

LF ENTERPRISES LIMITED

Report and Financial Statements

31 August 1997

Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG





REPORT AND FINANCIAL STATEMENTS 1997

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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G F L Proctor (resigned 7 July 1997)
P J Shackleton (resigned 31 May 1997)
B D Coxon
M J Isaac

SECRETARY

M J Isaac

REGISTERED OFFICE

79 New Cavendish Street
London
W1M 8AQ

BANKERS

Lloyds Bank plc
43 Irongate
Derby
DE1 3FT

SOLICITORS

Forsyte Saunders Kerman
79 New Cavendish Street
London
W1M 8AQ

AUDITORS

Deloitte & Touche
Chartered Accountants
1 Woodborough Road
Nottingham
NG1 3FG



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 August 1997.

ACTIVITIES

The company's principal activity is to actively involve the community of Derby in the use of facilities at Landau Forte College.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors propose that any available surplus is transferred to Landau Forte College, the parent company, by Deed of Covenant. The retained profit for the year, after the transfer by Deed of Covenant, was £29.

DIRECTORS AND THEIR INTERESTS

G F L Proctor (resigned 7 July 1997)

P J Shackleton (resigned 31 May 1997)

B D Coxon

M J Isaac

No director has an interest in the share capital of the company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution for the reappointment of Deloitte & Touche will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Michael Isaac

Company Secretary

2 December 1997



Chartered Accountants

Deloitte & Touche
1 Woodborough Road
Nottingham NG1 3FG

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DX 10064

AUDITORS' REPORT TO THE MEMBERS OF

LF ENTERPRISES LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants
and Registered Auditors

18th December 1997




PROFIT AND LOSS ACCOUNT
Year ended 31 August 1997

	Note	1997 £	1996 £
TURNOVER	2	111,734	77,305
Cost of sales		24,434	27,123
Gross profit		87,300	50,182
Administrative expenses	5	87,262	49,966
OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	3 6	38 (9)	216 (50)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		29	166
Retained profit brought forward		231	65
Retained profit carried forward		260	231

All transactions in the year relate to continuing activities.

There are no recognised gains or losses other than the profit for the year or prior year.

There are no movements on shareholders' funds other than the profit for the year or prior year.


BALANCE SHEET
31 August 1997

	Note	1997 £	1996 £
CURRENT ASSETS			
Stocks	7	992	992
Debtors	8	21,935	14,993
Cash at bank and in hand		15,987	9,977
		<u>38,914</u>	<u>25,962</u>
CREDITORS: amounts falling due within one year	9	38,652	25,729
		<u>262</u>	<u>233</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		260	231
		<u>262</u>	<u>233</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>262</u>	<u>233</u>

These financial statements were approved by the Board of Directors on 2 December 1997.

Signed on behalf of the Board of Directors

M. ISAAC

B. D. COXON

Directors

NOTES TO THE ACCOUNTS
Year ended 31 August 1997

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

3. OPERATING PROFIT

	1997 £	1996 £
Operating profit/(loss) is after charging:		
Auditors' remuneration	881	775

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors

The directors received no remuneration during either the current or previous year.

	1997 £	1996 £
Employees		
Wages and salaries	23,241	-
Social security costs	1,162	-
	24,403	-
The average number of persons employed	5	-

5. ADMINISTRATIVE EXPENSES

Administrative expenses include a Deed of Covenant which is in place between LF Enterprises Limited and Landau Forte College to transfer any available surplus to the college from the company.

The amount payable in the year was £43,400 (1996 - £33,000).

NOTES TO THE ACCOUNTS
Year ended 31 August 1997

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
United Kingdom corporation tax at 24% (1996 - 25%) based on the profit for the period	9	50
	<u>9</u>	<u>50</u>

7. STOCKS

Finished goods and goods for resale	992	992
	<u>992</u>	<u>992</u>

8. DEBTORS

Trade debtors	8,035	4,201
Other debtors	13,900	10,792
	<u>21,935</u>	<u>14,993</u>

Included in other debtors is £2 called up share capital not paid.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Trade creditors	1,973	4,697
Amounts owed to parent company	20,992	11,309
Corporation tax	9	50
Accruals and deferred income	5,696	1,753
Income tax payable	9,982	7,920
	<u>38,652</u>	<u>25,729</u>

10. CALLED UP SHARE CAPITAL

Authorised and allotted 2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

The share capital is not paid.

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Landau Forte College, a company limited by guarantee and registered in England.

**NOTES TO THE ACCOUNTS****Year ended 31 August 1997****12. RELATED PARTY TRANSACTIONS**

LF Enterprises Limited is a 100% fully owned subsidiary of Landau Forte College, therefore as consolidated financial statements are produced, disclosure of the related party transactions is not required under FRS8 - Related Party Transactions.