

STRAINSTALL UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended

31 December 2013

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COMPANIES HOUSE

Registered No. 4042929

STRAINSTALL UK LIMITED**Strategic report for the year ended 31 December 2013**

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Principal activity and business review

The principal activity of the company is that of design, manufacture, installation and commissioning of load measuring systems, quick release mooring systems and the provision of structural analysis services. The results for the year ended 31 December 2013 were ahead of the previous year with turnover £13,516,158 (2012 : £10,388,988) and operating profit £770,079 (2012 : £452,481) reflecting lower margins on sales mix and difficult market conditions. Administration costs have increased by 38% to £2,938,244 (2012: £2,123,708).

Results for the year

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements on pages 5 to 14. The profit for the financial year after taxation was £554,402 (2012: £314,924).

Key performance indicators

The company utilises a number of different measures in order to monitor its performance, including turnover, margins and cash flow. Further measures employed by the company include return on capital employed, health and safety and employee turnover.

Risks and uncertainties

The main risks facing the company are competition and the economic outlook

By order of the Board



J.P. Vick
Company Secretary
Fisher House
PO Box 4
Barrow-in-Furness
Cumbria LA14 1HR

27 June 2014

STRAINSTALL UK LIMITED**Directors' report for the year ended 31 December 2013**

Directors:	S.A.R.Everett E.C.Plane R.D.Burmeister M.Anderson A.Coventry J.M.E.Lambrechts A.Owens M.D.J.Smith J.G.St Leger T.A.J.M.Robinson (Resigned 4 November 2013)
Secretary:	J.P.Vick
Auditors:	KPMG Audit Plc Dukes Keep Marsh Lane Southampton SO14 3EX
Bankers:	Bank of Scotland
Registered office:	Fisher House P.O Box 4 Barrow-in-Furness LA14 1HR

Statement of Compliance

To comply with the Companies Act 2006, the Company has detailed in the Strategic report on page 1 a review of the development and performance of the business during the year including key financial performance indicators, and a description of the principal risks and uncertainties facing the Company.

Treasury policies

The company's treasury management operates under approved treasury policies and guidelines covering funding and management of foreign currency exposure and interest rate risk. Its purpose is to manage the financial risks of the business effectively and to secure finance at a minimum cost. Activities are covered by guidelines, exposure limits controls and a system of authority authorised by the board of the company's ultimate holding company, James Fisher and Sons plc.

The dividends paid during the year amounted to £300,000 (2012: £nil).

Political contributions

The company made no political contributions in the year (2012: £nil)

Auditor

Our auditor, KPMG, has informed us that for administrative reasons and to instigate the orderly wind down of business, they wish to formally change the entity which conducts the Company's audit from KPMG Audit Plc to KPMG LLP. KPMG Audit Plc has indicated that it will resign as auditor during the year ending 31 December 2014 and the board of Directors will propose the appointment of KPMG LLP as auditor of the Company for the financial year ending 31 December 2014.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors indemnity

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

By order of the Board

J.P.Vick
Company Secretary
Fisher House
PO Box 4
Barrow-in-Furness
Cumbria LA14 1HR

27 June 2014

STRAINSTALL UK LIMITED**Statement of directors' responsibilities in respect of the Strategic Report and Directors' Report and financial statements**

The directors are responsible for preparing the Strategic Report and Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc
Dukes Keep
Marsh Lane
Southampton
SO14 3EX

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRAINSTALL UK LIMITED

We have audited the financial statements of Strainstall UK Limited for the year ended 31 December 2013 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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, 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.

Martin Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Dukes Keep Marsh Lane Southampton SO14 3EX

2 July 2014

STRAINSTALL UK LIMITED
Profit and Loss Account for the year ended 31 December 2013

	Notes	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Turnover	2	13,516,158	10,388,988
Cost of sales		<u>(9,807,835)</u>	<u>(7,812,799)</u>
Gross profit		3,708,323	2,576,189
Administrative expenses		<u>(2,938,244)</u>	<u>(2,123,708)</u>
Operating profit	3	770,079	452,481
Interest receivable and similar income	6	-	53
Interest payable and similar charges	7	<u>(61,623)</u>	<u>(52,235)</u>
Profit on ordinary activities before taxation		708,456	400,299
Tax on profit on ordinary activities	8	<u>(154,054)</u>	<u>(85,375)</u>
Profit on ordinary activities after taxation		<u>554,402</u>	<u>314,924</u>

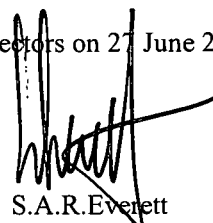
The results for the current and prior year are derived from continuing operations.

There is no material difference between the historical cost profit for the year and the profit reported in the above Profit and Loss account.

STRAINSTALL UK LIMITED
Balance Sheet as at 31 December 2013

	Notes	31 December 2013 £	31 December 2012 £
Fixed assets			
Tangible fixed assets	10	324,659	352,869
Intangible fixed assets	11	<u>272,169</u>	<u>179,366</u>
		596,828	532,235
Current assets			
Stocks	12	1,595,108	1,341,953
Debtors	13	7,450,843	6,139,165
Cash at bank and in hand		<u>72,249</u>	-
		9,118,200	7,481,118
Creditors: amounts falling due within one year	14	<u>(7,665,713)</u>	<u>(6,237,454)</u>
Net current assets		<u>1,452,487</u>	<u>1,243,664</u>
Total assets less current liabilities		<u>2,049,315</u>	<u>1,775,899</u>
Provisions for liabilities and charges	15	<u>(26,001)</u>	<u>(6,987)</u>
Net assets		<u><u>2,023,314</u></u>	<u><u>1,768,912</u></u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account	17	<u>2,023,313</u>	<u>1,768,911</u>
Equity shareholders' funds	18	<u><u>2,023,314</u></u>	<u><u>1,768,912</u></u>

The financial statements were authorised for issue by the Board of Directors on 27 June 2014 and signed on the Board's behalf by:



S.A.R. Everett

Director

4042929

Company number

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of James Fisher and Sons plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of James Fisher and Sons plc within which this company is included, can be obtained from the address in note 20.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of James Fisher and Sons plc, the company's directors have a reasonable expectation that the company will be able 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.

(b) Turnover

Turnover represents the earnings from the provision of goods and services falling within the company's ordinary activities after excluding discounts and value added tax.

(c) Fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated on cost at rates so as to write off the relevant assets by equal annual instalments over their estimated useful lives. Where a provision for impairment in value has been made, depreciation is adjusted over the remaining life of the asset. The principal rates used are as follows:

Plant and machinery	10-20%
Fixtures, fittings and computers	10-33%
Motor vehicles	33%

The cost of tangible fixed assets includes directly attributable finance costs, calculated on a day to day basis, on expenditure incurred during construction and modifications.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(d) Intangible fixed assets

Intangible fixed asset purchase separately from a business are capitalised at their cost. Intellectual property purchased by the company is amortised to nil by equal annual instalments over their useful economic lives, estimated to be 20 years.

(e) Translation of foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All exchange differences are taken to the profit and loss

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

1 Accounting policies (continued)

(f) Taxation and deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(g) Accounting for leases

As a lessor

Rentals receivable under operating leases are credited to other operating income on a straight line basis over the lease term.

Amounts receivable under finance leases are included under debtors and represent the total amount outstanding under lease agreements less unearned income. Finance lease income having been allocated to accounting periods to give a consistent rate of return on the net cash investment, is included in turnover.

As a lessee

Rentals payable under operating leases are charged in arriving at the operating profit for the year on a straight line basis over the lease term.

Assets acquired under hire purchase contracts are capitalised and a creditor is set up for the future payments net of finance charges. Finance charges are taken to the profit and loss account so as to produce a constant periodic rate of charge on the remaining balance of the obligation.

(h) Pension costs

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Defined contribution schemes

Under a defined contribution pension plan the company pays a pre-determined contribution to a separate privately administered pension plan. Other than this contribution the Group has no further legal or constructive obligation to make further contributions to the scheme.

Obligations for contributions to the scheme are recognised as an expense in the income statement in the period in which they arise.

(i) Cash and liquid resources

Cash, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities and investments in money market managed funds.

(j) Stock, WIP and Long term Contracts

Stock is valued at the lower of cost and net realisable value. For work in progress and finished goods, cost is taken as production costs, which includes an appropriate proportion of attributable overheads. The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen. Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

(k) Research and development

Research expenditure is written off in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

(l) Revenue recognition

Revenue after excluding trade discounts and value added tax, represents the provision of goods and services by the company in the normal course of business and is recognised when the significant risks and rewards of ownership have passed to the buyer. The transfer of risks and rewards is assumed to pass to the customer on delivery of the goods or provision of the relevant services. Where services rendered are not completed at the balance sheet date, revenue is recognised in proportion to the stage of completion of the transactions measured by reference to the proportion of total expected costs incurred. Revenue is not recognised if there are significant uncertainties regarding recovery of the consideration due.

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

2 Turnover

Turnover and profit on ordinary activities before taxation is attributable to the company's principal activity.

Geographical market supplied - turnover:

	2013		2012	
	£	%	£	%
United Kingdom and Republic of Ireland	5,859,367	43%	4,622,500	44%
Rest of the World	7,656,791	57%	5,766,487	56%
	<u>13,516,158</u>	<u>100%</u>	<u>10,388,987</u>	<u>100%</u>

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging/(crediting):		
Auditors' remuneration - audit of financial statements	18,500	17,500
Depreciation of tangible fixed assets	133,920	131,448
Amortisation intangible fixed assets	4,133	4,133
Profit on sale of fixed assets	-	(2,587)
Loss on foreign currencies	257,045	49,800
Staff costs (note 4)	4,557,963	3,432,900
Operating leases - others	39,111	42,418
Operating leases - property	<u>85,584</u>	<u>45,409</u>

4 Staff costs

	2013	2012
	£	£
Salaries	4,002,842	3,013,100
Social security costs	432,595	311,500
Pension fund contributions	122,526	108,300
	<u>4,557,963</u>	<u>3,432,900</u>

The average monthly number of employees was:

	2013	2012
	No.	No.
Technical and administrative	<u>116</u>	<u>92</u>

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

5 Directors remuneration

The remuneration of the directors was as follows:

	2013	2012
	£	£
Emoluments	437,096	655,352
Compensation for loss of office	20,000	-
Company pension contributions	28,269	40,489
	<u>485,365</u>	<u>695,841</u>

In respect of the highest paid director:

	2013	2012
	£	£
Emoluments	<u>115,875</u>	<u>129,583</u>
Company pension contributions	<u>14,712</u>	<u>14,338</u>

The number of directors who were members of the group pension schemes was as follows:

	2013	2012
	Number	Number
Defined contribution scheme	<u>7</u>	<u>9</u>

Certain directors who served during the year are also directors of the ultimate parent company or a fellow subsidiary company and are remunerated by those companies. Although they do receive remuneration from these companies in respect of their services to various Group companies including this company, it is not practicable to allocate their remuneration to individual companies in the Group. Therefore their remuneration has been disclosed in the accounts of the relevant company from which remuneration is received.

6 Interest receivable and similar income

	2013	2012
	£	£
Bank interest	<u>-</u>	<u>53</u>

7 Interest payable and similar charges

	2013	2012
	£	£
Internal loan interest	<u>61,623</u>	<u>52,235</u>
	<u>61,623</u>	<u>52,235</u>

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

8 Taxation

(a) Taxation on profit on ordinary activities	2013	2012
	£	£
Tax charge is made up as follows:		
Current tax:		
UK Corporation tax	155,503	71,329
Adjustments in respect of prior periods	(20,463)	7,059
Total current tax (note 8 (b))	<u>135,040</u>	<u>78,388</u>
Deferred taxation	19,014	6,987
Total tax charge on profit on ordinary activities	<u>154,054</u>	<u>85,375</u>

(b) Factors affecting corporation tax charge in year:

The effective rate is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%).

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>708,456</u>	<u>400,299</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 23.25% (2012: 24.5%)	164,716	98,073
Effects of:		
Expenses not deductible for tax purposes	2,391	431
Depreciation in excess of capital allowances	8,609	6,885
Other timing differences	(22,538)	(35,253)
Adjustments in respect of prior periods	-	7,059
Depreciation on ineligible costs	2,325	1,193
Research and development relief	(20,463)	-
Current taxation charge in year	<u>135,040</u>	<u>78,388</u>

(c) Factors that may affect future tax charges:

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and reduced the deferred tax liability at 31 December 2013 which has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

9 Equity dividends paid

	2013	2012
	£	£
£300,000 per ordinary share (2012: £nil)	<u>300,000</u>	<u>-</u>

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

10 Tangible fixed assets

	Plant and equipment	Fixtures, fittings and computers	Motor vehicles	Total
	£		£	£
Cost:				
At 1 January 2013	882,959	422,427	14,679	1,320,065
Additions	17,876	66,439	21,395	105,710
At 31 December 2013	<u>900,835</u>	<u>488,866</u>	<u>36,074</u>	<u>1,425,775</u>
Depreciation:				
At 1 January 2013	706,811	245,706	14,679	967,196
Charged during the year	66,308	66,899	713	133,920
At 31 December 2013	<u>773,119</u>	<u>312,605</u>	<u>15,392</u>	<u>1,101,116</u>
Net book value:				
At 1 January 2013	<u>176,148</u>	<u>176,721</u>	-	<u>352,869</u>
At 31 December 2013	<u>127,716</u>	<u>176,261</u>	<u>20,682</u>	<u>324,659</u>

11 Intangible fixed assets

	Intellectual property
	£
Cost/valuation:	
At 1 January 2013	226,552
Additions	96,936
At 31 December 2013	<u>323,488</u>
Depreciation:	
At 1 January 2013	47,186
Charged during the year	4,133
At 31 December 2013	<u>51,319</u>
Net book value:	
At 1 January 2013	<u>179,366</u>
At 31 December 2013	<u>272,169</u>

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

12 Stocks

	31 December	31 December
	2013	2012
	£	£
Raw materials and consumables	960,524	851,400
Work in progress	634,584	490,553
	<u>1,595,108</u>	<u>1,341,953</u>

13 Debtors

	31 December	31 December
	2013	2012
	£	£
Trade debtors	3,748,579	3,024,737
Amounts owed by group undertakings	2,065,585	401,789
Prepayments and accrued income	1,636,679	2,712,639
	<u>7,450,843</u>	<u>6,139,165</u>

14 Creditors : amounts falling due within one year

	31 December	31 December
	2013	2012
	£	£
Bank overdraft	835,971	1,495,284
Trade creditors	1,201,936	2,392,676
Amounts owed to group undertakings	2,897,557	1,060,107
Corporation tax	145,951	83,584
Other taxation and social security	338,869	34,610
Accruals and deferred income	2,245,429	1,171,193
	<u>7,665,713</u>	<u>6,237,454</u>

STRAINSTALL UK LIMITED
Notes to the financial statements
for the year ended 31 December 2013

16 Called up share capital

	31 December 2013 £	31 December 2012 £
Authorised Share Capital		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid share capital		
1 ordinary share of £1	<u>1</u>	<u>1</u>
All shares have equal voting rights.		

17 Profit and loss account

	31 December 2013 £	31 December 2012 £
At 1 January	1,768,911	1,453,987
Profit for the year	554,402	314,924
Total dividends paid	(300,000)	-
At 31 December	<u>2,023,313</u>	<u>1,768,911</u>

18 Reconciliation of movements in shareholders' funds

	31 December 2013 £	31 December 2012 £
Opening Shareholders' funds	1,768,912	1,453,988
Profit for the year	554,402	314,924
Total dividends paid	(300,000)	-
Closing Shareholders' funds	<u>2,023,314</u>	<u>1,768,912</u>

19 Financial commitments

Commitments during the following year in respect of non-cancellable operating leases are as follows:

	31 December 2013 £	31 December 2012 £
Other		
Within one year	736	2,630
Within two to five years	<u>34,692</u>	<u>49,905</u>
	<u>35,428</u>	<u>52,535</u>
Land and buildings		
Within one year	1,250	-
Within two to five years	35,004	36,168
After more than five years	<u>33,504</u>	<u>-</u>
	<u>69,758</u>	<u>36,168</u>

20 Parent company and ultimate controlling party

The company is a member of James Fisher and Sons plc Group which is the ultimate controlling party. James Fisher and Sons plc is incorporated in Great Britain and copies of its group accounts, the largest and smallest group in which the company is consolidated, are available from Companies House or by writing to the Company Secretary at the following address:

Fisher House, PO Box 4, Barrow in Furness, Cumbria, LA14 1HR