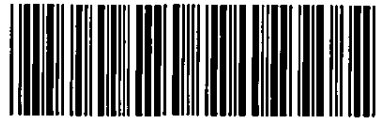


**Old LML Limited**  
**(formerly Leaffield Marine Limited)**

Directors' Report and Financial Statements

*Year ended 31 October 2009*

TUESDAY



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## Company Information

Directors	T J Chapple D L M Dickins
Secretary	T J Chapple
Registered office	Unit 2 Atworth Business Park Bath Road Atworth Wiltshire SN12 8SB
Registered number	02595154

## Report of the Directors

The directors present their report and the financial statements for the year ended 31<sup>st</sup> October 2009

### Principal activities

During the year the principal activity of the company was the design, manufacture and supply of critical safety equipment, such as valves and inflation systems, for use with marine inflatable structures. The business, assets and liabilities of the company were transferred to its parent company Leaffield Marine Limited (formerly LM (2007) Limited) by way of a dividend in specie on 31<sup>st</sup> October 2009. Since that date the company has been dormant.

The company changed its name from Leaffield Marine Limited on 28<sup>th</sup> October 2009.

### Results and dividends

The results for the period are given on page 3. On 31<sup>st</sup> October 2009 a dividend in specie to the value of £842,013 representing the value of the business transferred to Leaffield Marine Ltd was declared.

### Review of the year and future prospects

The Company has achieved satisfactory sales and profitability during the year. Turnover fell 8% to £2,430,000 and profit before tax has decreased from £306,000 to £219,000.

The Company has continued to invest in new product design and development in order that it maintains its industry leading position in the foreseeable future.

### Directors

The present directors of the company, who have served throughout the year are set out on page 1.

Mr D L M Dickins and Mr T J Chapple are directors of Leaffield Marine Limited (formerly LM (2007) Limited), the parent company and their interests in the shares of the parent company are dealt with in that company's accounts.

The above report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Approval

The report of the directors was approved by the Board on 30<sup>th</sup> April 2010 and signed on its behalf by



T J Chapple  
Secretary

# Profit and Loss Account

for the year ended 31 October 2009

	Note	2009 £'000	2008 £'000
<b>Turnover: continuing activities</b>	1, 2	2,430	2,633
Cost of sales		(1,661)	(1,740)
		<hr/>	<hr/>
<b>Gross profit</b>		769	893
Administrative expenses	3	(550)	(584)
		<hr/>	<hr/>
<b>Operating Profit</b>		219	309
Interest Payable		(1)	(4)
Interest receivable		1	1
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		219	306
Taxation	4	(51)	(98)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	14	168	208
		<hr/>	<hr/>

The company has no recognised gains and losses other than the result for the current period

# Balance Sheet

at 31 October 2009

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible assets	5	-	179
<b>Current assets</b>			
Stocks	6	-	363
Debtors	7	-	415
Cash at bank and in hand		-	108
		-	886
<b>Creditors: Amounts falling due within one year</b>	8	-	(368)
<b>Net current assets</b>		-	518
<b>Creditors: Amounts falling due after one year</b>	9	-	(3)
<b>Provision for liabilities and charges</b>	10	-	(20)
<b>Net assets</b>		-	674
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	-	674
<b>Equity shareholders' funds</b>		-	674

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

For the financial year ended 31 October 2008 the company was entitled to exemption from audit under ss 475 and 477 Companies Act 2006, and no notice has been deposited under s 476

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s 386 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements were approved by the Board on 30<sup>th</sup> April 2010 and signed on its behalf by

D L M Dickens  
Director



## Notes to the Financial Statements For the year ended 31 October 2009

### 1. ACCOUNTING POLICIES

The financial statements have been prepared under historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The particular accounting policies adopted are described below.

#### Revenue Recognition

Turnover comprises the net value of deliveries made, work completed or services rendered during the year. Turnover is recognised when title passes, or when the right to consideration, in exchange for performance, has been completed.

#### Intangible Fixed Assets

Research, development, patent and licence costs are charged to the profit and loss account.

#### Tangible Fixed Assets

Tangible fixed assets are stated at cost, less depreciation and provision for impairment. Depreciation is provided at rates calculated to write down their cost or valuation to their estimated residual values by equal annual instalments over the estimated useful economic lives, which are considered to be:

Tooling, plant and equipment	4 to 10 years
Leasehold Improvements	5 years or the remaining term of the lease

#### Stocks

Stocks consist of raw materials, work in progress and finished goods. Valuation is at the lower of cost and net realisable value. The cost of raw materials is their purchase price. Work in progress and finished goods comprise the cost of materials, labour and overheads applicable to the stage of production. Provision is made for obsolete, slow moving or defective items where appropriate.

#### Current Taxation

Current tax, including UK corporation tax and foreign tax, is provided for 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

Deferred tax is provided in full on timing differences which 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 laws. 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 discounted.

#### Foreign Currency

Transactions denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Translation differences are dealt with in the profit and loss account.

#### Pensions

The company contributes to a defined contribution scheme. All contributions are written off in the year incurred.

## Notes to the Financial Statements

### For the year ended 31 October 2009

#### Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account as interest, and the capital element, which reduces the other outstanding obligations for future instalments.

Rental charges on operating leases are taken to the profit and loss account on a straight line basis over the life of the lease.

## 2. TURNOVER

70% of the company's turnover is attributable to geographical markets outside the United Kingdom (2008 56%).

## 3 DIRECTORS' REMUNERATION

Remuneration of the company's directors

	2009 £'000	2008 £'000
Aggregate emoluments	104	102

Pension contributions are made on behalf of 2 directors (2008 2)

## 4 TAXATION

### Taxation charge for the year

The taxation charge for the year is analysed below

	2009 £'000	2008 £'000
<b>Current taxation</b>		
United Kingdom Corporation tax – current year	50	73
– previous year	-	5
<b>Deferred taxation</b>		
Origination of timing differences	1	18
Prior year adjustment	-	2
<b>Tax on profit on ordinary activities</b>	<b>51</b>	<b>98</b>



# Notes to the Financial Statements

## For the year ended 31 October 2009

### 5. TANGIBLE ASSETS

	Leasehold Improvements £'000	Tooling £'000	Plant, Machinery & Equipment £'000	Total £'000
<b>Cost</b>				
At 31 October 2008	47	214	124	385
Additions		22	16	38
Disposals	-	-	(3)	(3)
Transferred – Dividend in Specie	(47)	(236)	(137)	(420)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2009	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 31 October 2008	7	149	50	206
Charged in year	10	15	25	50
Eliminated on disposal	-	-	(3)	(3)
Transferred – Dividend in Specie	(17)	(164)	(72)	(253)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2009	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 October 2009	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2008	40	65	74	179
	<hr/>	<hr/>	<hr/>	<hr/>

### 6. STOCKS

	2009 £'000	2008 £'000
Raw Materials and finished goods	-	352
Work in progress	-	11
	<hr/>	<hr/>
	-	363
	<hr/>	<hr/>

**Notes to the Financial Statements  
For the year ended 31 October 2009**

**7. DEBTORS**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Trade debtors	-	304
Other debtors	-	8
Prepayments	-	8
Other taxes	-	32
Amounts owing from parent company	-	63
	<hr/>	<hr/>
	-	415
	<hr/>	<hr/>

All amounts are due within one year

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Obligations under finance leases	-	3
Trade creditors	-	214
Corporation tax	-	73
Other taxation and social security	-	19
Accruals and other deferred income	-	59
	<hr/>	<hr/>
	-	368
	<hr/>	<hr/>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Obligations under finance leases	-	3
	<hr/>	<hr/>

**10. PROVISION FOR LIABILITIES AND CHARGES**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Deferred taxation		
Arising from timing differences (capital allowances)	-	20
	<hr/>	<hr/>
	-	20
	<hr/>	<hr/>

# Notes to the Financial Statements

## For the year ended 31 October 2009

### 11. COMMITMENTS

#### Pension Commitment

The company contributes to the Leaffield Marine Ltd Employee Pension Scheme, a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £32,549 (2008 £55,541).

#### Lease Commitment

The company is party to a lease for its premises at Atworth. The lease expires in November 2012. Annual rent is payable at the rate of £17,500.

### 12. CONTINGENT LIABILITIES

The company has given a full guarantee and debenture to Bank of Scotland to secure the borrowing facility of the Company and that of its parent company, Leaffield Marine Limited. The security is over the assets of the Company. As at 31 October 2009, Leaffield Marine Limited had bank loans outstanding of £70,410 (2008 £104,204).

### 13. SHARE CAPITAL

	2009 £	2008 £
<b>Authorised</b>		
100 ordinary shares of £1	100	100
<b>Allotted &amp; fully paid</b>		
2 ordinary shares of £1	2	2

### 14. PROFIT & LOSS ACCOUNT

	2009 £'000
At 31 October 2008	674
Profit for the period	168
Dividends paid	-
Transfer of business by way of dividend in specie	(842)
At 31 October 2009	-

## Notes to the Financial Statements

### For the year ended 31 October 2009

#### 15. HIVE UP OF BUSINESS TO HOLDING COMPANY BY WAY OF DIVIDEND IN SPECIE

On 31<sup>st</sup> October 2009 the business, assets and liabilities of the company were transferred by way of a dividend in specie to Leaffield Marine Limited. The assets and liabilities transferred at carrying and fair value, were as follows

	£
Tangible fixed assets (net book value)	167,558
Trade debtors	353,539
Other debtors (including inter-company account)	156,423
Stocks and WIP	351,498
Cash at bank	147,696
Trade creditors	(197,464)
Other creditors	(137,237)
	<hr/>
<b>Net Assets transferred to parent company by way of dividend in specie</b>	<b>842,013</b>
	<hr/>

#### 16. RELATED PARTY TRANSACTIONS

The company incurred management charges of £3,707 (2008 £19,841) from Leaffield Marine Limited, its parent company during the year. There were no amounts outstanding at the year end.

#### 17. ULTIMATE PARENT COMPANY

In the opinion of the directors, the company's ultimate parent company is Leaffield Marine Limited, a company incorporated in England and Wales. The controlling parties are David Dickins and Tim Chapple.