

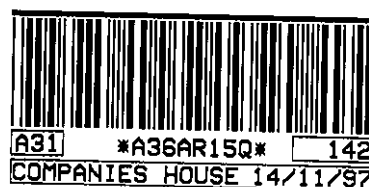
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MERRIVALE (GREAT YARMOUTH) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 JANUARY 1997

CONTENTS	PAGE
Directors Report	1/2
Auditors Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6/8
Trading and Profit and Loss Account	9
Schedule of Overhead Expenses	10



MERRIVALE (GREAT YARMOUTH) LIMITED

DIRECTORS

L B Barron (chairman)
Mrs B S 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 1997

The directors submit their Annual Report and Accounts for the year ended 31 January 1997.

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 and Mr F H Holmes held office throughout the year. Mrs B S Holmes was appointed a director of the company on 3 September 1997 following the death of Mr F H Holmes.

DIRECTORS INTERESTS IN THE SHARES OF THE COMPANY

The interests of the directors of the company at 31 January 1997 in the shares of the company, according to the register required to be kept by the Companies Act were as follows:-

	At 1 February 1996		At 31 January 1997	
	Ordinary £1 Shares	Preference 50p Shares	Ordinary £1 Shares	Preference 50p Shares
L B Barron	6,825	6,825	6,825	6,825
F H Holmes	-	-	-	-

In accordance with the Articles of Association, Mrs B S Holmes will retire by rotation and being eligible, offers herself for re-election.

FIXED ASSETS

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

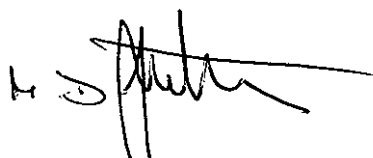
MARKET VALUE OF INTERESTS IN LAND

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 1997.

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

REPORT OF THE AUDITOR TO THE MEMBERS OF
MERRIVALE (GREAT YARMOUTH) LIMITED
YEAR ENDED 31 JANUARY 1997

We have audited the accounts on pages 4 to 8.

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 1997 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
NR31 6QT

A large, stylized handwritten signature in black ink, likely belonging to a partner or director of the firm, is written over the printed name and address.

MERRIVALE (GREAT YARMOUTH) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
TURNOVER			
Cost of sales		116,063 (18,010)	117,258 (22,818)
GROSS PROFIT		<u>98,053</u>	<u>94,440</u>
Administrative expenses		(94,516)	(96,133)
Other operating income		2,000	3,000
OPERATING PROFIT		<u>5,537</u>	<u>1,307</u>
Interest receivable	2	15	-
Interest payable	5	5,552 (657)	1,307 (600)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,895</u>	<u>707</u>
Tax on profit on ordinary activities	6	340	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>4,555</u>	<u>707</u>
Retained loss brought forward		(14,172)	(14,879)
RETAINED LOSS CARRIED FORWARD		<u>(9,617)</u>	<u>(14,172)</u>

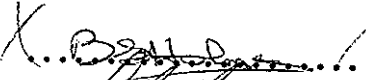
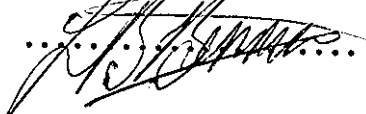
MERRIVALE (GREAT YARMOUTH) LIMITED

BALANCE SHEET

31 JANUARY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible assets	7	15,195	21,350
CURRENT ASSETS			
Stocks		3,100	5,650
Debtors	8	6,675	5,895
Cash at bank and in hand		1,465	526
		<u>11,240</u>	<u>12,071</u>
CREDITORS			
Amounts falling due within one year	9	<u>15,577</u>	<u>27,118</u>
NET CURRENT LIABILITIES		(4,337)	(15,047)
NET ASSETS		<u>10,858</u>	<u>6,303</u>
CAPITAL AND RESERVES			
Called up share capital	11	20,475	20,475
Profit and Loss Account		(9,617)	(14,172)
		<u>10,858</u>	<u>6,303</u>

APPROVED BY THE BOARD 28.10.97

 Mrs B S Holmes)
 L B Barron) DIRECTORS

MERRIVALE (GREAT YARMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1997

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% (or more) straight line
Vehicles	- £350 per annum straight line

(c) Stock

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

(d) Deferred Taxation

No provision has been made for deferred taxation as there is no 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

Operating profit is stated after charging:	<u>1997</u>	<u>1996</u>
Administrative expenses including		
Rental of premises		
Depreciation	16,001	17,996
Directors emoluments	7,309	5,299
Auditors remuneration	13,694	13,654
	900	850
	<u> </u>	<u> </u>
And after crediting:		
Other operating income		
Rents receivable	2,000	3,000
	<u> </u>	<u> </u>

3. STAFF COSTS

The cost of employing staff, including directors, was:

Wages and salaries	34,220	30,768
Social security costs	1,517	1,805
Pension costs	2,016	2,016
	<u> </u>	<u> </u>
	37,753	34,589
	<u> </u>	<u> </u>

MERRIVALE (GREAT YARMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1997

4. DIRECTORS EMOLUMENTS

	<u>1997</u>	<u>1996</u>
Management remuneration	11,678	11,638
Pension contributions	2,016	2,016
	<u>13,694</u>	<u>13,654</u>

The figure for management remuneration includes estimated taxable benefits of £2,678 (1996 - £2,638).

5. INTEREST PAYABLE

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

	<u>1997</u>	<u>1996</u>
Bank overdraft	657	600
	<u> </u>	<u> </u>

6. TAXATION

UK corporation tax at an effective rate of 24.164%
on the profit adjusted for tax purposes

340	-
<u> </u>	<u> </u>

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

7. TANGIBLE FIXED ASSETS

	<u>Leasehold Property and Buildings</u>	<u>Equipment</u>	<u>Models Boats and Amusement Machines</u>	<u>Vehicles</u>	<u>Total</u>
COST					
At 1 February 1996	67,897	30,793	110,673	13,895	223,258
Additions	-	-	1,154	-	1,154
Disposals (scrapped)	-	-	(41,310)	-	(41,310)
At 31 January 1997	<u>67,897</u>	<u>30,793</u>	<u>70,517</u>	<u>13,895</u>	<u>183,102</u>
DEPRECIATION					
At 1 February 1996	55,259	29,732	103,672	13,245	201,908
Charge for the year	1,568	490	4,901	350	7,309
Eliminated on disposals	-	-	(41,310)	-	(41,310)
At 31 January 1997	<u>56,827</u>	<u>30,222</u>	<u>67,263</u>	<u>13,595</u>	<u>167,907</u>
NET BOOK VALUE					
At 31 January 1997	<u>11,070</u>	<u>571</u>	<u>3,254</u>	<u>300</u>	<u>15,195</u>
At 31 January 1996	<u>12,638</u>	<u>1,061</u>	<u>7,001</u>	<u>650</u>	<u>21,350</u>

MERRIVALE (GREAT YARMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1997

8. DEBTORS

	<u>1997</u>	<u>1996</u>
Amounts falling due within one year:		
Prepayments and accrued income	<u>6,675</u>	<u>5,895</u>

9. CREDITORS

Amounts falling due within one year:		
Bank overdraft	3,201	10,103
Trade creditors	6,582	4,338
UK corporation tax	340	-
Tax and social security costs	934	838
Other creditors	3,450	5,814
Accruals and deferred income	<u>1,070</u>	<u>6,025</u>
	<u>15,577</u>	<u>27,118</u>

Secured creditors included above are as follows:-

Bank overdrafts - secured by a fixed charge over the leasehold property of the company	<u>3,201</u>	<u>10,103</u>
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10. OPERATING LEASE COMMITMENTS

	<u>1997</u>		<u>1996</u>	
	<u>Land and Buildings</u>	<u>Other Assets</u>	<u>Land and Buildings</u>	<u>Other Assets</u>
Annual commitments under operating leases				
Operating leases expiring:				
After 5 years	<u>16,000</u>	-	<u>16,000</u>	-
Annual commitments at 31 January 1997	<u>16,000</u>	-	<u>16,000</u>	-

11. SHARE CAPITAL

	<u>Number 1997</u>	<u>Value 1997</u>	<u>Number 1996</u>	<u>Value 1996</u>
Authorised:				
Ordinary shares of £1 each	18,175	18,175	18,175	18,175
3.00% preference shares of 50p each	<u>13,650</u>	<u>6,825</u>	<u>13,650</u>	<u>6,825</u>
	<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 of 50p each	<u>13,650</u>	<u>6,825</u>	<u>13,650</u>	<u>6,825</u>
	<u>27,300</u>	<u>20,475</u>	<u>27,300</u>	<u>20,475</u>