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MERRIVALE GREAT YARMOUTH) LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 31 JANUARY 1996

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## MERRIVALE (GREAT YARMOUTH) LIMITED

## DIRECTORS

L B Barron (chairman)  
F H Holmes

## SECRETARY

M D Futter

## AUDITORS

A C Tooke & Co  
Certified Accountants  
Royal Oak Chambers  
42 Baker Street  
Gorleston  
Great Yarmouth  
Norfolk NR31 6QT

## REGISTERED OFFICE

Ventureforth House  
South Denes Road  
Great Yarmouth  
Norfolk  
NR30 3PT

## REPORT OF THE DIRECTORS

YEAR ENDED 31 JANUARY 1996

The directors submit their Annual Report and Accounts for the year ended 31 January 1996.

## DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:-

- \* select suitable accounting policies and apply them consistently;
- \* make judgments and estimates that are reasonable and prudent;
- \* state whether applicable accounting procedures have been followed subject to any material departures disclosed and explained in the accounts;
- \* prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the company, and to enable them to ensure that the accounts 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.

## REVIEW OF ACTIVITIES AND POST BALANCE SHEET EVENTS

The company's main activity is that of proprietors of a model village. The directors hope for an increase in the future level of activity.

## DIVIDENDS

The directors do not recommend the payment of a dividend.

## MERRIVALE (GREAT YARMOUTH) LIMITED

## REPORT OF THE DIRECTORS (CONTINUED)

## DIRECTORS

Mr L B Barron held office throughout the year. Mr F A Holmes resigned on 8 March 1995 and Mr F H Holmes was appointed in his place.

## DIRECTORS INTERESTS IN THE SHARES OF THE COMPANY

The interests of the directors of the company at 31 January 1996 in the shares of the company, according to the register required to be kept by the Companies Act were as follows:-

|            | At 1 February 1995    |                          | At 31 January 1996    |                          |
|------------|-----------------------|--------------------------|-----------------------|--------------------------|
|            | Ordinary<br>£1 Shares | Preference<br>50p Shares | Ordinary<br>£1 Shares | Preference<br>50p Shares |
| L B Barron | 6,825                 | 6,825                    | 6,825                 | 6,825                    |
| F H Holmes | -                     | -                        | -                     | -                        |

In accordance with the Articles of Association, Mr L B Barron will retire by rotation and being eligible offers himself for re-election.

## FIXED ASSETS

Movements in fixed assets are shown in the notes to the accounts.

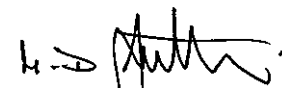
## MARKET VALUE OF INTERESTS IN LAND

In the opinion of the directors, the current open market value on an existing use basis of leasehold property exceeds the amount at which it is included in the Balance Sheet at 31 January 1996.

## AUDITORS

A C Tooke & Co have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

## BY ORDER OF THE BOARD



M D FUTTER  
Secretary

MERRIVALE GREAT YARMOUTH) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

YEAR ENDED 31 JANUARY 1996

We have audited the accounts on pages 4 to 9.

# RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors Report, the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors to form an independent opinion, based on our audit, of those accounts and to report our opinion to you.

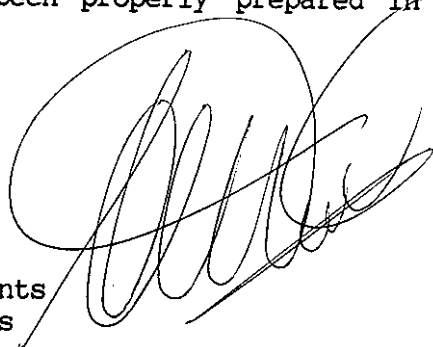
## BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, 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 accounts.

## OPINION

In our opinion, the accounts give a true and fair view of the state of the company's affairs at 31 January 1996 and of its results for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



A C Tooke & Co  
 Certified Accountants  
 Registered Auditors  
 Royal Oak Chambers  
 42 Baker Street  
 Gorleston  
 Great Yarmouth  
 Norfolk

## MERRIVALE (GREAT YARMOUTH) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 1996

|                                                  | <u>Note</u> | <u>1996</u> | <u>1995</u> |
|--------------------------------------------------|-------------|-------------|-------------|
| TURNOVER                                         |             | 117,258     | 115,876     |
| Cost of sales                                    |             | (22,818)    | (17,674)    |
| GROSS PROFIT                                     |             | 94,440      | 98,202      |
| Administrative expenses                          |             | (96,133)    | (99,140)    |
| Other operating income                           |             | 3,000       | 1,593       |
| OPERATING PROFIT                                 | 2           | 1,307       | 655         |
| Interest receivable                              |             | -           | 11          |
|                                                  |             | 1,307       | 666         |
| Interest payable                                 | 5           | (600)       | (248)       |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION |             | 707         | 418         |
| Tax on profit on ordinary activities             | 6           | -           | 1,593       |
| PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION  |             | 707         | 2,011       |
| Retained loss brought forward                    |             | (14,879)    | (16,890)    |
| RETAINED LOSS CARRIED FORWARD                    |             | (14,172)    | (14,879)    |

## MERRIVALE (GREAT YARMOUTH) LIMITED

## BALANCE SHEET

31 JANUARY 1996

|                                     | <u>Note</u> | <u>1996</u>   | <u>1995</u>   |
|-------------------------------------|-------------|---------------|---------------|
| FIXED ASSETS                        |             |               |               |
| Tangible assets                     | 7           | 21,350        | 25,488        |
| CURRENT ASSETS                      |             |               |               |
| Stocks                              |             | 5,650         | 5,300         |
| Debtors                             | 8           | 5,895         | 5,581         |
| Cash at bank and in hand            |             | 526           | 146           |
|                                     |             | <u>12,071</u> | <u>11,027</u> |
| CREDITORS                           |             |               |               |
| Amounts falling due within one year | 9           | <u>27,118</u> | <u>30,919</u> |
| NET CURRENT LIABILITIES             |             | (15,047)      | (19,892)      |
| NET ASSETS                          |             | <u>6,303</u>  | <u>5,596</u>  |
| CAPITAL AND RESERVES                |             |               |               |
| Called up share capital             | 11          | 20,475        | 20,475        |
| Profit and Loss Account             |             | (14,172)      | (14,879)      |
|                                     |             | <u>6,303</u>  | <u>5,596</u>  |

APPROVED BY THE BOARD ON 23-10-1996

.....F H HOLMES )  
 ) DIRECTORS  
 .....L B BARRON )

## MERRIVALE (GREAT YARMOUTH) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1996

## 1. ACCOUNTING POLICIES

## (a) Basis of Accounting

These accounts have been prepared under the historical cost convention.

## (b) Depreciation

Depreciation is calculated to write off the cost or valuation less estimated residual values of tangible fixed assets over their expected useful lives to the business. The annual depreciation rates and methods are as follows:-

|                                      |     |                                 |
|--------------------------------------|-----|---------------------------------|
| Leasehold property and buildings     | -   | over the remaining lease period |
| Equipment                            | 20% | straight line                   |
| Models, boats and amusement machines | 25% | straight line                   |
| Vehicles                             | 35% | of written down value           |

## (c) Stock

Stocks are stated at the lower of cost and net realisable value.

## (d) Deferred Taxation

Provisions are made so that the deferred taxation account represents corporation tax calculated on the liability method in respect of the excess of tax allowances given for fixed assets over the depreciation provided.

## (e) Pension Scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge in the Profit and Loss Account represents the contributions payable by the company to the fund for the year.

## 2. OPERATING PROFIT

|                                            | <u>1996</u>       | <u>1995</u>       |
|--------------------------------------------|-------------------|-------------------|
| Operating profit is stated after charging: |                   |                   |
| Administrative expenses including          |                   |                   |
| Rental of premises                         | 17,996            | 16,000            |
| Depreciation                               | 5,299             | 10,330            |
| Directors emoluments                       | 13,654            | 12,804            |
| Auditors remuneration                      | 850               | 830               |
|                                            | <u>          </u> | <u>          </u> |
| And after crediting:                       |                   |                   |
| Other operating income                     |                   |                   |
| Rents receivable                           | 3,000             | 1,593             |
|                                            | <u>          </u> | <u>          </u> |

## MERRIVALE (GREAT YARMOUTH) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1996

## 3. STAFF COSTS

|                                                      | <u>1996</u>   | <u>1995</u>   |
|------------------------------------------------------|---------------|---------------|
| The cost of employing staff including directors was: |               |               |
| Wages and salaries                                   | 30,768        | 34,755        |
| Social security costs                                | 1,805         | 2,091         |
| pension costs                                        | 2,016         | 2,016         |
|                                                      | <u>34,589</u> | <u>38,862</u> |

The average weekly number of employees during the year was:

|                 |          |          |
|-----------------|----------|----------|
| Permanent staff | 3        | 2        |
| Seasonal staff  | 5        | 6        |
|                 | <u>8</u> | <u>8</u> |
|                 | <u>—</u> | <u>—</u> |

## 4. DIRECTORS EMOLUMENTS

|                         |               |               |
|-------------------------|---------------|---------------|
| Management remuneration | 11,638        | 10,788        |
| Pension contributions   | 2,016         | 2,016         |
|                         | <u>13,654</u> | <u>12,804</u> |
|                         | <u>—</u>      | <u>—</u>      |

The figure for management remuneration includes estimated taxable benefits of £2,638 (1995 - £1,788).

## 5. INTEREST PAYABLE

On bank loans, overdrafts and other loans wholly repayable within 5 years:

|                |          |          |
|----------------|----------|----------|
| Bank overdraft | 600      | 248      |
|                | <u>—</u> | <u>—</u> |

## 6. TAXATION

|                                                                      |          |                |
|----------------------------------------------------------------------|----------|----------------|
| UK corporation tax at 25% on the profit<br>adjusted for tax purposes | —        | 3              |
| Adjusted for earlier years                                           | —        | (1,596)        |
|                                                                      | <u>—</u> | <u>—</u>       |
|                                                                      | <u>—</u> | <u>(1,593)</u> |
|                                                                      | <u>—</u> | <u>—</u>       |

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

## MERRIVALE (GREAT YARMOUTH) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1996

## 7. TANGIBLE FIXED ASSETS

|                         | <u>Leasehold<br/>Property<br/>and<br/>Buildings</u> | <u>Equipment</u> | <u>Models<br/>Boats and<br/>Amusement<br/>Machines</u> | <u>Vehicles</u> | <u>Total</u> |
|-------------------------|-----------------------------------------------------|------------------|--------------------------------------------------------|-----------------|--------------|
| COST                    |                                                     |                  |                                                        |                 |              |
| At 1 February 1995      | 67,897                                              | 30,793           | 110,718                                                | 13,895          | 223,303      |
| Additions               | -                                                   | -                | 4,780                                                  | -               | 4,780        |
| Disposals               | -                                                   | -                | (4,825)                                                | -               | (4,825)      |
| At 31 January 1996      | 67,897                                              | 30,793           | 110,673                                                | 13,895          | 223,258      |
| DEPRECIATION            |                                                     |                  |                                                        |                 |              |
| At 1 February 1995      | 53,557                                              | 28,915           | 102,448                                                | 12,895          | 197,815      |
| Charge for the year     | 1,702                                               | 817              | 2,430                                                  | 350             | 5,299        |
| Eliminated on disposals | -                                                   | -                | (1,206)                                                | -               | (1,206)      |
| At 31 January 1996      | 55,259                                              | 29,732           | 103,672                                                | 13,245          | 201,908      |
| NET BOOK VALUE          |                                                     |                  |                                                        |                 |              |
| At 31 January 1996      | 12,638                                              | 1,061            | 7,001                                                  | 650             | 21,350       |
| At 31 January 1995      | 14,340                                              | 1,878            | 8,270                                                  | 1,000           | 25,488       |

## 8. DEBTORS

|                                      | <u>1996</u> | <u>1995</u> |
|--------------------------------------|-------------|-------------|
| Amounts falling due within one year: |             |             |
| Prepayments and accrued income       | 5,895       | 5,581       |

## 9. CREDITORS

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Amounts falling due within one year: |               |               |
| Bank overdraft                       | 10,103        | 7,905         |
| Trade creditors                      | 4,338         | 8,362         |
| UK corporation tax                   | -             | 3             |
| Tax and social security costs        | 838           | 3,418         |
| Other creditors                      | 5,814         | 4,169         |
| Accruals and deferred income         | 6,025         | 7,062         |
|                                      | <u>27,118</u> | <u>30,919</u> |

Secured creditors included above are as follows:

|                                                                                           |               |              |
|-------------------------------------------------------------------------------------------|---------------|--------------|
| Bank overdrafts - secured by a fixed charge<br>over the leasehold property of the company | <u>10,103</u> | <u>7,905</u> |
|-------------------------------------------------------------------------------------------|---------------|--------------|

## MERRIVALE (GREAT YARMOUTH) LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1996

## 10. OPERATING LEASE COMMITMENTS

|                                              | <u>1996</u>                   |                         | <u>1995</u>                   |                         |
|----------------------------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|
|                                              | <u>Land and<br/>Buildings</u> | <u>Other<br/>Assets</u> | <u>Land and<br/>Buildings</u> | <u>Other<br/>Assets</u> |
| Annual commitments under<br>operating leases |                               |                         |                               |                         |
| Operating leases expiring:<br>After 5 years  | 16,000                        | -                       | 16,000                        | -                       |
|                                              | <u>          </u>             | <u>          </u>       | <u>          </u>             | <u>          </u>       |
| Annual commitments<br>at 31 January 1996     | 16,000                        | -                       | 16,000                        | -                       |
|                                              | <u>          </u>             | <u>          </u>       | <u>          </u>             | <u>          </u>       |

## 11. SHARE CAPITAL

|                                        | <u>Number<br/>1996</u> | <u>Value<br/>1996</u> | <u>Number<br/>1995</u> | <u>Value<br/>1995</u> |
|----------------------------------------|------------------------|-----------------------|------------------------|-----------------------|
| Authorised:                            |                        |                       |                        |                       |
| Ordinary shares of £1 each             | 18,175                 | 18,175                | 18,175                 | 18,175                |
| 3.00% preference shares<br>of 50p each | 13,650                 | 6,825                 | 13,650                 | 6,825                 |
|                                        | <u>31,825</u>          | <u>25,000</u>         | <u>31,825</u>          | <u>25,000</u>         |
| Issued and fully paid:                 |                        |                       |                        |                       |
| Ordinary shares of £1 each             | 13,650                 | 13,650                | 13,650                 | 13,650                |
| 3.00% preference shares<br>of 50p each | 13,650                 | 6,825                 | 13,650                 | 6,825                 |
|                                        | <u>27,300</u>          | <u>20,475</u>         | <u>27,300</u>          | <u>20,475</u>         |

MERRIVALE (GREAT YARMOUTH) LIMITED  
 TRADING AND PROFIT AND LOSS ACCOUNT  
 YEAR ENDED 31 JANUARY 1996

|                             | <u>1996</u>   | <u>1995</u>   |
|-----------------------------|---------------|---------------|
| SALES                       | 117,258       | 115,876       |
| Cost of sales               | (22,818)      | (17,674)      |
| GROSS PROFIT                | <u>94,440</u> | <u>98,202</u> |
| OTHER INCOME                |               |               |
| Deposit interest receivable | -             | 11            |
| Rent receivable             | <u>3,000</u>  | <u>1,593</u>  |
|                             | 3,000         | 1,604         |
|                             | <u>97,440</u> | <u>99,806</u> |
| OVERHEAD EXPENSES           |               |               |
| Distribution                | 6,140         | 5,245         |
| Establishment               | 36,282        | 33,886        |
| Office and administration   | 52,510        | 59,415        |
| Finance                     | <u>1,801</u>  | <u>842</u>    |
|                             | (96,733)      | (99,388)      |
| NET PROFIT BEFORE TAXATION  | <u>707</u>    | <u>418</u>    |

## MERRIVALE (GREAT YARMOUTH) LIMITED

## SCHEDULE OF OVERHEAD EXPENSES

YEAR ENDED 31 JANUARY 1996

|                                                 | <u>1996</u>       | <u>1995</u>       |
|-------------------------------------------------|-------------------|-------------------|
| DISTRIBUTION                                    |                   |                   |
| Advertising                                     | 6,140             | 5,245             |
|                                                 | <u>          </u> | <u>          </u> |
| ESTABLISHMENT                                   |                   |                   |
| Rent                                            | 17,996            | 16,000            |
| Rates                                           | 6,698             | 6,683             |
| Insurance                                       | 3,567             | 2,587             |
| Light and heat                                  | 3,036             | 2,986             |
| Repairs and maintenance                         | 4,985             | 5,630             |
|                                                 | <u>          </u> | <u>          </u> |
|                                                 | 36,282            | 33,886            |
|                                                 | <u>          </u> | <u>          </u> |
| OFFICE AND ADMINISTRATION                       |                   |                   |
| Wages                                           | 21,768            | 25,755            |
| Employers NIC                                   | 866               | 1,188             |
| Motor and travelling                            | 2,908             | 3,161             |
| General expenses                                | 1,607             | 764               |
| Professional and legal fees                     | 3,018             | 3,091             |
| Audit and accountancy                           | 850               | 830               |
| Postage and telephone                           | 220               | 267               |
| Depreciation - leasehold property and buildings | 1,702             | 2,021             |
| equipment                                       | 817               | 866               |
| models, boats and amusement machines            | 2,430             | 5,177             |
| vehicles                                        | 350               | 2,266             |
| Deficit on disposal                             | 2,569             | -                 |
| Licences and permits                            | 1,450             | 2,110             |
| Directors remuneration - L B Barron             | 9,000             | 9,000             |
| pension contributions                           | 2,016             | 2,016             |
| national insurance contributions                | 939               | 903               |
|                                                 | <u>          </u> | <u>          </u> |
|                                                 | 52,510            | 59,415            |
|                                                 | <u>          </u> | <u>          </u> |
| FINANCE                                         |                   |                   |
| Bank charges                                    | 1,201             | 594               |
| Bank overdraft interest                         | 600               | 248               |
|                                                 | <u>          </u> | <u>          </u> |
|                                                 | 1,801             | 842               |
|                                                 | <u>          </u> | <u>          </u> |