

REGISTERED NUMBER: 3797386 (England and Wales)

ABBREVIATED UNAUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2006
FOR
LOROM EUROPE LIMITED

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06/07/2007
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LOROM EUROPE LIMITED

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LOROM EUROPE LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2006

DIRECTORS:	Yun Tung Yuan Hsin Cheng Ho Terence Waite Yung Tai Yuan
SECRETARY:	Chih Yung Lee
REGISTERED OFFICE:	Unit 12, Barnack Business Park Blakey Road Salisbury Wiltshire SP1 2LP
REGISTERED NUMBER:	3797386 (England and Wales)
ACCOUNTANTS:	Broadway & Co Nadder House Lower Road Bemerton Salisbury Wiltshire SP2 9NB
BANKERS:	HSBC Bank plc 19 Minster Street Salisbury Wiltshire SP1 1TE

LOROM EUROPE LIMITED

ABBREVIATED BALANCE SHEET
31 December 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	2	38,296	50,973
CURRENT ASSETS			
Stocks		13,456	93,134
Debtors		146,067	341,718
Cash at bank and in hand		56,105	7,339
		<u>215,628</u>	<u>442,191</u>
CREDITORS			
Amounts falling due within one year		<u>205,268</u>	<u>263,884</u>
NET CURRENT ASSETS		<u>10,360</u>	<u>178,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,656</u>	<u>229,280</u>
CREDITORS			
Amounts falling due after more than one year		<u>1,075,023</u>	<u>1,257,066</u>
NET LIABILITIES		<u>(1,026,367)</u>	<u>(1,027,786)</u>
CAPITAL AND RESERVES			
Called up share capital	3	102,000	102,000
Profit and loss account		<u>(1,128,367)</u>	<u>(1,129,786)</u>
SHAREHOLDERS' FUNDS		<u>(1,026,367)</u>	<u>(1,027,786)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2006.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2006 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for-

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

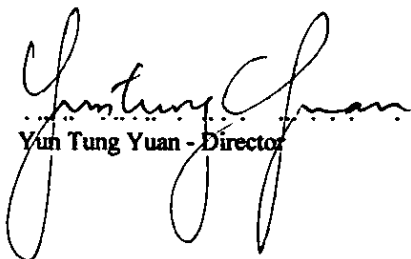
The notes form part of these abbreviated accounts

LOROM EUROPE LIMITED

ABBREVIATED BALANCE SHEET - continued
31 December 2006

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on .. 23 June 2007 .. and were signed on its behalf by:


Yun Tung Yuan - Director

The notes form part of these abbreviated accounts

LOROM EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the Year Ended 31 December 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover represents sales and services during the year, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the month preceding the date of the transaction. On settlement any differences arising are treated as exchange differences. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account

LOROM EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued for the Year Ended 31 December 2006

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2006	138,325
Additions	160
At 31 December 2006	138,485
DEPRECIATION	
At 1 January 2006	87,352
Charge for year	12,837
At 31 December 2006	100,189
NET BOOK VALUE	
At 31 December 2006	38,296
At 31 December 2005	50,973

3 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2006 £	2005 £
150,000	Ordinary		150,000	150,000
Allotted, issued and fully paid Number	Class	Nominal value £1	2006 £	2005 £
102,000	Ordinary		102,000	102,000

4 RELATED PARTY DISCLOSURES

Mr Yun Tung Yuan (a director of Lorom Europe Limited) is also a director of Lorom Industrial Co, Ltd, Hong Kong Lorom International Limited and Lorom Overseas Corporation. The balances due to those companies at the year end were as follows -

	2006	2005
Lorom Industries Co, Ltd	£631,818	£355,496
Hong Kong Lorom International Limited	£255,750	£689,429
Lorom Overseas Corporation	£315,565	£315,565

Purchases of stock were made from Lorom Industrial Co; Ltd amounting to £1,443,748 and sales to Lorom Industrial Co; Ltd amounting to £291,518

All outstanding balances on the purchase and sales ledgers are included in the above balances due at the year end.

5 POST BALANCE SHEET EVENTS

Since the year end there have been favourable foreign currency movements which to date amount to £1,594

LOROM EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
for the Year Ended 31 December 2006

6. GOING CONCERN

The financial statements have been prepared on a going concern basis. The company is dependent on its ultimate controlling party, Mr Yun Tung Yuan, through his interests in related parties, Lorom Industries Co; Ltd, Hong Kong Lorom International Limited and Lorom Overseas Corporation, who have confirmed their continuing support for the foreseeable future.