

LSN Diffusion Limited
Report of the Directors and
Abbreviated Unaudited Accounts
for the Period
31 August 2012 to 31 December 2013

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LSN Diffusion Limited

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for the Period 31 August 2012 to 31 December 2013

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LSN Diffusion Limited

**Company Information
for the Period 31 August 2012 to 31 December 2013**

DIRECTORS:

N J Allnatt
L J Griffiths
S Moran
V Jones
P Garg
N K Garg
P J Allnatt
S W Harrison

REGISTERED OFFICE:

Unit A & B Cilyrychen Industrial Estate
Llandybie
Ammanford
SA18 3GY

REGISTERED NUMBER:

08198122 (England and Wales)

ACCOUNTANTS:

Anser Solutions!
Chartered Accountants
Suite 3 Warren House
10-20 Main Road
Hockley
Essex
SS5 4QS

LSN Diffusion Limited

**Report of the Directors
for the Period 31 August 2012 to 31 December 2013**

The directors present their report with the abbreviated unaudited accounts of the company for the period 31 August 2012 to 31 December 2013.

COMMENCEMENT OF TRADING

The company was incorporated on 31st August 2012 and commenced trading on 1st October 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the manufacture of metallurgical products and alloy powders.

REVIEW OF BUSINESS

The business has performed according to the business plan with costs in line with budget over the 17 months to 31 December 2013 the start-up period of the company since incorporation. During this period the company has established:

- A "state of the art" production facility for the manufacture of metal powders;
- Operating efficiency already "best in class" and continuing to improve;
- A very experienced workforce bringing more than 400 years industry experience in this sector;
- ISO 9001 and ISO 14001 and many customer accreditations;
- A sales network with global reach.

Since the year end the company has moved into monthly profits and is ahead of its 2014 forecast. This trend is being maintained.

The Company is operating with ample financial headroom to fund the current and forecasted business.

DIRECTORS

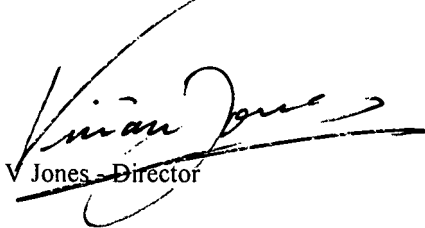
The directors who have held office during the period from 31 August 2012 to the date of this report are as follows:

N J Allnatt - appointed 31 August 2012
L J Griffiths - appointed 19 March 2013
S Moran - appointed 6 September 2012
V Jones - appointed 19 March 2013
P Garg - appointed 19 March 2013
N K Garg - appointed 19 March 2013
P J Allnatt - appointed 19 March 2013
S W Harrison - appointed 19 March 2013

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

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

ON BEHALF OF THE BOARD:



V Jones - Director

27 May 2014

**Abbreviated Balance Sheet
31 December 2013**

	Notes	£	£
FIXED ASSETS			
Tangible assets	2		1,922,820
CURRENT ASSETS			
Stocks		938,873	
Debtors	3	2,070,485	
Cash at bank and in hand		<u>177,500</u>	
		3,186,858	
CREDITORS			
Amounts falling due within one year	4	<u>2,836,854</u>	
NET CURRENT ASSETS			<u>350,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,272,824
CREDITORS			
Amounts falling due after more than one year	4		<u>314,647</u>
NET ASSETS			<u><u>1,958,177</u></u>
CAPITAL AND RESERVES			
Called up share capital	5	2,750,001	
Profit and loss account		<u>(791,824)</u>	
SHAREHOLDERS' FUNDS			<u><u>1,958,177</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2013.

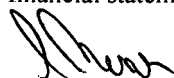
The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2013 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 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 Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 27 May 2014 and were signed on its behalf by:



S Moran - Director

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Period 31 August 2012 to 31 December 2013**

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 April 2008).

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

Tangible fixed assets

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

Improvements to property	- Over the period of the lease
Plant and machinery	- 5% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on reducing balance
Computer equipment	- 20% on reducing balance

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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 date of transaction. 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.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

LSN Diffusion Limited

**Notes to the Abbreviated Accounts - continued
for the Period 31 August 2012 to 31 December 2013**

2. TANGIBLE FIXED ASSETS

	Total £
COST	
Additions	<u>2,001,062</u>
At 31 December 2013	<u>2,001,062</u>
DEPRECIATION	
Charge for period	<u>78,242</u>
At 31 December 2013	<u>78,242</u>
NET BOOK VALUE	
At 31 December 2013	<u><u>1,922,820</u></u>

3. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The aggregate total of debtors falling due after more than one year is £152,151.

4. CREDITORS

Creditors include an amount of £1,619,883 for which security has been given.

5. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1	Ordinary £1	£1.00	1
1,000	A	£1000	1,000,000
1,000	B	£1000	1,000,000
750	C	£1000	<u>750,000</u>
			<u><u>2,750,001</u></u>

The following shares were issued during the period for cash at par:

1 Ordinary £1 share of £1.00
1,000 A shares of £1000
1,000 B shares of £1000
750 C shares of £1000