

Registration number 765708

Live Steam Models Limited

Directors' report and financial statements

for the year ended 30 June 2005



Live Steam Models Limited

Company information

Directors	A D Jeffery R E Jeffery
Secretary	A D Jeffery
Company number	765708
Registered office	7 Old Hall Mills Little Eaton Derby DE21 5DN
Accountants	Gregory Priestley and Stewart Lyndhurst 1 Cranmer Street Long Eaton Nottingham NG10 1NJ
Business address	Unit 7 Old Hall Mills Little Eaton Derby DE21 5DN

Live Steam Models Limited

Contents

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 11

Live Steam Models Limited

**Directors' report
for the year ended 30 June 2005**

The directors present their report and the financial statements for the year ended 30 June 2005.

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:

	Class of share	30/06/05	01/07/04
A D Jeffery	Ordinary shares	450	450
R E Jeffery	Ordinary shares	275	275

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 7 September 2005 and signed on its behalf by


A D Jeffery
Secretary

Live Steam Models Limited

**Accountants' Report to the Shareholders on the Unaudited Financial Statements
of Live Steam Models Limited**

We report on the financial statements for the year ended 30 June 2005 set out on pages 3 to 11.

Respective responsibilities of directors and accountants

As described on page 5 the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

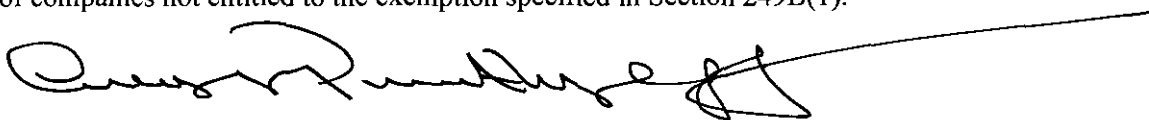
Basis of opinion

Our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that , fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



Gregory Priestley and Stewart
Chartered Accountants

Lyndhurst
1 Cranmer Street
Long Eaton
Nottingham
NG10 1NJ

7 September 2005

Live Steam Models Limited

**Profit and loss account
for the year ended 30 June 2005**

		2005	2004
	Notes	£	£
Turnover	2	153,788	142,814
Cost of sales		(96,781)	(93,790)
Gross profit		<u>57,007</u>	<u>49,024</u>
Distribution costs		(4,700)	(6,093)
Administrative expenses		(41,240)	(39,170)
Operating profit	3	<u>11,067</u>	<u>3,761</u>
Other interest receivable and similar income		587	268
Interest payable and similar charges		<u>(28)</u>	<u>(381)</u>
Profit on ordinary activities before taxation		11,626	3,648
Tax on profit on ordinary activities	5	<u>(508)</u>	<u>-</u>
Profit on ordinary activities after taxation		<u>11,118</u>	<u>3,648</u>
Retained profit for the year		11,118	3,648
Retained profit brought forward		41,442	37,794
Retained profit carried forward		<u><u>52,560</u></u>	<u><u>41,442</u></u>

The notes on pages 6 to 11 form an integral part of these financial statements.

Live Steam Models Limited

**Balance sheet
as at 30 June 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		66,231		66,231
Tangible assets	7		570		4,229
			<u>66,801</u>		<u>70,460</u>
Current assets					
Stocks		106,400		95,807	
Debtors	8	8,550		7,322	
Cash at bank and in hand		945		92	
		<u>115,895</u>		<u>103,221</u>	
Creditors: amounts falling due within one year	9	<u>(129,136)</u>		<u>(131,239)</u>	
Net current liabilities			<u>(13,241)</u>		<u>(28,018)</u>
Net assets			<u><u>53,560</u></u>		<u><u>42,442</u></u>
 Called up share capital	 10		 1,000		 1,000
Profit and loss account			52,560		41,442
Shareholders' funds			<u><u>53,560</u></u>		<u><u>42,442</u></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 6 to 11 form an integral part of these financial statements.

Live Steam Models Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 30 June 2005**

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 2005 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 in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 7 September 2005 and signed on its behalf by


A D Jeffery
Director

The notes on pages 6 to 11 form an integral part of these financial statements.

Live Steam Models Limited

Notes to the financial statements for the year ended 30 June 2005

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 June 2002).

1.2. Turnover

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

1.3. Goodwill

Contrary to Financial Reporting Standard Number 10, no amortisation of goodwill is included in the accounts.

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

1.5. Stock and work in progress

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

Live Steam Models Limited

Notes to the financial statements for the year ended 30 June 2005

..... continued

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 12% for the year.

3. Operating profit

	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>4,267</u>	<u>1,730</u>

4. Directors' emoluments

	2005	2004
	£	£
Remuneration and other benefits	<u>570</u>	<u>817</u>

Live Steam Models Limited

Notes to the financial statements for the year ended 30 June 2005

..... continued

5. Tax on profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
Current tax		
UK corporation tax	508	-

6. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 July 2004	66,231	66,231
At 30 June 2005	66,231	66,231
Net book values		
At 30 June 2005	66,231	66,231
At 30 June 2004	66,231	66,231

Live Steam Models Limited

Notes to the financial statements for the year ended 30 June 2005

..... continued

7. Tangible fixed assets	Fixtures, Plant and fittings and machinery equipment			Motor vehicles	Total
	£	£	£		
Cost					
At 1 July 2004	47,138	18,507	4,000		69,645
Additions	-	608	-		608
At 30 June 2005	47,138	19,115	4,000		70,253
Depreciation					
At 1 July 2004	44,343	17,073	4,000		65,416
Charge for the year	2,795	1,472	-		4,267
At 30 June 2005	47,138	18,545	4,000		69,683
Net book values					
At 30 June 2005	-	570	-		570
At 30 June 2004	2,795	1,434	-		4,229

8. Debtors	2005		2004	
	£		£	
Trade debtors	5,871		2,888	
Prepayments and accrued income	2,679		4,434	
	8,550		7,322	

Live Steam Models Limited

Notes to the financial statements for the year ended 30 June 2005

..... continued

9. Creditors: amounts falling due within one year	2005	2004
	£	£
Bank overdraft	-	181
Pension fund loan	35,000	35,000
Trade creditors	34,726	33,690
Corporation tax	508	-
Other taxes and social security costs	5,791	3,762
Directors' accounts	24,497	33,316
Other creditors	20,951	21,094
Accruals and deferred income	7,663	4,196
	<u>129,136</u>	<u>131,239</u>
10. Share capital	2005	2004
	£	£
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 £6,500. At the year end the company owed the pension scheme £15,911 (2004 - £8,274) in rents. At the year end the company also owed the pension scheme £35,000 (2004 - £35,000) by way of a loan and £18,658 (2004 - £18,658) by way of interest on the loan.

The company also traded with Steam Replicas, a business owned by one of the directors, Mr A D Jeffery. during the year. Purchases from Steam Replicas during the year totalled £94 (2004 - £206).

Live Steam Models Limited

**Notes to the financial statements
for the year ended 30 June 2005**

..... continued

12. Controlling interest

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