

Company Registration No. 765708 (England and Wales)

LIVE STEAM MODELS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1999



LIVE STEAM MODELS LIMITED

COMPANY INFORMATION

Directors

D E Jeffery
A D Jeffery
R E Jeffery

Secretary

D E Jeffery

Company number

765708

Registered office

7 Old Hall Mills
Little Eaton
Derby
Great Britain
DE21 5DN

Accountants

Gregory Priestley and Stewart
Lyndhurst
1 Cranmer Street
Long Eaton
Nottingham
NG10 1NJ

LIVE STEAM MODELS LIMITED

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LIVE STEAM MODELS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1999

The directors present their report and financial statements for the year ended 30 June 1999.

Principal activities

The principal activity of the company continued to be that of supplying drawings, costings and accessories for Steam Models and the provision of machining and assembly services.

Directors

The following directors have held office since 1 July 1998:

D E Jeffery
A D Jeffery
R E Jeffery

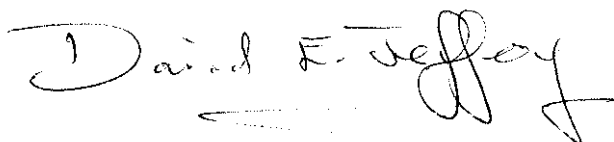
Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	30 June 1999	1 July 1998
D E Jeffery	275	275
A D Jeffery	450	450
R E Jeffery	275	275

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

By order of the board



26 July 1999

LIVE STEAM MODELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1999

	Notes	1999 £	1998 £
Turnover	2	134,473	97,485
Cost of sales		(84,980)	(54,314)
Gross profit		49,493	43,171
Distribution costs		(19,521)	(18,650)
Administrative expenses		(32,196)	(32,933)
Operating loss	3	(2,224)	(8,412)
Interest payable and similar charges		(6,636)	(6,045)
Loss on ordinary activities before taxation		(8,860)	(14,457)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation	11	(8,860)	(14,457)

LIVE STEAM MODELS LIMITED

BALANCE SHEET AS AT 30 JUNE 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Intangible assets	5		65,231		65,231
Tangible assets	6		22,007		30,390
			<u>87,238</u>		<u>95,621</u>
Current assets					
Stocks		64,536		74,287	
Debtors	7	5,544		4,210	
		<u>70,080</u>		<u>78,497</u>	
Creditors: amounts falling due within one year	8	(197,921)		(205,861)	
Net current liabilities			<u>(127,841)</u>		<u>(127,364)</u>
Total assets less current liabilities			<u>(40,603)</u>		<u>(31,743)</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		(41,603)		(32,743)
Shareholders' funds			<u>(40,603)</u>		<u>(31,743)</u>

LIVE STEAM MODELS LIMITED

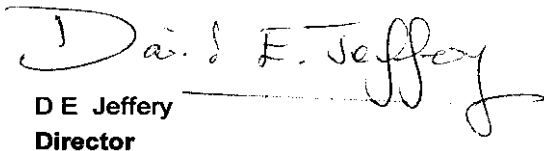
BALANCE SHEET AS AT 30 JUNE 1999

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 26 July 1999


D E Jeffery
Director

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because at 30 June 1999 the company had net liabilities of £40603 (1998 - £31743) and incurred a loss of £8860 (1998 - £14457). 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.

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

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

2 Turnover

In the year to 30 June 1999 25.09% (1998 - 25.32%) of the company's turnover was to markets outside the United Kingdom.

3 Operating loss	1999	1998
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	8,883	8,750
Directors' emoluments	711	765
	<u> </u>	<u> </u>

4 Taxation

The company has estimated losses of £32,004 (1998 - £27,822) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1999

5 Intangible fixed assets

Goodwill
£

Cost

At 1 July 1998 & at 30 June 1999

65,231

6 Tangible fixed assets

£

Cost

At 1 July 1998

56,318

Additions

500

At 30 June 1999

56,818

Depreciation

At 1 July 1998

25,928

Charge for the year

8,883

At 30 June 1999

34,811

Net book value

At 30 June 1999

22,007

At 30 June 1998

30,390

7 Debtors

1999

1998

£

£

Trade debtors

456

792

Other debtors

5,088

3,418

5,544

4,210

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1999

8	Creditors: amounts falling due within one year	1999 £	1998 £
	Bank loans and overdrafts	13,254	13,279
	Trade creditors	27,236	32,335
	Taxation and social security	577	478
	Other creditors	156,854	159,769
		<u>197,921</u>	<u>205,861</u>

The bank overdraft is secured.

9 Provisions for liabilities and charges

Deferred tax is provided at 20% (1998 - 21%) analysed over the following timing differences:

	1999 £	Not provided 1998 £	1999 £	Provided 1998 £
Accelerated capital allowances	4,678	3,018	-	-
Other timing differences	(120)	(120)	-	-
	<u>4,558</u>	<u>2,898</u>	<u>-</u>	<u>-</u>

Deferred taxation has not been provided for because there are tax adjusted losses that will exceed any liability relating to the differing treatments of assets for accounts purposes and for tax purposes.

10	Share capital	1999 £	1998 £
	Authorised		
	2,000 Ordinary of £ 1 each	<u>2,000</u>	<u>2,000</u>
	Allotted, called up and fully paid		
	1,000 Ordinary of £ 1 each	<u>1,000</u>	<u>1,000</u>

LIVE STEAM MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1999

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 1998	(32,743)
Retained loss for the year	(8,860)
Balance at 30 June 1999	(41,603)

12 Control

The company was controlled throughout the current and previous period by its directors, Mr and Mrs D E Jeffery and Mr A D Jeffery by virtue of the fact that between them they own the entire issued ordinary share capital of the company.

13 Related party transactions

The company occupies freehold property owned by Live Steam Models Limited Special Retirement Benefits Scheme. The directors of the company are also trustees of this scheme. Rent is charged at a commercial rate. The charge for the year was £6500 (1998 - £6500).

At 30th June 1999 the company owed the scheme the following amounts -

Loan	38845
Loan interest	8745
Rent	34598
	82188
	=====