DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 2008

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Directors' report for the year ended 31 December 2008

Directors:

C.Caws

G.Jones K.Lucas M.Anderson

A.Coventry

(appointed 1 October 2008)

J.Lambrechts

R.Leach

(appointed 1 October 2008)

A.Owens D.Smith

M.Smith

(appointed 1 October 2008)

A. Thomas D. Vodden

Company secretary:

J.J.B.Tyler

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
Cumbria LA14 1HR

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

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 2008 were good, with profit before taxation of £1,015,874 (2007: £190,731). Gross margins improved in 2008 at 21.3% (2007: 15.9%) and the company benefited from an exchange gain of £324,790 (2007: £14,974).

Results for the year

The results for the year ended 31 December 2008 are considered satisfactory and are set out on page 5. The profit for the year after taxation was £715,172 (year ended 31 December 2007: £127,927).

Dividends

An interim dividend of £300,000 was paid during the year (2007: £Nil). The directors do not recommend any further dividend payments.

STRAINSTALL UK LIMITED Directors' report for the year ended 31 December 2008 (continued)

Key performance indicators

The directors have considered the use of key performance indicators (KPI's) as a measure of performance and have considered that turnover, gross profit and profit on ordinary activities before taxation are the most appropriate.

Risks and uncertainties

The major risks facing the company are the exposure to foreign currency, market conditions and the retention of staff to fulfill contracts

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 Public Limited Company.

The company manages its cash to ensure maximum benefit is gained whilst ensuring security of investment sources. Any surplus funds are placed with institutions with strong credit ratings.

Auditors

During the year Ernst and Young LLP resigned as auditors and KPMG Audit Plc were appointed. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

Disclosure of information to auditors

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 auditors are 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 auditors are 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.

Future developments

The directors will continue to grow the business and look to the future with confidence.

By order of the Board

K Lucas

Director

Fisher House

P.O. Box 4

Barrow-in-Furness

Cumbria LA14 1HR

24 August 2009

STRAINSTALL UK LIMITED Statement of directors' responsibilities

The directors are responsible for preparing the 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).

The financial statements are required by law to 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, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF STRAINSTALL UK LIMITED

We have audited the financial statements of Strainstall UK Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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

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

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion:

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

KPMG Audit Plc

KPMG Avair 16

Chartered Accountants

Registered Auditor

26 August 2009

STRAINSTALL UK LIMITED Profit and Loss Account for the year ended 31 December 2008

	Notes	2008	2007
		£	£
Turnover	2	8,983,502	8,372,561
Cost of sales		(7,072,291)	(7,043,864)
Gross profit		1,911,211	1,328,697
Administrative expenses		(895,925)	(1,137,702)
Operating profit	3	1,015,286	190,995
Other interest receivable and similar income	6	2,297	2,455
Other interest payable and similar charges	7	(1,709)	(2,719)
Profit on ordinary activities before taxation		1,015,874	190,731
Tax on profit on ordinary activities	8	(300,702)	(62,804)
Retained profit for the financial year		715,172	127,927

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

There is also no difference between the profit on ordinary activities before taxation or the retained profit for the period and their historical cost equivalents.

Statement of Total Recognised Gains and Losses for the year ended 31 December 2008

There were no recognised gains and losses other than the profit for the financial year (2007: none).

Balance Sheet at 31 December 2008

	Notes	31 December 2008	31 December 2007
Fixed assets		£	*
	10	52,000	56,142
Intangible assets	10	52,009	
Tangible assets	11	1,397,971	1,407,427
		1,449,980	1,463,569
Current assets			
Stocks	12	903,245	713,403
Debtors	13	2,994,936	3,070,374
Cash at bank and in hand		809,370	158,036
		4,707,551	3,941,813
Creditors: amounts falling due within one year	14	(4,721,197)	(4,380,605)
Net current liabilities		(13,646)	(438,792)
Total assets less current liabilities		1,436,334	1,024,777
Creditors: amounts falling due after more than one year	15	(7,594)	(14,900)
Provisions for liabilities and charges	16	(44,079)	(40,388)
Net assets		1,384,661	969,489
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account	18	1,384,660	969,488
Shareholders' funds - equity	19	1,384,661	969,489

The accounts were approved by the board of directors on 24 August 2009 and were signed on its behalf by:-

G. Jones

Director

K.Lucas Director

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies

(a) Basis of preparation

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

As the Company is a wholly owned subsidiary of James Fisher and Sons Public Limited Company, 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 Public Limited Company within which this company is included, can be obtained from the address in note 22.

(b) Turnover

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

(c) Research and development

Research and development 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.

(d) Fixed assets

Tangible fixed assets are stated at cost, being purchase price, less accumulated depreciation and accumulated impairment losses.

Intangible fixed assets - intellectual property

Intangible fixed assets purchased 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.

Tangible fixed assets

Depreciation is provided to write-off the cost of tangible fixed assets in annual instalments over their estimated useful lives. The principal rates used are:

Freehold building

2% straight line

Plant & Machinery

10%-20% straight line

Fixtures, Fittings and Computers

10%-33% straight line

Motor Vehicles

33% straight line

No depreciation has been charged on freehold land.

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

Notes to the financial statements for the

year ended 31 December 2008 (continued)

(e) Stock

Stock is valued at the lower of cost and net realisable value.

Work in progress represents the direct costs of work and does include overheads part of which could be related to such work.

(f) Accounting for leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

(g) 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 amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

(h) 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.

(i) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the transaction date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. All differences are taken to the profit and loss account.

(j) Revenue

Turnover (other than in relation to long term contracts) is recognised on dispatch of goods or completion of services.

Long Term Contracts

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) 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.

Notes to the financial statements for the year ended 31 December 2008 (continued)

2 Turnover and profit

Turnover represents earnings from the design, manufacture and sale of electronic safety and monitoring equipment in the construction industry and from the design, manufacture and installation of quick release mooring systems. Turnover and profit on ordinary activities before taxation are attributable to the company's principal activity.

Geographical market supplied - Turnover:

		2008		200	17
		£	%	£	%
	United Kingdom and				
	Republic of Ireland	3,777,006	42	3,040,841	36
	Rest of World	5,206,496	58	5,331,720	64
		8,983,502	100	8,372,561	100
3	Operating profit				
				2008	2007
				£	£
	Operating profit is stated after	r charging/(crediting):			
	Auditors' remuneration - audi	t fee		16,000	31,178
	Depreciation and amounts wr	itten off tangible fixed asse	ts	156,003	126,603
	Amortisation intangible fixed	assets		4,133	4,134
	Profit on sale of fixed assets			(85)	(320)
	Gain on foreign currencies			(324,790)	(14,974)
	Operating lease rentals; Other			65,403	62,832
4	Staff costs				
				2008	2007
				£	£
	Wages and salaries			2,154,989	1,990,980
	Social security costs			218,317	201,437
	Pension fund contributions			53,144	52,756
				2,426,450	2,245,173
	The average monthly number	of employees was:			
				2008	2007
				No.	No.
	Technical and administrative			73	72

The company operates a defined contribution pension scheme. The schemes and their assets are held by independent managers. The pension charge represents contributions paid by the company and amounted to £53,144 (2007: £52,756). The pension creditor at the year end amounted to £8,150 (2007 £7,283).

Notes to the financial statements for the year ended 31 December 2008 (continued)

5	Directo	ors' remuneration		
			2008	2007
			£	£
		ate emoluments	435,059	291,237
	Compa	ny pension contributions	26,621	19,081
	In resp	ect of the highest paid director:		
	•	•	2008	2007
			£	£
		ate emoluments	94,734	76,583
	Value	of contributions to money purchase schemes	2,318	2,073
			2008	2007
			No	No
	Numbe	er of directors under defined contribution schemes	8	6
6		elevant company from which remuneration is received. interest receivable and similar income	2008	2007
			2003 £	£
	Bank is	nterest		
7	041		2,297_	2,455
′	U Uner		2,297	2,455
	~ -m+1	interest payable and similar charges		
	Ç-1101		2008	2007
		interest payable and similar charges	2008 £	
	Other i	interest payable and similar charges	2008 £ 142	2007 £
	Other i	interest payable and similar charges	2008 £	2007
8	Other i Financ	interest payable and similar charges nterest e charges	2008 £ 142 1,567	2007 £ - 2,719
8	Other i	interest payable and similar charges nterest e charges on	2008 £ 142 1,567	2007 £ - 2,719
8	Other i Financ	interest payable and similar charges nterest e charges	2008 £ 142 1,567 1,709	2007 £ - 2,719 2,719
8	Other i	interest payable and similar charges nterest e charges on	2008 £ 142 1,567 1,709	2007 £ - 2,719 2,719
8	Other i	interest payable and similar charges nterest e charges on Tax on profit on ordinary activities	2008 £ 142 1,567 1,709	2007 £ - 2,719 2,719
8	Other i	interest payable and similar charges nterest e charges on	2008 £ 142 1,567 1,709	2007 £ - 2,719 2,719
8	Other i	interest payable and similar charges nterest e charges on Tax on profit on ordinary activities The tax charge is made up as follows: Current UK corporation tax	2008 £ 142 1,567 1,709	2007 £ - 2,719 2,719
8	Other i	interest payable and similar charges nterest e charges on Tax on profit on ordinary activities The tax charge is made up as follows: Current UK corporation tax Adjustments in respect of prior periods	2008 £ 142 1,567 1,709 2008 £	2007 £ - 2,719 2,719 2007 £
8	Other i	interest payable and similar charges nterest e charges on Tax on profit on ordinary activities The tax charge is made up as follows: Current UK corporation tax Adjustments in respect of prior periods Current tax (Note 8(b))	2008 £ 142 1,567 1,709 2008 £ 296,167 844 297,011	2007 £ 2,719 2,719 2007 £ 55,192
8	Other i	interest payable and similar charges nterest e charges on Tax on profit on ordinary activities The tax charge is made up as follows: Current UK corporation tax Adjustments in respect of prior periods	2008 £ 142 1,567 1,709 2008 £	2007 £ - 2,719 2,719 2007 £

Notes to the financial statements for the year ended 31 December 2008 (continued)

8 Taxation (continued)

(b) Factors affecting current tax charge

The effective rate of tax differs from the standard rate of corporation tax in the UK at 28.5% (2007 30%). The UK tax rate of 28.5% reflects the change in the UK corporation tax rate from 30% to 28% which became effective on 1 April 2008.

	•				•	
	The differences are explained below:				2008	2007
					£	£
	Profit on ordinary activities before taxation	1			1,015,286	190,731
	Profit on ordinary activities multiplied by the		x in the UK of 2	8.5% (2007		
	30%)			•	289,357	57,219
	Expenses not deductible for tax purposes				1,605	6,133
	Research and development tax credit				-	(2,389)
	Depreciation in excess of capital allowance	:			9,586	-
	Other timing differences				(29)	(175)
	Other				4,551	41
	Tax losses utilised				(8,903)	(5,637)
	Adjustments to tax charge in respect of pre	vious periods			844	
					297,011	55,192
9	Equity dividend paid					
					2008	2007
					£	£
	Interim dividend				300,000	
	Internal dividend				500,000	
10	Intangible fixed assets					
				Intellect	ual property	Total
					£	£
	Cost:					
	At 1 January 2008				82,663	82,663
	At 31 December 2008				82,663	82,663
	Amortisation:					
	At 1 January 2008				26,521	26,521
	Charged during the year				4,133	4,133
	At 31 December 2008				30,654	30,654
	Net book value:					
	At 1 January 2008				56,142	56,142
	•					
	At 31 December 2008				52,009	52,009
11	Tangible fixed assets					
	rangible lized assets	Freehold				
		Land and	Plant & F	ixtures, Fittings	Motor	
		Buildings	Machinery	& Computers	Vehicles	Total
		£	£	£	£	£
	Cost:	1 102 472	025 511	200 571	27.000	2 266 425
	At 1 January 2008	1,102,473	835,511	300,571	27,880	2,266,435
	Additions	14,505	88,440	43,602	-	146,547
	Disposals At 31 December 2008	1,116,978	(4,817) 919,134	344,173	27,880	(4,817) 2,408,165
		1,110,576	717,134	344,173	27,880	2,408,103
	Depreciation:					
	At 1 January 2008	80,856	556,602	213,698	7,852	859,008
	Charged during the year	29,550	73,445	47,432	5,576	156,003
	Disposals		(4,817)	-		(4,817)
	At 31 December 2008	110,406	625,230	261,130	13,428	1,010,194
	Net book value:					
	At 1 January 2008	1,021,617	278,909	86,873	20,028	1,407,427
						
	At 31 December 2008	1,006,572	293,904	83,043	14,452	1,397,971

Included in the total net book value of Plant & Machinery is £17,632 (2007: £33,925) in respect of assets held under finance leases and similar hire purchase contracts.

Notes to the financial statements

for the year ended 31 December 2008 (continued)

12 Stocks	ocks
-----------	------

31 December 31 Dec 2008 £	2007 £
	£
£	
·	57,825
Work in progress	45,578
903,245 7	13,403
Work in progress includes the following amounts in respect of long-term contracts:	
31 December 31 Dec	ember
2008	2007
£	£
Net cost less foreseeable losses 44,749	96,695
Less payments on account received and receivable not matched with turnover	-
	96,695
13 Debtors	
31 December 31 Dec	ember
2008	2007
£	£
Trade debtors 2,859,818 2,5°	77,086
	63,300
	29,988
· ·	70,374
	<u> </u>
14 Creditors: amounts falling due within one year	
· · · · · · · · · · · · · · · · · · ·	ember
2008	2007
£	£
"	06,439
Obligations under finance leases and hire purchase contracts 7,306	8,861
·	84,867
, , ,	
	76,371
•	60,031
·	46,953
	97,083
<u>4,721,197</u> <u>4,3</u>	80,605
15 Creditors: amounts falling due after more than one year	_
	cember
2008	2007
£	£
Obligations under finance leases and hire purchase contracts 7,594	14,900

Notes to the financial statements

for the year ended 31 December 2008 (continued)

16	Provisions	for	liabilities and	charges	

10	Provisions for habilities and charges	Def	erred taxation
			£
	At 1 January 2008		40,388
	Charged to profit and loss account		3,691
	At 31 December 2008		44,079
	The provision for deferred taxation represents:	31 December	31 December
		2008	2007
		£	£
	Accelerated capital allowances	44,079	40,388
		44,079	40,388
	There is no unprovided deferred tax.		
17	Authorised and Issued Share Capital		
		31 December	31 December
		2008	2007
		£	£
	Authorised 10,000 ordinary shares at £1 each	10,000	10,000
	Allotted, called up and fully paid share capital		
	1 ordinary share of £1 (2007 1)	1	1
	All shares have equal voting rights.		
18	Reserves		
		Profit and	Total
		loss account	
		£	£
	At 1 January 2008	969,489	969,488
	Retained profit for the year	715,172	730,555
	Movement in the year		(15,383)
	Dividends	(300,000)	(300,000)
	At 31 December 2008	1,384,661	1,384,661
19	Reconciliation of movements in shareholders' funds		
	•	31 December	31 December
		2008	2007
		£	£
	Opening shareholders' funds	969,489	841,562
	Profit for the financial year	715,172	127,927
	Dividends	(300,000)	- 0.00 100
	Closing shareholders' funds	1,384,661	969,489

Notes to the financial statements

for the year ended 31 December 2008 (continued)

20 Obligations under lease and hire purchase contracts

	31 December	31 December
	2008	2007
Commitments under hire purchase agreements	£	£
Amounts payable within 1 year	8,229	10,428
Amounts payable between 2 to 5 years	7,928	16,157
	16,157	26,585
Less finance charges allocated to future periods	(1,257)	(2,824)
	14,900	23,761

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		C	ther
	31 December	31 December	31 Decembe	r 31 December
	2008	2007	200	8 2007
	£	£	:	£
Expiry date:				
Within one year	-	-	21,702	2,250
Between two and five years	33,000	31,000	12,365	30,250
In over five years			, 	<u>-</u>
	33,000	31,000	34,067	32,500

21 Contingent liabilities

Details of contingent liabilities are set out below:

- (a) A Group VAT registration is operated by the Company and 3 group undertakings in respect of which the company is jointly and severally liable for all amounts due to HM Revenue and Customs under the arrangement.
- (b) In the ordinary course of the Company's business, counter indemnities have been given to bankers in respect of foreign exchange commitments and bank guarantees.

22 Parent Company and ultimate controlling party

The company is a subsidiary company of James Fisher and Sons Public Limited Company which is the ultimate controlling party. James Fisher and Sons Public Limited Company 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, Michaelson Road, Barrow-in-Furness, Cumbria, LA14 1HR.