013
	£	£
Bank charges	6,216	6,229
	<u>6,216</u>	<u>6,229</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on profit on ordinary activities

	2014	2013
	£	£
<i>Current taxation:</i>		
United Kingdom corporation tax at 21.49% (2013: 23.25%)	429,164	318,579
Adjustment in respect of prior years	(3,054)	-
	<u>426,110</u>	<u>318,529</u>
<i>Deferred taxation:</i>		
Timing differences, origination and reversal	36,248	19,717
Adjustments in respect of prior years	(5,820)	5,194
Decrease in tax rate	(2,518)	8,935
	<u>27,909</u>	<u>33,846</u>
Total deferred tax (see note 15)	27,909	33,846
Total Tax on Profit on ordinary activities	<u>454,021</u>	<u>352,425</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2014

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting tax charge for the current year

The tax assessed for the period is lower (2013: lower) than that resulting from applying the standard rate of corporation tax in the UK.

The differences are explained below:

	2014	2013
	%	%
Standard tax rate for year as a percentage of profits	21.49	23.25
Effects of:		
Expenses not deductible for tax purposes	0.5	4.6
Capital allowances in excess of depreciation	(1.7)	(6.3)
Movement in short term timing differences	-	0.5
Non taxable income	(0.1)	(0.1)
Prior year adjustment	(0.1)	-
	<u>20.0</u>	<u>22.0</u>
Current tax rate for year as a percentage of profits	<u>20.0</u>	<u>22.0</u>

8. 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 attributable to the parent company for the financial year, before dividends, is £1,340,530 (2013: £752,080).

9. DIVIDENDS

	2014	2013
	£	£
250p per ordinary share (2013: 2,475p)	<u>500,000</u>	<u>4,950,000</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture and fittings £	Plant and equipment £	Rental equipment £	Computers £	Total £
GROUP							
Cost							
1 January 2014	2,697,807	301,006	139,752	598,978	5,906,913	97,676	9,742,132
Additions	-	40,326	1,609	46,485	1,318,618	23,090	1,430,128
Disposals	(562,629)	(35,960)	(5,620)	(129,278)	(902,717)	(11,196)	(1,647,400)
31 December 2014	2,135,178	305,372	135,741	516,185	6,322,814	109,570	9,524,860
Depreciation							
1 January 2014	430,428	106,093	125,940	385,662	2,947,415	78,394	4,073,932
Charge for year	38,949	53,707	4,761	49,413	999,840	9,642	1,156,310
Disposals	(210,224)	(21,567)	(5,552)	(115,294)	(790,873)	(11,122)	(1,154,632)
31 December 2014	259,153	138,233	125,149	319,779	3,156,382	76,914	4,075,610
Net book value							
31 December 2014	1,876,025	167,139	10,592	196,406	3,166,432	32,656	5,449,250
31 December 2013	2,267,379	194,913	13,812	213,316	2,959,498	19,282	5,668,200

Analysis of land and buildings

	Freehold land £	Freehold buildings £	Long leasehold buildings £	Total £
Net book value				
31 December 2014	475,000	1,189,897	211,128	1,876,025
31 December 2013	644,138	1,407,349	215,892	2,267,379

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

10. TANGIBLE FIXED ASSETS (CONTINUED)

	Land and buildings £	Motor vehicles £	Furniture and fittings £	Plant and equipment £	Computers £	Total £
COMPANY						
Cost						
1 January 2014	2,697,807	301,006	139,752	598,978	97,676	3,835,219
Additions	-	40,326	1,609	46,485	23,090	111,510
Disposals	(562,629)	(35,960)	(5,620)	(129,278)	(11,196)	(744,683)
31 December 2014	<u>2,135,178</u>	<u>305,372</u>	<u>135,741</u>	<u>516,185</u>	<u>109,570</u>	<u>3,202,046</u>
Depreciation						
1 January 2014	430,428	106,093	125,940	385,662	78,394	1,126,517
Charge for year	38,949	53,707	4,761	49,413	9,642	156,470
Disposal	(210,224)	(21,567)	(5,552)	(115,294)	(11,122)	(363,759)
31 December 2014	<u>259,153</u>	<u>138,233</u>	<u>125,149</u>	<u>319,779</u>	<u>76,914</u>	<u>919,228</u>
Net book value						
31 December 2014	<u>1,876,025</u>	<u>167,139</u>	<u>10,592</u>	<u>196,406</u>	<u>32,656</u>	<u>2,282,818</u>
31 December 2013	<u>2,267,379</u>	<u>194,913</u>	<u>13,812</u>	<u>213,316</u>	<u>19,282</u>	<u>2,708,702</u>

Analysis of land and buildings

	Freehold land £	Freehold buildings £	Long leasehold buildings £	Total £
Net book value				
31 December 2014	<u>475,000</u>	<u>1,189,897</u>	<u>211,128</u>	<u>1,876,025</u>
31 December 2013	<u>644,138</u>	<u>1,407,349</u>	<u>215,892</u>	<u>2,267,379</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

11. INVESTMENTS HELD AS FIXED ASSETS
COMPANY

	2014 £	2013 £
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.

12. STOCKS
GROUP AND COMPANY

	2014 £	2013 £
Spare parts	326,676	278,688
Equipment	1,878,963	2,168,128
	<u>2,207,639</u>	<u>2,446,816</u>

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

13. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	1,709,600	1,440,534	1,620,212	1,377,566
Amounts owed by fellow subsidiaries	30,358	40,220	30,358	40,220
Other debtors	72,772	94,720	72,772	94,720
Deferred tax asset (Note 15)	8,119	36,028	10,777	2,896
	<u>1,820,849</u>	<u>1,611,502</u>	<u>1,734,119</u>	<u>1,515,402</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	318,698	239,380	95,534	151,514
Amounts owed to parent company	301,248	350,083	301,248	350,083
Amounts owed to fellow subsidiaries	8,250	2,738	8,250	2,738
Amounts owed to subsidiary company	-	-	4,963,835	4,865,505
Corporation tax payable	236,564	170,180	247,795	166,367
Other taxation and social security	58,073	54,310	58,073	54,310
Other creditors	384,115	319,492	384,115	319,492
Accruals and deferred income	424,773	404,625	244,877	233,599
	<u>1,731,721</u>	<u>1,540,808</u>	<u>6,303,727</u>	<u>6,143,608</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accruals and deferred income	35,906	206,460	-	-
	<u>35,906</u>	<u>206,460</u>	<u>-</u>	<u>-</u>

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

16. DEFERRED TAX ASSET

	Group	Company
	£	£
Deferred taxation movement for the year		
Balance as at 1 January 2014	(36,028)	(2,896)
Charged to profit and loss account	27,910	(7,881)
Balance as at 31 December 2014 (Note 12)	<u>(8,119)</u>	<u>(10,777)</u>
Analysis of deferred tax balances		
	2014	2013
	£	£
Group		
Capital allowances in excess of depreciation	(12,881)	14,628
Short term timing differences	21,000	21,400
Deferred tax receivable	<u>8,119</u>	<u>36,028</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

16. DEFERRED TAX ASSET (CONTINUED)

Analysis of deferred tax balances (continued)

	2014 £	2013 £
Company		
Capital allowances in excess of depreciation	(10,223)	(18,504)
Short term timing differences	21,000	21,400
	<u>10,777</u>	<u>2,896</u>
Deferred tax receivable	<u>10,777</u>	<u>2,896</u>

The Finance Act 2013, which provided for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

17. CALLED UP SHARE CAPITAL

GROUP AND COMPANY

	2014 £	2013 £
Authorised:		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allotted, called-up and fully paid:		
200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

18. PROFIT AND LOSS ACCOUNT RESERVE

	2014 £	2013 £
Group		
Balance at 1 January	11,951,648	15,865,436
Dividend paid	(500,000)	(4,950,000)
Profit retained for the year	<u>1,677,854</u>	<u>1,036,212</u>
Balance at 31 December	<u>13,129,502</u>	<u>11,951,648</u>
Company		
Balance at 1 January	4,599,708	8,797,628
Dividend Paid	(500,000)	(4,950,000)
Profit retained for the year	<u>1,340,530</u>	<u>752,080</u>
Balance as at 31 December	<u>5,440,238</u>	<u>4,599,708</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2014

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2014 £	2013 £
Group		
Profit for the financial year	1,677,854	1,036,212
Dividend paid	(500,000)	(4,950,000)
Opening shareholders' funds	<u>12,151,648</u>	<u>16,065,436</u>
Closing shareholders' funds	<u><u>13,329,502</u></u>	<u><u>12,151,648</u></u>
	2014 £	2013 £
Company		
Profit for the financial year	1,340,530	752,080
Dividend paid	(500,000)	(4,950,000)
Opening shareholders' funds	<u>4,799,708</u>	<u>8,997,628</u>
Closing shareholders' funds	<u><u>5,640,238</u></u>	<u><u>4,799,708</u></u>

20. 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.

21. 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.

22. CAPITAL COMMITMENTS

There were no capital commitments contracted for at 31 December 2014 (2013: £nil).

23. FINANCIAL COMMITMENTS

No forward exchange contracts were entered into during the financial year (2013: none) and there were no open forward exchange contracts at 31 December 2014 (2013: none).

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2014 £	Land and buildings 2013 £
Group		
Expiry date		
- within one year	-	-
- between two and five years	-	-
- after five years	<u>6,676</u>	<u>3,935</u>
	<u><u>6,676</u></u>	<u><u>3,935</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2014

22. FINANCIAL COMMITMENTS (CONTINUED)

	Land and buildings 2014 £	Land and buildings 2013 £
Company		
Expiry date		
- within one year	-	-
- between two and five years	-	-
- after five years	6,676	3,935
	<u>6,676</u>	<u>3,935</u>

24. 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 £104,028 (2013: £95,104). There are contributions of £nil due to the scheme at the year end (2013: £nil).

25. 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 £24,358 (2013: £11,005) from the brother of C W Oliver. These services were provided on normal commercial terms.