

Registration Number 765708

LIVE STEAM MODELS LIMITED

Directors' Report and Financial Statements

for the year ended 30 June 2000



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 DE21 5DN

LIVE STEAM MODELS LIMITED

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LIVE STEAM MODELS LIMITED

Directors' Report for the year ended 30 June 2000

The directors present their report and the financial statements for the year ended 30 June 2000.

Principal Activity

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 and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2000	1999
D E Jeffery	275	275
A D Jeffery	450	450
R E Jeffery	275	275

Directors' Responsibilities

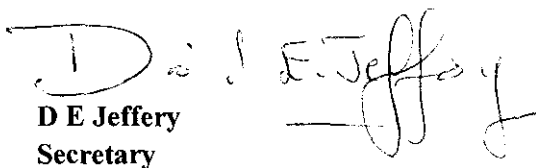
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

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

This report was approved by the Board on 22 August 2000 and signed on its behalf by


D E Jeffery
Secretary

LIVE STEAM MODELS LIMITED

Profit and Loss Account for the year ended 30 June 2000

		2000	1999
	Notes	£	£
Turnover	2	126,572	134,473
Cost of sales		(55,527)	(84,980)
Gross profit		71,045	49,493
Distribution costs		(14,174)	(10,894)
Administrative expenses		(42,263)	(40,823)
Operating profit/(loss)	3	14,608	(2,224)
Interest payable and similar charges	4	(5,731)	(6,636)
Retained profit/(loss) for the year		8,877	(8,860)
Accumulated (loss) brought forward		(41,603)	(32,743)
Accumulated (loss) carried forward		(32,726)	(41,603)

The notes on pages 5 to 9 form an integral part of these financial statements.

LIVE STEAM MODELS LIMITED

Balance Sheet as at 30 June 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	6		65,231		65,231
Tangible assets	7		14,424		22,007
			<u>79,655</u>		<u>87,238</u>
Current Assets					
Stocks		81,477		64,536	
Debtors	8	6,325		5,544	
		<u>87,802</u>		<u>70,080</u>	
Creditors: amounts falling due within one year	9	(199,183)		(197,921)	
Net Current Liabilities			(111,381)		(127,841)
Total Assets Less Current Liabilities			<u>(31,726)</u>		<u>(40,603)</u>
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			(32,726)		(41,603)
Shareholders' Funds			<u>(31,726)</u>		<u>(40,603)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 9 form an integral part of these financial statements.

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Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 30 June 2000**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 June 2000 and

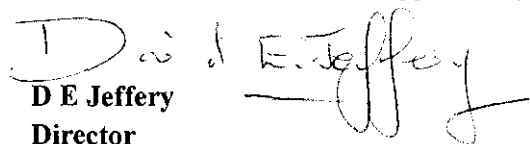
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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 22 August 2000 and signed on its behalf by


D E Jeffery
Director

The notes on pages 5 to 9 form an integral part of these financial statements.

LIVE STEAM MODELS LIMITED

Notes to the Financial Statements for the year ended 30 June 2000

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 (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	15% Straight Line
Fixtures, fittings and equipment	-	15% Straight Line
Motor vehicles	-	25% Straight Line

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

1.5. Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6. Going Concern

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because at 30 June 2000 the company had net liabilities of £31146 (1999 - £40603). The company is dependent on the continued financial support of the 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, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

LIVE STEAM MODELS LIMITED

Notes to the Financial Statements for the year ended 30 June 2000

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2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit/(loss)	2000 £	1999 £
Operating profit/(loss) is stated after charging:		
Depreciation and other amounts written off tangible assets	7,923	8,883

4. Interest payable and similar charges	2000 £	1999 £
On loans and overdrafts	5,731	6,636

5. Directors' emoluments	2000 £	1999 £
Remuneration and other benefits	900	711

6. Intangible fixed assets	Goodwill £	Total £
At 1 July 1999		
At 30 June 2000	65,231	65,231
Net book values		
At 30 June 2000	65,231	65,231
At 30 June 1999	65,231	65,231

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Notes to the Financial Statements for the year ended 30 June 2000

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7. Tangible fixed assets

	Plant and machinery	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 1999	37,388	15,430	4,000	56,818
Additions	340	-	-	340
At 30 June 2000	37,728	15,430	4,000	57,158
Depreciation				
At 1 July 1999	22,369	8,442	4,000	34,811
Charge for the year	5,609	2,314	-	7,923
At 30 June 2000	27,978	10,756	4,000	42,734
Net book values				
At 30 June 2000	9,750	4,674	-	14,424
At 30 June 1999	15,019	6,988	-	22,007

8. Debtors

	2000 £	1999 £
Trade debtors	2,423	456
Prepayments and accrued income	3,902	5,088
	6,325	5,544

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Notes to the Financial Statements for the year ended 30 June 2000

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9. Creditors: amounts falling due within one year	2000 £	1999 £
Bank overdraft	12,037	13,254
Pension fund loan	35,000	38,845
Other loan	42,236	34,598
Trade creditors	26,904	27,236
Other taxes and social security costs	526	577
Directors' accounts	67,331	72,636
Other creditors	12,141	8,745
Accruals and deferred income	3,008	2,030
	<u>199,183</u>	<u>197,921</u>

10. Share capital	2000 £	1999 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. 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 (1999 - £6500).

At 30 June 2000 the company owed the scheme the following amounts:-

Loan	£35000
Loan interest	£12141
Rent	£42236
	<u>£89377</u>
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LIVE STEAM MODELS LIMITED

**Notes to the Financial Statements
for the year ended 30 June 2000**

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12. Control

The company was controlled throughout the current and previous year 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 ordinary issued share capital of the company.