Financial Statements Furmanite International Limited

For the year ended 31 December 2011



Company No 238721

Company information

Company registration number :	238721
Registered office :	Furman House Shap Road Kendal LA9 6RU
Directors :	P Brown J Milliron R Muff
Secretary :	E S Blackwell
Bankers :	National Westminster Bank Plc 10 Elephant Yard Kendal Cumbria LA9 4LZ
Solicitors :	SHK Solicitors Wood Lea Westoby Lane Barrow upon Humber North Lincolnshire DN19 7DJ
Auditor :	Grant Thornton UK LLP Registered Auditor Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

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Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Principal activity

The company's principal activity continued to be the provision of specialist online engineering services on continuous process plant

Results and dividends

The profit for the year after taxation amounted to £3,547,000 (2010 £1,820,000 (restated)) During the year a dividend of £2,700,000 was paid (2010 £2,021,000)

Business review

Excluding sales to group companies, revenues grew by 21% compared to the previous year The largest increase was seen in the international market which continues to offer the greatest growth opportunities for the coming years A global restructure will also ensure that service line opportunities are maximized

The company uses a number of key financial performance indicators in assessing and driving performance The key financial performance indicators used by the company are

	2011 £000	2010 £000 (restated)
Sales	**38,886**	34,472
Gross Profit	**13,041**	11,412
Operating Profit	**6,760**	5,134
Debtor days	**69.8 days**	61 1 days
Creditor days	**35.7 days**	23 7 days
Stock turn	**47 9 days**	42 0 days

Directors

The directors of the company are listed below All directors served on the Board throughout the year

J Milliron
P Brown
R Muff

Paul Brown resigned as director of the company on 2 July 2012

Financial risk management

Currency risk

The company, on occasions, has revenue receipts in foreign currencies Risk to exchange rate fluctuations is minimised by utilising these funds in payment of outstanding liabilities in the same currency

Interest rate risk

Bank borrowings are negotiated by the ultimate parent company on a group basis and provide for long term interest rate stability

Credit risk

To manage credit risk, management set credit limits based on a combination of payment history and third party credit references Debt ageing is reviewed on a regular basis by management The customer base is comprised primarily of large national and international organisations

Other principal risks and uncertainties

Management monitor other risks and uncertainties within the business, these include competition and product obsolescence

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 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 and 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,
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Employees
Applications for employment by disabled persons are given in full and fair consideration for all vacancies having regard to their particular aptitudes and abilities In the event of employees becoming disabled, every effort is made to retrain them, where necessary, in order that their employment with the company may continue It is the company's policy that training, career development and promotion opportunities should be available to all employees who are personally involved in the business at all levels

Political and charitable donations
The company made no political contributions or charitable donations during the year (2010 £Nil)

Auditors
Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD

E S Blackwell
Secretary

2012

26/09/12

Grant Thornton

Independent auditor's report to the members of Furmanite International Limited

We have audited the financial statements of Furmanite International Limited for the year ended 31 December 2011 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes 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 Statement of Directors responsibilities set out on pages 4-5, 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 (APB'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 APB's website at www frc org uk/apb/scope/private cfm

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 2011 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Grant Thornton

Independent auditor's report to the members of Furmanite International Limited

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

Grant Thornton UK LLP

Kevin Engel
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
27 SEPTEMBER 2012

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention except that they have been modified to include the revaluation of certain fixed assets

The company is exempt from preparing consolidated financial statements on the grounds that it qualifies under the Companies Act 2006 as a wholly owned subsidiary of a company registered in England and Wales for which consolidated financial statements are prepared These financial statements therefore present information about the company as an individual undertaking and not about its group

The principal accounting policies of the company have remained unchanged from the previous year and are set out below The directors have reviewed the accounting policies in accordance with FRS 18, and consider them to the most appropriate to the company's circumstances

Prior period adjustment

Comparative figures have been restated to reflect the correction of a fundamental error

Historically the Furmanite International Limited Pension and Life Assurance Plan (see Note 19) has been recorded in the financial statements of another group company, Furmanite Limited The directors believe that since all members of the scheme are (or were) employed by the company, the relevant accounting entries should have been recorded in the financial statements of the company, rather than Furmanite Limited

As a result, comparative figures for 31 December 2010 have been adjusted as follows

	Profit for the year £000	Net assets £000
As previously stated	2,267	27,124
Effect of recognition of defined benefit pension scheme	(447)	(4,133)
As restated	1,820	22,991

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3 The Report of the directors also include the company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to risks

The company has considerable financial resources together with long standing relationships with a number of customers and suppliers across different geographic areas As a consequence, the directors believe that the company is well placed to manage its business risk successfully despite the current uncertain economic outlook

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts Turnover is recognised by the company when goods are delivered except where goods are supplied on an "ex works" basis when revenue is recognised in line with the terms and conditions specified in the contract

Goodwill

Negative goodwill is written back to the profit and loss account to match the recovery of the identifiable non-monetary assets acquired

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful economic lives The rates generally applicable are

Freehold buildings	20 to 50 years
Leasehold buildings	15 to 50 years
Plant and machinery	3 to 10 years
Motor vehicles	3 to 4 years

On adoption of FRS 15, the company followed the transitional provisions to retain the book value of freehold land and buildings which were re-valued in 1994, but not to adopt a policy of revaluation in the future

Stocks

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items

In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Contributions to pension schemes

Defined contribution scheme

The group operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the group The annual contributions payable are charged to the profit and loss account

Defined benefit scheme

The group operates a defined benefit scheme for certain employees The scheme assets are measured at fair values Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet A net surplus is recognised only to the extent that it is recoverable by the group

The current service cost and costs from settlements and curtailments are charged against operating profit Past service costs are spread over the period until the benefit increases vest Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs Actuarial gains and losses are reported in the statement of total recognised gains and losses

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term

Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Development costs

Development costs on specific projects are capitalised when recoverability can be assessed with reasonable certainty and are amortised over the estimated year that the benefits will accrue All other development costs are written off in the year of expenditure

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with FRS 1 (Revised) on the basis that its parent undertaking has prepared a consolidated cash flow statement

Profit and loss account

	Note	2011 £000	2010 £000 (restated)
Turnover - continuing operations	1	**38,886**	34,472
Cost of sales		**(25,845)**	(23,060)
Gross profit		**13,041**	11,412
Administrative expenses		**(6,281)**	(6,808)
Operating profit - continuing operations		**6,760**	4,604
Interest receivable and similar income	3	**2,293**	2,329
Interest payable and similar charges	4	**(4,551)**	(4,164)
Profit on ordinary activities before taxation	1	**4,502**	2,769
Tax on profit on ordinary activities	5	**(955)**	(949)
Profit for the financial year	15	**3,547**	1,820

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Note of historical cost profits and losses	**2011 £000**	2010 £000 (restated)
Reported profit on ordinary activities before taxation	**4,502**	2,769
Difference between the historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	**14**	14
Historical cost profit on ordinary activities before taxation	**4,516**	2,783
Historical cost profit after taxation	**3,561**	1,834

Statement of recognised gains and losses	**2011 £000**	2010 £000 (restated)
Profit for the financial year	**3,547**	1,820
Actuarial (loss)/gain in respect of defined benefit pension scheme	**(2,409)**	2,190
Tax on actuarial loss/(gain) relating to pensions and other post–retirement benefits	**432**	(613)
Total gain recognised related to the year	**1,570**	3,397
Prior year adjustment	**(447)**	
Total gain recognised since previous financial statements	**1,123**	

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2011 £000	2010 £000 (restated)
Fixed assets			
Intangible assets - negative goodwill	7	**(144)**	(154)
Tangible assets	8	**2,954**	2,905
Investments	9	**235**	235
		3,045	2,986
Current assets			
Stocks	10	**3,449**	2,696
Debtors	11	**31,025**	30,670
Cash at bank and in hand		**498**	336
		34,972	33,702
Creditors amounts falling due within one year	12	**(10,754)**	(10,094)
Net current assets		**24,218**	23,608
Total assets less current liabilities		**27,263**	26,594
Pension liability	19	**(5,402)**	(3,603)
Net assets		**21,861**	22,991
Capital and reserves			
Called up share capital	14	**733**	733
Share premium account	15	**619**	619
Revaluation reserve	15	**422**	436
Other reserve	15	**6,012**	6,012
Profit and loss account	15	**14,075**	15,191
Shareholders' funds	16	**21,861**	22,991

The financial statements were approved and authorised for issue by the Board of Directors on 26 September 2012 and signed on their behalf by

26 September 2012

R Muff Director
Furmanite International Limited
Company no 238721

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to the provision of specialist online engineering services on continuous process plant

The analysis of turnover by geographical market is as follows

	2011 £000	2010 £000
United Kingdom	**26,584**	24,782
Europe	**7,465**	4,917
Rest of World	**4,837**	4,773
	38,886	34,472

The profit on ordinary activities before taxation is stated after

	2011 £000	2010 £000
Depreciation	**546**	560
Amortisation of negative goodwill	**(10)**	(82)
Auditors' remuneration		
– audit services	**36**	30
Hire of plant and machinery	**561**	597
Other operating lease rentals	**1,062**	1,060

2 Directors and employees

Staff costs during the year were as follows	2011 £000	2010 £000
Wages and salaries	**14,613**	13,692
Social security costs	**1,445**	1,279
Pension costs	**1,093**	1,361
	17,151	16,332

The average number of employees during the year was	2011 Number	2010 Number
Sales	**31**	28
Administration	**59**	73
Operatives	**267**	258
	357	359

The total amounts for director's remuneration and other benefits was as follows

	2011	2010
	£000	£000
Emoluments	**207**	208
Contributions to money purchase pension schemes	**14**	7
	221	215

Only one director was employed by the company during the years presented hence the table above also represents amounts payable in respect of the highest paid director

During the year one director (2010 one) participated in defined benefit pension schemes and one director (2010 one) participated in money purchase pension schemes

3 Interest receivable and similar income

	2011	2010
	£000	£000
		(restated)
Other interest receivable	**3**	40
Net finance income in respect of defined benefit pension scheme (note 19)	**2,290**	2,289
	2,293	2,329

4 Interest payable and similar charges

	2011	2010
	£000	£000
		(restated)
Other interests payable	**10**	4
Foreign exchange loss	**37**	-
Net finance cost in respect of defined benefit pension scheme (note 19)	**2,353**	2,330
Royalty and management fee payable to parent undertaking	**2,151**	1,830
	4,551	4,164

5 Tax on profit on ordinary activities

The taxation charge is based on the profit for the year and represents	**2011 £000**	2010 £000 (restated)
Corporation tax at 26 5% (2010 28%)	**1,169**	988
Group relief payable	**6**	-
Overseas tax	**187**	-
Double taxation relief	**(139)**	-
Adjustments in respect of prior periods	**(264)**	(6)
Total current tax	**959**	982
Deferred tax	**(4)**	(33)
	955	949

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2010 higher) than the standard rate of corporation tax in the United Kingdom of 26 5% (2010 28%) The differences are explained as follows

	2011 £000	2010 £000 (restated)
Profit on ordinary activities before taxation	**4,502**	2,769
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 26 5% (2010 28%)	**1,193**	775
Effect of		
Expenses not deductible for tax purposes	**28**	24
Capital allowances for the period in excess of depreciation	**10**	32
Chargeable gains	**-**	9
Difference in overseas tax rate	**48**	-
Pension provision	**(56)**	148
Adjustment to tax charge in respect of prior periods	**(264)**	(6)
	959	982

6 Dividends

Paid during the year

	2011 £000	2010 £000
Dividends on ordinary shares at £3 68 per share (2010 £2 76)	**2,700**	2,021

7 Intangible fixed assets

	Negative Goodwill £000
Cost	
At 1 January 2011 and at 31 December 2011	**498**
Amortisation	
At 1 January 2011	344
Credit for the year	10
At 31 December 2011	**354**
Net book amount	
At 31 December 2011	**144**
Net book amount	
At 31 December 2010	154

Negative goodwill is being amortised to match the recovery of the identifiable non-monetary assets acquired

8 Tangible fixed assets

	Freehold property £000	Short leasehold property £000	Plant & machinery £000	Total £000
Cost or valuation				
At 1 January 2011	2,317	362	6,046	8,725
Additions	17	-	585	602
Disposals	-	-	(204)	(204)
At 31 December 2011	**2,334**	**362**	**6,427**	**9,123**
Depreciation				
At 1 January 2011	861	151	4,808	5,820
Provided in the year	52	7	487	546
Disposals	-	-	(197)	(197)
At 31 December 2011	**913**	**158**	**5,098**	**6,169**
Net book amount				
At 31 December 2011	**1,421**	**204**	**1,329**	**2,954**
At 31 December 2010	1,456	211	1,238	2,905

The company's freehold property was valued on 30 September 1990 by the directors, based on an independent valuation carried out at that date on an open market basis

If the freehold property had not been revalued it would have been included on the historical cost basis at the following amounts

	2011 £000	2010 £000
Cost	**1,795**	1,795
Accumulated depreciation	**(595)**	(560)
Net book amount at 31 December	**1,200**	1,235

9 Investments

	Trade investment £000	Subsidiary undertaking £000	Total £000
Cost and net book amount			
At 1 January 2011 and 31 December 2011	115	120	**235**

The trade investments held by the company are as follows

Investment	Holding	Nature of business	Country of incorporation
Fuji Furmanite Company Limited	10% equity	Specialist engineering services	Japan

At 31 December 2010, the company had an interest in the following subsidiary undertakings

Subsidiary	Holding	Nature of business	Country of incorporation
Furmanite Middle East SPC	100% equity	Specialist engineering services	Bahrain
Furmanite West Africa Limited	100% equity	Specialist engineering services	Nigeria

10 Stocks

	2011 £000	2010 £000
Raw materials and consumables	**1,991**	1,439
Work in progress	**1,397**	1,218
Finished goods and goods for resale	**61**	39
	3,449	2,696

11 Debtors

	2011 £000	2010 £000
Trade debtors	**7,438**	5,773
Amounts owed by other group undertakings	**22,761**	24,107
Deferred taxation	**10**	6
Prepayments and accrued income	**816**	784
	31,025	30,670

12 Creditors : amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	2,527	1,497
Amounts owed to group undertakings	6,021	6,021
Corporation tax creditor	426	506
Other taxation and social security	633	910
Accruals and deferred income	1,147	1,160
	10,754	10,094

13 Deferred taxation

Deferred taxation

The deferred tax asset/(liability) is as follows

	2011 £000	2010 £000
Excess of tax allowances over book depreciation of fixed assets	10	6

	2011 £000	2010 £000
At 1 January 2011	6	(27)
Credited to profit and loss account	4	33
At 31 December 2011	10	6

14 Share capital

	2011 £000	2010 £000
Authorised		
739,088 Ordinary shares of £1 each	739	739
Allotted, called up and fully paid		
732,670 Ordinary shares of £1 each	733	733
Equity shares		
732,670 Ordinary shares of £1 each	733	733

15 Reserves

	Share premium account £000	Revaluation reserve £000	Other reserve £000	Profit and loss account £000
At 1 January 2011 as previously stated	619	436	6,012	19,324
Prior year adjustment (see accounting policy note)	-	-	-	(4,133)
At 1 January 2011 as restated	619	436	6,012	15,191
Profit for the financial year	-	-	-	3,547
Other recognised gains and losses	-	-	-	(1,977)
Dividends paid	-	-	-	(2,700)
Transfer from revaluation reserve to profit and loss account	-	(14)	-	14
At 31 December 2011	**619**	**422**	**6,012**	**14,075**

16 Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000 (restated)
Profit for the financial year	**3,547**	1,820
Dividends paid	**(2,700)**	(2,021)
Actuarial gain/(loss) on defined benefit pension scheme	**(1,977)**	1,577
Net movement for the year	**(1,130)**	1,376
Opening shareholders' funds	**22,991**	21,615
Closing shareholders' funds	**21,861**	22,991

17 Guarantees and other financial commitments

Leasing commitments

Operating lease payments amounting to £627,000 (2010 £806,000) are due within one year The leases to which these amounts relate expire as follows

	2011		2010	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
– within one year	**-**	**181**	24	100
– within two to five years	**75**	**265**	100	571
– over five years	**106**	**-**	11	–
	181	**446**	135	671

18 Capital commitments

The company had capital commitments at 31 December 2011 of £Nil (2010 £Nil)

19 Pensions

The group is party to the Furmanite International Limited Pension and Life Assurance Plan which provides benefits to its UK employees based on final pensionable salary The Plan is a combination of the new defined benefit type for members in the Plan as at 30 June 1994 and defined contribution type for new members joining after 1 July 1994 and those existing members who wished to change to the defined contribution part of the plan The assets of the scheme are held separately from those of the group in a separate trustee administered fund

Defined contribution scheme

The assets of such schemes are administered by trustees in funds independent from the group's assets The pension cost charged to the profit and loss account was £300,000 (2010 £311,000)

FRS 17 Retirement benefits - defined benefit scheme

The present value of the scheme liabilities has been determined using the projected unit method as required by FRS 17 A full actuarial valuation was carried out at 1 November 2008 and updated to 31 December 2011 by a qualified independent actuary Employer contributions paid during the year were £647,000 (2010 £530,000) The scheme is closed to new entrants and so, under the projected unit method the current service cost will increase as the active members of the scheme approach retirement As this rate is applied to a salary roll which will decline as members leave or retire, the service cost amount will decline in the long term The major assumptions used by the actuary were

	31 December 2011	31 December 2010	31 December 2009
Rate of increase in salaries	**3 35%**	4 0%	3 5%
Rate of increase in pensions payment	**2 7%**	3 2%	3 3%
Discount rate	**5 0%**	5 7%	5 7%
Inflation assumption	**2.85%**	3 5%	3 5%
Revaluation of deferred pensions	**1.85%**	2 75%	3 5%

The post-retirement mortality assumptions used to value the benefit obligation as at 31 December 2011 and 31 December 2010 are based on the PCA00 and 92 tables respectively The mortality assumptions adopted as 31 December 2008 imply the following life expectancies at age 65

	31 December 2011	31 December 2010
Male currently aged 45	**21 years**	20 years
Female currently aged 45	**23 years**	23 years
Male currently aged 65	**20 years**	20 years
Female currently aged 65	**22 years**	22 years

The amounts recognised in the consolidated balance sheet are as follows -

	2011 £000	2010 £000
Fair value of scheme assets	**37,754**	36,891
Present value of scheme liabilities	**(44,956)**	(41,896)
	(7,202)	(5,005)
Related deferred taxation	**1,800**	1,402
Net pension deficit	**(5,402)**	(3,603)

Changes in the fair value of the plan assets are as follows

	2011	2010
	£000	£000
Opening fair value of plan assets	**36,891**	34,120
Expected returns on assets	**2,290**	2,289
Actuarial (loss)/gain	**(484)**	1,758
Employer contributions	**647**	530
Employee contributions	**150**	149
Benefits paid	**(1,740)**	(1,955)
Closing fair value of plan assets	**37,754**	36,891

Changes in the present value of the defined benefit obligation

	2011	2010
	£000	£000
Opening defined benefit obligation	**41,896**	41,430
Service cost	**372**	374
Interest cost	**2,353**	2,330
Employee contributions	**150**	149
Actuarial loss/(gain)	**1,925**	(432)
Benefits paid	**(1,740)**	(1,955)
Closing defined benefit obligation	**44,956**	41,896

The amounts recognised in the profit and loss accounts are as follows

	2011	2010
	£000	£000
Current service cost	**372**	374

The company expects to contribute £682,000 to the scheme during the year ending 31 December 2012

Statement of total recognised gains and losses

The cumulative actuarial losses recognised in the statement of total recognised gains and losses at 31 December 2011 was £7,479,000 (2010 £5,782,000)

	2011		2010	
	Rate of return %	**£000**	Rate of return %	£000
Equities	**6.5**	**21,982**	8 0	19,969
Bonds	**3.7**	**15,686**	4 3	16,672
Cash	**2.5**	**86**	4 0	250
Total market value of assets		**37,754**		36,891

Amounts for the current and previous four periods are as follows

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Fair value of plan assets at 31 December	**37,754**	36,891	34,120	30,998	36,665
Present value of defined benefit obligation at 31 December	**(44,956)**	(41,896)	(41,430)	(31,456)	(41,061)
Deficit in the plan	**(7,202)**	(5,005)	(7,310)	(458)	(4,396)
Experience adjustments arising on plan assets	**(484)**	1,758	2,597	(7,276)	(535)
Experience adjustments arising on plan liabilities	**(1,925)**	432	(9,559)	10,909	4,422

20 Related party transactions

The company has taken advantage of the exemption in FRS 8 "Related Party Transactions" and has not disclosed transactions with group undertakings

21 Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of this company is Furmanite Corporation, a company incorporated in the United States of America Furmanite Corporation is the company's ultimate controlling party by virtue of its shareholding

The largest group of undertakings for which group accounts have been drawn up is that headed by Furmanite Corporation Copies of the group accounts may be obtained from Furmanite Corporation, 10370 Richmond Avenue, Suite 600, Houston, Texas, 77042 The smallest such group of undertakings, including the company, is that headed by Furmanite Limited Copies of the consolidated financial statements of that company are available from Companies House