

738100

LIVE STEAM MODELS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 1997

GREGORY PRIESTLEY AND STEWART

CHARTERED ACCOUNTANTS

'LYNDHURST'

1 CRANMER STREET

LONG EATON

NOTTINGHAM NG10 1NJ



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COMPANIES HOUSE 24/11/97
COMPANIES HOUSE 10/11/97

LIVE STEAM MODELS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1997

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For information of the Directors only:

Accountants' report

Detailed trading and profit and loss account

Schedule of overhead expenses

Company registration number : 765708 (England and Wales)

LIVE STEAM MODELS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED

30TH JUNE 1997

DIRECTORS:

D. E. Jeffrey
A. D. Jeffrey
R. E. Jeffrey

SECRETARY:

D. E. Jeffrey

REGISTERED OFFICE:

7 Old Hall Mills
Little Eaton
Derbyshire
DE21 5DN

PRINCIPAL ACTIVITIES

The principal activities of the company were that of supplying drawings, costings and accessories for Steam Models and the provision of machining and assembly services.

DIRECTORS

The present Directors are as shown above.

The company's Articles of Association do not require Directors to retire by rotation.

DIRECTORS' INTERESTS

The interests of the Directors in the shares of the company, both at the beginning and end of the year were as follows:

Beneficial holding:

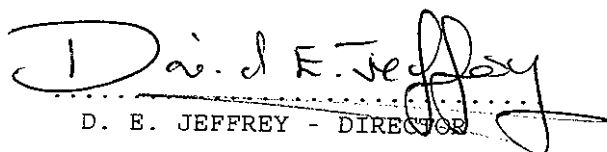
D. E. Jeffrey	275
A. D. Jeffrey	450
R. E. Jeffrey	275

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD


D. E. JEFFREY - DIRECTOR

8th September 1997

LIVE STEAM MODELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

30TH JUNE 1997

	<u>NOTE</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
TURNOVER	2	111542	117132
Cost of sales		64994	65590
GROSS PROFIT		<u>46548</u>	<u>51542</u>
Net operating expenses		49069	56418
OPERATING (LOSS)	3	<u>(2521)</u>	<u>(4876)</u>
Interest payable and similar charges		2122	1594
(Loss) on ordinary activities after interest		<u>(4643)</u>	<u>(6470)</u>
Development expenditure		4096	3077
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(8739)</u>	<u>(9547)</u>
Tax on profit on ordinary activities		-	-
(LOSS) FOR THE FINANCIAL YEAR		<u>(8739)</u>	<u>(9547)</u>
RETAINED LOSSES BROUGHT FORWARD		(9547)	-
RETAINED LOSSES CARRIED FORWARD		<u>(18286)</u> =====	<u>(9547)</u> =====

The only recognised (loss) for the year is the (loss) for the year of £8739 (1996 £ 9547).

There were no acquisitions and no discontinued operations during the year.

The annexed notes form part of these financial statements.

LIVE STEAM MODELS LIMITED
BALANCE SHEET - 30TH JUNE 1997

	NOTE	1997	1996
		£	£
FIXED ASSETS			
Intangible assets	4	65231	65231
Tangible assets	5	37680	45780
		<u>102911</u>	<u>111011</u>
CURRENT ASSETS			
Stocks	6	18400	20398
Debtors	7	10334	6026
		<u>28734</u>	<u>26424</u>
CREDITORS			
Amounts falling due within one year	8	148931	145982
		<u> </u>	<u> </u>
NET CURRENT (LIABILITIES)		(120197)	(119558)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(17286)</u>	<u>(8547)</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	10	1000	1000
Profit and loss account		(18286)	(9547)
SHAREHOLDERS' FUNDS	11	<u>(17286)</u>	<u>(8547)</u>
		=====	=====

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B.

The directors acknowledge their responsibilities for:

- i) ensuring that the company keeps accounting records which comply with section 221; and
- ii) 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 section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

 David E. Jeffery DIRECTOR

These financial statements were approved by the Board on 8th September 1997.

The annexed notes form part of these financial statements.

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997

1. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and have been prepared on a going concern basis. This basis may not be appropriate because at 30th June 1997 the company had net liabilities of £17286 and incurred a loss for the year of £8739.

The company is dependent on the continued financial support of its directors to enable it to continue trading. The directors have pledged not to withdraw funds due to them until the company is in a position to repay them without there being a detrimental effect on the company.

Should this support be withdrawn the company may be unable to continue trading and adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

The effect of events relating to the year ended 30th June 1997 before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30th June 1997 and of the results for the year ended on that date.

b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant and machinery	15% per annum of cost
Fixtures and fittings	15% per annum of cost
Motor vehicles	25% per annum of cost

c) Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value.

d) Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997 (CONTINUED)

e) Research and development

Expenditure on development is written off against profits in the year in which it is incurred.

f) Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

g) Goodwill

Contrary to Statement of Standard Accounting Practice Number 22, no amortisation of goodwill is included in the accounts.

h) Pension costs

The company operates pension schemes for the benefit of certain of its employees. The funds of the schemes are administered by Trustees and are separate from the company. Independent actuaries complete valuations at least every three years and, in accordance with their recommendations annual contributions are paid to the schemes so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The cost of these and any variations from regular cost arising from actuarial valuations are charged or credited to profits on a systematic basis over the remaining service life of the employees.

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year. 10.82% of the company's turnover related to exports (1996 13.71%).

3. OPERATING (LOSS)

The operating results are analysed as follows:-

	<u>1997</u>		<u>1996</u>	
	£	£	£	£
Turnover		111542		117132
		=====		=====
Cost of sales		64994		65590
		=====		=====
Net operating expenses:-				
Distribution costs	16241		17216	
Administrative expenses	13152		18397	
Other operating charges	19676		20805	
		49069		56418
		-----		-----
Operating loss		(2521)		(4876)
		=====		=====
This is stated after charging:-				
Directors' emoluments		400		7750
Depreciation of owned assets		8628		8550
		=====		=====

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997 (CONTINUED)

4. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u> £
Cost:	
At 30th June 1996	65231 =====
Amortisation:	
Charge for the year	- =====
Net book value:	
At 30th June 1997	65231 =====

5. TANGIBLE FIXED ASSETS

	<u>Motor vehicle</u> £	<u>Fixtures and fittings</u> £	<u>Plant and equipment</u> £	<u>Total</u> £
Cost:				
At 30th June 1996	4000	13367	36963	54330
Additions	-	103	425	528
At 30th June 1997	4000	13470	37388	54858
Depreciation:				
At 30th June 1996	1000	2005	5545	8550
Charge for the year	1000	2020	5608	8628
At 30th June 1997	2000	4025	11153	17178
Net book value:				
At 30th June 1997	2000 =====	9445 =====	26235 =====	37680 =====
At 30th June 1996	3000 =====	11362 =====	31418 =====	45780 =====

6. STOCKS AND WORK IN PROGRESS

	<u>1997</u> £	<u>1996</u> £
Stocks	17400	17398
Work in progress	1000	3000
	18400 =====	20398 =====

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997 (CONTINUED)

7. DEBTORS ALL RECEIVABLE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	7207	569
Other debtors	3127	5457
	<u>10334</u>	<u>6026</u>
	=====	=====

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	12230	7606
Trade creditors	21786	24098
Directors' loan accounts	87167	92457
Other creditors	24688	19696
Corporation tax	-	-
Other tax and social security	3060	2125
	<u>148931</u>	<u>145982</u>
	=====	=====

The bank overdraft is secured.

9. PROVISIONS FOR LIABILITIES AND CHARGES

The potential liability for deferred taxation is as follows:

	<u>1997</u>		<u>1996</u>
	<u>Provided</u>	<u>Potential</u>	<u>Provided</u>
	<u>£</u>	<u>£</u>	<u>£</u>
The accumulated excess of capital allowances over corresponding depreciation	-	4164	-
			4590
Accrued interest payable less receivable	-	(120)	-
			(120)
	<u>-</u>	<u>4044</u>	<u>-</u>
			4470
<u>Less</u> Unrelieved losses available to carry forward against future trading profits	-	(3448)	-
			(2251)
	<u>-</u>	<u>596</u>	<u>-</u>
	=====	=====	=====