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MERRIVALE (GREAT YARMOUTH) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 JANUARY 1998

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MERRIVALE (GREAT YARMOUTH) LIMITED

DIRECTORS

COMPANY NO: 676708

L B Barron (chairman)
Mrs B S Holmes

SECRETARY

M D Futter

ACCOUNTANTS

REGISTERED OFFICE

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

Ventureforth House
South Denes Road
Great Yarmouth
NR30 3PT

REPORT OF THE DIRECTORS

YEAR ENDED 31 JANUARY 1998

The directors submit their Annual Report and Accounts for the year ended 31 January 1998.

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 period. 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

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. Mrs B S Holmes was appointed a director 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 1998 in the shares of the company, according to the register required to be kept by the Companies Act were as follows:-

	At 1 February 1997		At 31 January 1998	
	Ordinary £1 Shares	Preference 50p Shares	Ordinary £1 Shares	Preference 50p Shares
L B Barron	6,825	6,285	6,825	6,285
Mrs B S 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.

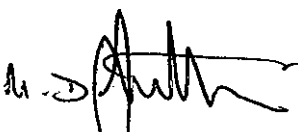
MARKET VALUE OF INTERESTS IN LAND

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 1998.

ACCOUNTANTS

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 ACCOUNTANTS
TO THE SHAREHOLDERS OF
MERRIVALE (GREAT YARMOUTH) LIMITED

We report on the financial statements for the year ended 31 January 1998 set out on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the company's directors are responsible for the preparation of the 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 work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the financial statement 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 purpose of this report. These procedures provide only the assurance expressed in our opinion.

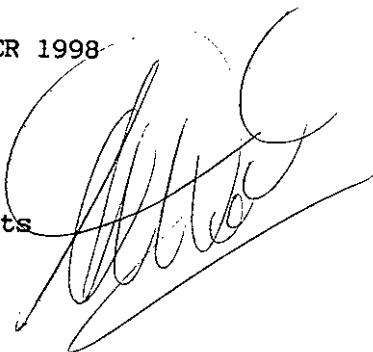
OPINION

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 period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

DATED: 11 SEPTEMBER 1998

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



MERRIVALE (GREAT YARMOUTH) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 1998

	<u>NOTE</u>	<u>1998</u>	<u>1997</u>
TURNOVER			
Cost of sales		104,449 (8,205)	116,063 (18,010)
GROSS PROFIT		<u>96,244</u>	<u>98,053</u>
Administrative expenses		(94,422)	(94,516)
Other operating income		<u>2,000</u>	<u>2,000</u>
OPERATING PROFIT			
Interest receivable	2	3,822 27	5,537 15
Interest payable	5	3,849 (231)	5,552 (657)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,618</u>	<u>4,895</u>
Tax on profit on ordinary activities	6	<u>713</u>	<u>340</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,905</u>	<u>4,555</u>
Retained loss brought forward		(9,617)	(14,172)
RETAINED LOSS CARRIED FORWARD		<u>(6,712)</u>	<u>(9,617)</u>

MERRIVALE (GREAT YARMOUTH) LIMITED

BALANCE SHEET

31 JANUARY 1998

	<u>Note</u>	<u>1998</u>	<u>1997</u>
FIXED ASSETS			
Tangible assets	7	14,017	15,195
CURRENT ASSETS			
Stocks		2,000	3,100
Debtors	8	6,116	6,675
Cash at bank and in hand		4,343	1,465
		<u>12,459</u>	<u>11,240</u>
CREDITORS			
Amounts falling due within one year	9	<u>12,713</u>	<u>15,577</u>
NET CURRENT LIABILITIES		(254)	(4,337)
NET ASSETS		<u>13,763</u>	<u>10,858</u>
CAPITAL AND RESERVES			
Called up share capital	11	20,475	20,475
Profit and Loss Account		<u>(6,712)</u>	<u>(9,617)</u>
		<u>13,763</u>	<u>10,858</u>

STATEMENT BY THE DIRECTORS

For the year ended 31 January 1998 the company was entitled to the exemption from audit under sub-section (2) of section 249A of the Companies Act 1985.

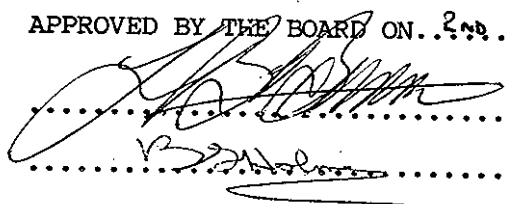
No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985.

In preparing these accounts we have relied upon the exemptions of individual accounts provided by section 246 (or schedule 8 para 23) and have done so on the grounds that the company is entitled to these exemptions as a small company.

We acknowledge our responsibility for:

- ensuring the company keeps accounting records which comply with section 221;
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit or loss for the financial period, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

APPROVED BY THE BOARD ON...2nd September...1998

.....


 DIRECTORS

MERRIVALE (GREAT YARMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1998

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
Vehicle	- straight line to its current nil balance

(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

	<u>1998</u>	<u>1997</u>
Operating profit is stated after charging:		
Administrative expenses including		
Rental of premises	16,000	16,001
Depreciation	4,419	7,309
Directors emoluments	13,814	13,694
Accountants Remuneration	925	900
	<u> </u>	<u> </u>
And after crediting:		
Other operating income		
Rents receivable	2,000	2,000
	<u> </u>	<u> </u>

3. STAFF COSTS

The cost of employing staff, including directors, was:

Wages and salaries	34,552	34,220
Social security costs	1,606	1,517
Pension costs	2,016	2,016
	<u> </u>	<u> </u>
	38,174	37,753
	<u> </u>	<u> </u>

MERRIVALE (GREAT YARMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1998

4. DIRECTORS EMOLUMENTS

	<u>1998</u>	<u>1997</u>
Management remuneration	11,798	11,678
Pension contributions	<u>2,016</u>	<u>2,106</u>
	<u>13,814</u>	<u>13,694</u>

The figure for management remuneration includes estimated taxable benefits of £2,798 (1997 - £2,678).

5. INTEREST PAYABLE

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

	<u>1998</u>	<u>1997</u>
Bank overdraft	<u>231</u>	<u>657</u>

6. TAXATION

UK corporation tax at an effective rate of 23.164% (1997 - 24.164%) on the profit adjusted for tax purposes	<u>713</u>	<u>340</u>
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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 1997	67,897	30,793	70,517	13,895	183,102
Additions	1,433	395	1,413	-	3,241
At 31 January 1998	<u>69,330</u>	<u>31,188</u>	<u>71,930</u>	<u>13,895</u>	<u>186,343</u>
DEPRECIATION					
At 1 February 1997	56,827	30,222	67,263	13,595	167,907
Charge for the year	1,712	570	1,837	300	4,419
At 31 January 1998	<u>58,539</u>	<u>30,792</u>	<u>69,100</u>	<u>13,895</u>	<u>172,326</u>
NET BOOK VALUE					
At 31 January 1998	<u>10,791</u>	<u>396</u>	<u>2,830</u>	<u>-</u>	<u>14,017</u>
At 31 January 1997	<u>11,070</u>	<u>571</u>	<u>3,254</u>	<u>300</u>	<u>15,195</u>

MERRIVALE (GREAT YARMOUTH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1998

8. DEBTORS

	<u>1998</u>	<u>1997</u>
Amounts falling due within one year:		
Prepayments and accrued income	<u>6,116</u>	<u>6,675</u>

9. CREDITORS

Amounts falling due within one year:		
Bank overdraft	-	3,201
Trade creditors	7,096	6,582
UK Corporation tax	713	340
Tax and social security costs	1,080	934
Other creditors	2,500	3,450
Accruals and deferred income	<u>1,324</u>	<u>1,070</u>
	<u>12,713</u>	<u>15,577</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>
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10. OPERATING LEASE COMMITMENTS

	<u>Land and Buildings</u>	<u>Land and Buildings</u>
Annual commitments under Operating leases		
Operating leases expiring: After five years	<u>16,000</u>	<u>16,000</u>
Annual commitments at 31 January 1998	<u>16,000</u>	<u>16,000</u>

11. SHARE CAPITAL

	<u>Number 1998</u>	<u>Value 1998</u>	<u>Number 1997</u>	<u>Value 1997</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>

MERRIVALE (GREAT YARMOUTH) LIMITED
 TRADING AND PROFIT AND LOSS ACCOUNT
 YEAR ENDED 31 JANUARY 1998

		<u>1998</u>		<u>1997</u>
SALES		104,449		116,063
Cost of sales		<u>(8,205)</u>		<u>(18,010)</u>
GROSS PROFIT		96,244		98,053
OTHER INCOME				
Deposit interest receivable	27		15	
Rent receivable	<u>2,000</u>		<u>2,000</u>	
		<u>2,027</u>		<u>2,015</u>
		98,271		100,068
OVERHEAD EXPENSES				
Distribution	5,699		6,930	
Establishment	36,907		33,238	
Office and administration	50,965		53,327	
Finance	<u>1,082</u>		<u>1,678</u>	
		<u>(94,653)</u>		<u>(95,173)</u>
NET PROFIT BEFORE TAXATION		<u>3,618</u>		<u>4,895</u>

SCHEDULE OF OVERHEAD EXPENSES

YEAR ENDED 31 JANUARY 1998

	<u>1998</u>	<u>1997</u>
DISTRIBUTION		
Advertising	<u>5,699</u>	<u>6,930</u>
ESTABLISHMENT		
Rent	16,000	16,001
Rates	7,989	7,800
Insurance	2,949	2,947
Light and heat	3,775	2,801
Repairs and maintenance	6,194	3,689
	<u>36,907</u>	<u>33,238</u>
OFFICE AND ADMINISTRATION		
Wages	25,552	25,220
Employers NIC	983	887
Motor and travelling	2,816	3,090
General expenses	1,159	534
Professional and legal fees	3,047	3,018
Accountancy and audit	925	900
Postage and telephone	215	258
Depreciation - leasehold property and buildings	1,712	1,568
equipment	570	490
models, boats, amusement machines	1,837	4,901
vehicles	300	350
Licences and permits	210	465
Directors remuneration - L B Barron	9,000	9,000
pension contributions	2,016	2,016
national insurance contributions	623	630
	<u>50,965</u>	<u>53,327</u>
FINANCE		
Bank charges	851	1,021
Bank overdraft interest	231	657
	<u>1,082</u>	<u>1,678</u>