

MERRIVALE (GREAT YARMOUTH) LIMITED

ACCOUNTS

YEAR ENDED 31 JANUARY 2002

| CONTENTS                            | PAGE |
|-------------------------------------|------|
| Directors Report                    | 1/2  |
| Accountants 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   |



**DIRECTORS**

L B Barron (Chairman)  
Mrs B S Holmes  
O F Holmes

**SECRETARY**

M D Futter

**COMPANY REGISTRATION NO:**

676708

**ACCOUNTANTS**

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

**REGISTERED OFFICE**

Ventureforth House  
South Denes Road  
Great Yarmouth  
NR30 3PT

**REPORT OF THE DIRECTORS**

**YEAR ENDED 31 JANUARY 2002**

The directors submit their Annual Report and Accounts for the year ended 31 January 2002

**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 general down trend in sea-front trading continued and results were again disappointing. The directors hope for an increase in the future level of activity.

**DIVIDENDS**

The directors do not recommend the payment of a dividend

## REPORT OF THE DIRECTORS (CONTINUED)

## DIRECTORS

Mr L B Barron and Mrs B S Holmes held office throughout the year. Mr O F Holmes was appointed a director on 1 July 2002.

## DIRECTORS INTERESTS IN THE SHARES OF THE COMPANY

The interests of the directors of the company at 31 January 2002 in the shares of the company, according to the register required to be kept by the Companies Act were as follows: -

|                | At 1 February 2001 |            | At 31 January 2002 |            |
|----------------|--------------------|------------|--------------------|------------|
|                | Ordinary           | Preference | Ordinary           | Preference |
|                | £1 Shares          | 50p Shares | £1 Shares          | 50p Shares |
| L B Barron     | 6,825              | 6,825      | 6,825              | 6,825      |
| Mrs B S Holmes | -                  | -          | -                  | -          |

In accordance with the Articles of Association Mr L B Barron and Mr O F Holmes will retire, and being eligible, offer themselves for re-election.

## FIXED ASSETS

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

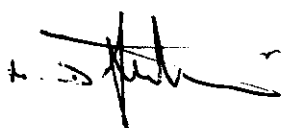
## MARKET VALUE OF INTEREST IN LAND

In the opinion of the directors, the current open market value on an existing use basis of leasehold property exceeds the amount at which is included in the Balance Sheet at 31 January 2002.

## 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

TO THE SHAREHOLDERS OF

MERRIVALE (GREAT YARMOUTH) LIMITED

We report on the financial statements for the year ended 31 January 2002 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 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 purpose of this report. These procedures provide only the assurance expressed in our opinion.

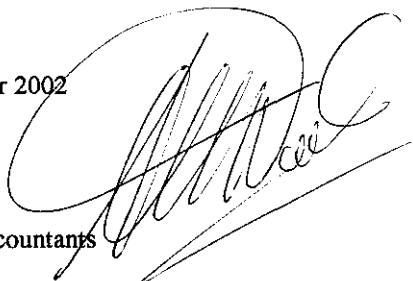
OPINION

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: 15 November 2002

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



## MERRIVALE (GREAT YARMOUTH) LIMITED

PAGE 4

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 2002

|                                             | <u>Note</u> | <u>2002</u>     | <u>2001</u>     |
|---------------------------------------------|-------------|-----------------|-----------------|
| TURNOVER                                    |             | 83,845          | 85,212          |
| Cost of sales                               |             | <u>(11,623)</u> | <u>(8,900)</u>  |
| GROSS PROFIT                                |             | 72,222          | 76,312          |
| Administrative expenses                     |             | (82,064)        | (86,220)        |
| Other operating income                      |             | <u>4,000</u>    | <u>3,000</u>    |
| OPERATING LOSS                              | 2           | (5,842)         | (6,908)         |
| Interest receivable                         |             | <u>-</u>        | <u>1</u>        |
|                                             |             | (5,842)         | (6,907)         |
| Interest payable                            | 5           | <u>(908)</u>    | <u>(727)</u>    |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION |             | (6,750)         | (7,634)         |
| Tax on ordinary activities                  | 6           | <u>-</u>        | <u>-</u>        |
| LOSS ON ORDINARY ACTIVITIES AFTER TAXATION  |             | (6,750)         | (7,634)         |
| Retained loss brought forward               |             | <u>(26,906)</u> | <u>(19,272)</u> |
| RETAINED LOSS CARRIED FORWARD               |             | <u>(33,656)</u> | <u>(26,906)</u> |

## BALANCE SHEET

31 JANUARY 2002

|                                     | <u>Note</u> | <u>2002</u>     | <u>2001</u>     |
|-------------------------------------|-------------|-----------------|-----------------|
| <b>FIXED ASSETS</b>                 |             |                 |                 |
| Tangible assets                     | 7           | 13,393          | 18,198          |
| <b>CURRENT ASSETS</b>               |             |                 |                 |
| Stocks                              |             | 5,100           | 3,900           |
| Debtors                             | 8           | 5,130           | 5,314           |
| Cash at bank and in hand            |             | <u>535</u>      | <u>1,062</u>    |
|                                     |             | <u>10,765</u>   | <u>10,276</u>   |
| <b>CURRENT LIABILITIES</b>          |             |                 |                 |
| Creditors                           |             |                 |                 |
| Amounts falling due within one year | 9           | <u>34,134</u>   | <u>29,462</u>   |
| <b>NET CURRENT LIABILITIES</b>      |             | <u>(23,369)</u> | <u>(19,186)</u> |
|                                     |             | (9976)          | (988)           |
| <b>LONG TERM LIABILITIES</b>        |             |                 |                 |
| Amounts falling due after one year  | 9           | <u>(3,205)</u>  | <u>(5,443)</u>  |
| <b>NET LIABILITIES</b>              |             | <u>(13,181)</u> | <u>(6,431)</u>  |
| <b>CAPITAL AND RESERVES</b>         |             |                 |                 |
| Called up share capital             | 11          | 20,475          | 20,475          |
| Profit and Loss Account             |             | <u>(33,656)</u> | <u>(26,906)</u> |
|                                     |             | <u>(13,181)</u> | <u>(6,431)</u>  |

## STATEMENT BY THE DIRECTORS

For the year ended 31 January 2002 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.

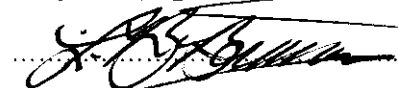
In preparing these accounts we have relied upon the exemption of individual accounts provided by section 246 (or schedule 8 para 23) and have done so on the grounds that the company is entitled to these exemptions as a small company.

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 16<sup>th</sup> November 2002



 DIRECTORS

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2002

## 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                              | - 25% straight line               |

## (c) Stocks

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>2002</u> | <u>2001</u> |
|------------------------------------|-------------|-------------|
| Operating profit after charging: - |             |             |
| Administrative expenses including  |             |             |
| Rental of premises                 | 16,500      | 16,499      |
| Depreciation                       | 4,982       | 5,342       |
| Directors emoluments               | 19,907      | 16,525      |
| Accountants remuneration           | <u>925</u>  | <u>925</u>  |
| And after crediting:               |             |             |
| Other operating income             |             |             |
| Rents receivable                   | 4,000       | 3000        |
| Interest                           | <u>-</u>    | <u>1</u>    |

## 3. STAFF COSTS

The cost of employing staff, including directors, was:

|                       |               |               |
|-----------------------|---------------|---------------|
| Wages and salaries    | 29,582        | 32,835        |
| Social security costs | 1,576         | 1,986         |
| Pension costs         | <u>2,016</u>  | <u>2,016</u>  |
|                       | <u>33,174</u> | <u>36,837</u> |

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2002

## 4. DIRECTORS EMOLUMENTS

|                         | <u>2002</u>   | <u>2001</u>   |
|-------------------------|---------------|---------------|
| Management remuneration | 17,891        | 14,509        |
| Pension contributions   | <u>2,016</u>  | <u>2,016</u>  |
|                         | <u>19,907</u> | <u>16,525</u> |

The figure for management remuneration includes estimated taxable benefits of £5,891 (2001-£5,309).

## 5. INTEREST PAYABLE

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

|                |            |            |
|----------------|------------|------------|
| Bank overdraft | <u>908</u> | <u>727</u> |
|----------------|------------|------------|

## 6. TAXATION

|                            |          |          |
|----------------------------|----------|----------|
| UK corporation tax payable | <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

|                       | Leasehold<br>Property<br>and<br><u>Buildings</u> | <u>Equipment</u> | Models<br>Boats and<br>Amusement<br><u>Machines</u> | <u>Vehicles</u> | <u>Total</u>   |
|-----------------------|--------------------------------------------------|------------------|-----------------------------------------------------|-----------------|----------------|
| <b>COST</b>           |                                                  |                  |                                                     |                 |                |
| At 1 February 2001    | 69,330                                           | 35,283           | 73,672                                              | 13,395          | 191,680        |
| Additions             | <u>-</u>                                         | <u>177</u>       | <u>-</u>                                            | <u>-</u>        | <u>177</u>     |
| At 31 January 2002    | <u>69,330</u>                                    | <u>35,460</u>    | <u>73,672</u>                                       | <u>13,395</u>   | <u>191,857</u> |
| <b>DEPRECIATION</b>   |                                                  |                  |                                                     |                 |                |
| At 1 February 2001    | 62,063                                           | 33,470           | 72,800                                              | 5,149           | 173,482        |
| Charge for year       | <u>868</u>                                       | <u>930</u>       | <u>435</u>                                          | <u>2,749</u>    | <u>4,982</u>   |
| At 31 January 2002    | <u>62,931</u>                                    | <u>34,400</u>    | <u>73,235</u>                                       | <u>7,898</u>    | <u>178,464</u> |
| <b>NET BOOK VALUE</b> |                                                  |                  |                                                     |                 |                |
| At 31 January 2002    | <u>6,399</u>                                     | <u>1,060</u>     | <u>437</u>                                          | <u>5,497</u>    | <u>13,393</u>  |
| At 31 January 2,001   | <u>7,267</u>                                     | <u>1,813</u>     | <u>872</u>                                          | <u>8,246</u>    | <u>18,198</u>  |

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 2002

## 8. DEBTORS

|                                      | <u>2002</u>  | <u>2001</u>  |
|--------------------------------------|--------------|--------------|
| Amounts falling due within one year: |              |              |
| Prepayments and accrued income       | <u>5,130</u> | <u>5,314</u> |

## 9. CREDITORS

|                                                                                        |               |               |
|----------------------------------------------------------------------------------------|---------------|---------------|
| Amounts falling due within one year:                                                   |               |               |
| Bank overdraft                                                                         | 11,919        | 12,976        |
| Trade creditors                                                                        | 7,935         | 8,231         |
| Tax and social security costs                                                          | 2,243         | 1,203         |
| Other creditors                                                                        | 2,500         | 2,500         |
| Accruals and deferred income                                                           | 7,285         | 2,300         |
| Hire purchase                                                                          | <u>2,252</u>  | <u>2,252</u>  |
|                                                                                        | <u>34,134</u> | <u>29,462</u> |
| Amounts falling due after one year                                                     |               |               |
| Hire purchase                                                                          | <u>3,205</u>  | <u>5,443</u>  |
| Secured creditors included above are as follows: -                                     |               |               |
| Bank overdrafts - secured by a fixed charge over the leasehold property of the company | 11,919        | 12,976        |
| Hire purchase                                                                          | <u>5,457</u>  | <u>7,695</u>  |
|                                                                                        | <u>17,376</u> | <u>20,671</u> |

## 10. OPERATING LEASE COMMITMENTS

|                                           | <u>Land and<br/>Buildings</u> | <u>Land and<br/>Buildings</u> |
|-------------------------------------------|-------------------------------|-------------------------------|
| Annual commitments under operating leases |                               |                               |
| Operating leases expiring:                |                               |                               |
| Within five years                         | <u>16,250</u>                 | <u>16,250</u>                 |
| Annual commitments at 31 January 2002     | <u>16,250</u>                 | <u>16,250</u>                 |

## 11. SHARE CAPITAL

|                                     | <u>Number<br/>2002</u> | <u>Value<br/>2002</u> | <u>Number<br/>2001</u> | <u>Value<br/>2001</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

PAGE 9

## TRADING AND PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JANUARY 2002

|                           | <u>2002</u>     | <u>2001</u>    |
|---------------------------|-----------------|----------------|
| SALES                     | 83,845          | 85,212         |
| Cost of sales             | <u>(11,623)</u> | <u>(8,900)</u> |
| GROSS PROFIT              | 72,222          | 76,312         |
| OTHER INCOME              |                 |                |
| Interest                  | -               | 1              |
| Rent                      | <u>4,000</u>    | <u>3,000</u>   |
|                           | <u>4,000</u>    | <u>3,001</u>   |
|                           | 76,222          | 79,313         |
| OVERHEAD EXPENSES         |                 |                |
| Distribution              | 4,520           | 5,090          |
| Establishment             | 28,126          | 31,456         |
| Office and administration | 47,667          | 48,447         |
| Finance                   | <u>2,659</u>    | <u>1,954</u>   |
|                           | <u>82,972</u>   | <u>86,947</u>  |
| NET LOSS BEFORE TAXATION  | <u>(6,750)</u>  | <u>(7,634)</u> |

## SCHEDULE OF OVERHEAD EXPENSES

YEAR ENDED 31 JANUARY 2002

|                                                  | <u>2002</u>   | <u>2001</u>   |
|--------------------------------------------------|---------------|---------------|
| DISTRIBUTION                                     |               |               |
| Advertising                                      | <u>4,520</u>  | <u>5,090</u>  |
| ESTABLISHMENT                                    |               |               |
| Rent                                             | 16,500        | 16,499        |
| Rates                                            | 4,409         | 6,267         |
| Insurance                                        | 3,399         | 3,483         |
| Light and heat                                   | 1,440         | 3,090         |
| Repairs and maintenance                          | <u>2,378</u>  | <u>2,117</u>  |
|                                                  | <u>28,126</u> | <u>31,456</u> |
| OFFICE AND ADMINISTRATION                        |               |               |
| Wages                                            | 17,582        | 23,635        |
| Employers NIC                                    | 347           | 837           |
| Motor and travelling                             | 3,071         | 3,239         |
| General expenses                                 | 897           | 791           |
| Professional and legal fees                      | 4,332         | 3,015         |
| Accountancy                                      | 925           | 925           |
| Postage and telephone                            | 286           | 293           |
| Depreciation -- leasehold property and buildings | 868           | 905           |
| equipment                                        | 930           | 899           |
| models, boats, amusements machines               | 435           | 789           |
| motor vehicle                                    | 2,749         | 2,749         |
| Surplus on disposal of motor vehicle             | -             | (1,995)       |
| Directors remuneration -- L B Barron             | 12,000        | 9,200         |
| pension contributions                            | 2,016         | 2,016         |
| national insurance contributions                 | <u>1,229</u>  | <u>1,149</u>  |
|                                                  | <u>47,667</u> | <u>48,447</u> |
| FINANCE                                          |               |               |
| Bank charges                                     | 896           | 728           |
| Bank overdraft interest                          | 908           | 727           |
| Hire purchase charges                            | <u>855</u>    | <u>499</u>    |
|                                                  | <u>2,659</u>  | <u>1,954</u>  |