

Furuno Leasing Limited

Report and Financial Statements

31 December 2009



REPORT AND FINANCIAL STATEMENTS 2009

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REPORT AND FINANCIAL STATEMENTS 2009

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

SOLICITORS

Biscoes
Kingston Place
62-68 Kingston Crescent
North End Portsmouth
Hampshire
PO2 8AQ

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

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 2009

The directors' report has been prepared in accordance with the special provision relating to small companies under section 417 of the Company Act 2006

ACTIVITIES

The principal activity of the company is the leasing and maintenance of marine electronic equipment

REVIEW OF BUSINESS

The company has performed satisfactorily given the general economic climate. Further details of the company's performance are given in the profit and loss account on page 6

DIVIDENDS

The company has proposed no dividend (2008: none) per share amounting to £nil (2008: £nil) on the ordinary shares

FUTURE PROSPECTS

As part of the Furuno group, the company has considerable financial resources at its disposal together with 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 placed to manage its business risks successfully despite the current uncertain economic outlook

- The company has currently over 1,250 live contracts (2008: 1,300) running at a standard contract period of 5 years and has obtained new equipment at the beginning of 2010 to satisfy additional contract requirements. The directors are therefore confident that rental and maintenance income can be sustained 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 for the Furuno group 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 2009. Without any external loan obligations, the directors perceive the company as part of the Furuno group 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, who are primarily fishermen

Considering the factors above, the directors have a reasonable expectation that the company has 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

DIRECTORS

The present membership of the board is set out on page 1 and all of the directors served throughout the year. All directors were also directors of the parent undertaking, Furuno (UK) Limited

DIRECTORS' REPORT

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 2006) 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 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

5 March, 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 proper accounting records that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FURUNO LEASING LIMITED

We have audited the financial statements of Furuno Leasing Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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 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

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 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 (APB'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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its 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.

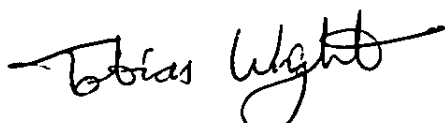
Opinion on other matter prescribed by the Companies Act 2006

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Tobias Wright (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom

5 March 2010

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	1,985,888	2,004,445
Cost of sales		(930,516)	(924,355)
Gross profit		<u>1,055,372</u>	<u>1,080,090</u>
Distribution costs		(24,473)	(15,504)
Administrative expenses		(465,840)	(465,360)
		<u>(490,313)</u>	<u>(480,864)</u>
Profit on ordinary activities before taxation	3	565,059	599,226
Tax charge on profit on ordinary activities	5	(155,603)	(162,147)
Profit for the financial year	13	<u><u>409,456</u></u>	<u><u>437,079</u></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

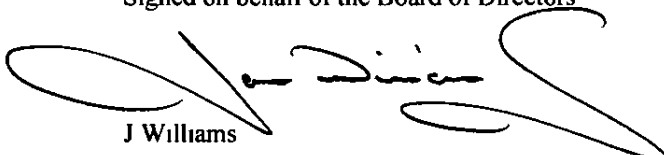

In both the current year and the prior year, the only movement in shareholders' funds has been the profit or loss retained in that year

BALANCE SHEET
31 December 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	7	1,952,988	2,183,026
CURRENT ASSETS			
Debtors	8	4,251,137	3,675,848
Cash at bank and in hand		2	2
		4,251,139	3,675,850
CREDITORS: amounts falling due within one year	9	(453,086)	(474,743)
NET CURRENT ASSETS		3,798,053	3,201,107
TOTAL ASSETS LESS CURRENT LIABILITIES		5,751,041	5,384,133
CREDITORS: amounts falling due after more than one year	10	(29,752)	(29,979)
PROVISIONS FOR LIABILITIES AND CHARGES	11	(21,692)	(64,013)
NET ASSETS		5,699,597	5,290,141
CAPITAL AND RESERVES			
Called up share capital	12	100,000	100,000
Profit and loss account	13	5,599,597	5,190,141
SHAREHOLDERS' FUNDS	14	5,699,597	5,290,141

The financial statements of Furuno Leasing Limited, registered number 01743934 were approved by the Board of Directors and authorised for issue on **5 March** 2010

Signed on behalf of the Board of Directors


J Williams

S Ametani

Director

Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2009

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.

Tangible fixed assets - rental equipment

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on cost in equal instalments over the estimated economic lives of the assets. The rate of depreciation used is 20% per annum.

Turnover

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.

Commissions

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

Cash flow statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 (Revised) not to prepare a cash flow statement as it is a wholly owned subsidiary of Furuno (UK) Limited, registered in the United Kingdom, which prepares consolidated accounts including a cash flow statement, which are publicly available.

2. TURNOVER

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

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009	2008
	£	£
Profit on ordinary activities before taxation is after charging/(crediting)		
Depreciation	656,214	729,609
Auditors' remuneration		
- Audit fee	7,000	6,700
- Other services	2,840	2,660
Equipment rental income	(1,497,258)	(1,478,494)
Profit on disposal of fixed assets	(46,451)	(117,911)
	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
Fees payable to the company's auditors for the audit of the company's annual accounts	7,000	6,700
Total audit fees	<u>7,000</u>	<u>6,700</u>
Other services pursuant to legislation		
- Tax services - compliance	2,840	2,660
Total non audit fees	<u>2,840</u>	<u>2,660</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Apart from the directors and company secretary, the company has no employees (2008 nil) All UK group employees are employed by the parent company, Furuno (UK) Limited

The directors are also directors of the parent company, Furuno (UK) Limited The directors received total remuneration of £276,106 (2008 £301,826) from Furuno (UK) Limited during the year but it is not practicable to allocate this between their services as directors of Furuno (UK) Limited and their services as directors of Furuno Leasing Limited

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£	£
United Kingdom corporation tax payable at 28% based on the profit for the year (2008 28.5%)	197,924	195,503
Adjustments in respect of prior years	-	(4,307)
Total current tax	197,924	191,196
Deferred taxation timing differences, origination and reversal (see note 11)	(42,321)	(29,049)
Decrease in rate	-	-
Total tax charge on profit on ordinary activities	<u>155,603</u>	<u>162,147</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting tax charge for the current year

The tax charge in the accounts is higher (2008 higher) than that resulting from applying the standard rate of corporation tax in the UK of 28% (2008 28.5%)

The differences are explained below

	2009 %	2008 %
Standard tax rate for year as a percentage of profits	28.0	28.5
Effects of		
Depreciation in excess of capital allowances	7.5	4.8
Non taxable income	(0.5)	(0.9)
Chargeable gain	-	0.1
Prior year adjustment	-	(0.7)
Other	-	0.1
	<u>35.0</u>	<u>31.9</u>
Current tax rate for year as a percentage of profits		

6. DIVIDENDS PROPOSED

	2009 £	2008 £
Nil p per ordinary share (2008 nil p)	<u>-</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Rental equipment £
Cost	
At 1 January 2009	4,805,023
Additions	534,770
Disposals	(604,044)
At 31 December 2009	<u>4,735,749</u>
Depreciation	
At 1 January 2009	2,621,997
Charge for year	656,214
Disposals	(495,450)
At 31 December 2009	<u>2,782,761</u>
Net book value	
31 December 2009	<u>1,952,988</u>
31 December 2008	<u>2,183,026</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2009

8 DEBTORS

	2009 £	2008 £
Amounts owed by parent company	4,183,330	3,555,760
Trade debtors	67,807	120,088
	<u>4,251,137</u>	<u>3,675,848</u>

All amounts are due within one year

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	33,417	70,543
Accruals and deferred income	310,745	304,050
Corporation tax payable	108,924	100,150
	<u>453,086</u>	<u>474,743</u>

10. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Accruals and deferred income	29,752	29,979
	<u>29,752</u>	<u>29,979</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance at 1 January 2009	64,013
Credited to profit and loss account	(42,321)
Balance at 31 December 2009	<u>21,692</u>

The amounts provided, which also represent the total potential liability, are as follows

	2009 £	2008 £
Capital allowances in excess of depreciation	21,692	64,013
	<u>21,692</u>	<u>64,013</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2009

12. CALLED UP SHARE CAPITAL

	2009	2008
	£	£
Authorised 100,000 ordinary shares of £1	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid 100,000 ordinary shares of £1	<u>100,000</u>	<u>100,000</u>

13. STATEMENT OF MOVEMENT ON RESERVES

	2009	2008
	£	£
Balance at 1 January	5,190,141	4,753,062
Dividend proposed	-	-
Profit retained for the year	<u>409,456</u>	<u>437,079</u>
Balance at 31 December	<u>5,599,597</u>	<u>5,190,141</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2009	2008
	£	£
Profit for the financial year	409,456	437,079
Dividend proposed	-	-
Opening shareholders' funds	<u>5,290,141</u>	<u>4,853,062</u>
Closing shareholders' funds	<u>5,699,597</u>	<u>5,290,141</u>

15. 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 largest group of which the company is a member, and for which group accounts are drawn up. Copies of its financial statements can be obtained from Osaka Securities Exchange, Osaka, Japan.

The parent undertaking of the smallest group of which the company is a member, and for which group accounts are drawn up, is Furuno (UK) Limited, a company incorporated in England. Copies of its financial statements can be obtained from Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ.

16. 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 (UK) Limited, have not been disclosed in these financial statements.