

**LOCH NESS MONSTER EXHIBITION CENTRE
LIMITED**

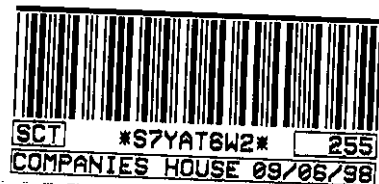
ABBREVIATED FINANCIAL STATEMENTS

31 OCTOBER 1997

Stuart & Munro

STUART & MUNRO
Chartered Accountants & Registered Auditors

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LOCH NESS MONSTER EXHIBITION CENTRE LIMITED**AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6, together with the financial statements of the company for the year ended 31 October 1997 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 16 April 1998 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1997, and the full text of our audit report is reproduced below:

"We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

LOCH NESS MONSTER EXHIBITION CENTRE LIMITED

AUDITORS' REPORT TO THE COMPANY (CONTINUED)

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

FULL TEXT OF AUDIT REPORT (CONTINUED)

BASIS OF OPINION

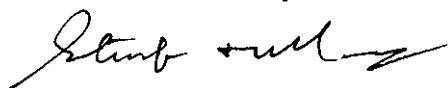
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31 October 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



STUART & MUNRO
Chartered Accountants
& Registered Auditors

16 April 1998

LOCH NESS MONSTER EXHIBITION CENTRE LIMITED

ABBREVIATED BALANCE SHEET

31 OCTOBER 1997

	Note	1997 £	1996 £
FIXED ASSETS	2		
Tangible assets		2,125,754	2,153,096
CURRENT ASSETS			
Debtors		115,870	101,455
Cash at bank and in hand		1,100	952
		116,970	102,407
CREDITORS: Amounts falling due within one year	3	(269,692)	(888,174)
NET CURRENT LIABILITIES		(152,722)	(785,767)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,973,032	1,367,329
CREDITORS: Amounts falling due after more than one year	4	(684,375)	(7,287)
GOVERNMENT GRANTS	5	(1,391)	(2,782)
		1,287,266	1,357,260
CAPITAL AND RESERVES			
Called-up equity share capital	6	100	100
Revaluation reserve		907,251	907,251
Profit and loss account		379,915	449,909
SHAREHOLDERS' FUNDS		1,287,266	1,357,260

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 16 April 1998 and are signed on their behalf by:

RA BREMNER



EAA BREMNER



LOCH NESS MONSTER EXHIBITION CENTRE LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 1997****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards, subject to the departures referred to below.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover comprises the value of services supplied by the company exclusive of VAT.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	Ranging from 5% to 20% of NBV
Motor vehicles	-	25% of NBV

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable.

LOCH NESS MONSTER EXHIBITION CENTRE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 1997

2. FIXED ASSETS

	Tangible Fixed Assets £
COST OR VALUATION	
At 1 November 1996	2,352,692
Additions	81,034
Disposals	(89,069)
At 31 October 1997	<u>2,344,657</u>
DEPRECIATION	
At 1 November 1996	199,596
Charge for year	32,718
On disposals	(13,411)
At 31 October 1997	<u>218,903</u>
NET BOOK VALUE	
At 31 October 1997	<u>2,125,754</u>
At 31 October 1996	<u>2,153,096</u>

As a result of depreciation not being charged on the property, the accounts do not comply with Statement of Standard Accounting Practice Number 12.

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1997 £	1996 £
Bank loans and overdrafts	<u>99,171</u>	<u>692,438</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1997 £	1996 £
Bank loans and overdrafts	<u>684,375</u>	<u>-</u>

LOCH NESS MONSTER EXHIBITION CENTRE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 1997

4 CREDITORS: Amounts falling due after more than one year *(continued)*

Included within creditors falling due after more than one year is an amount of £534,375 (1996 - £Nil) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

5. GOVERNMENT GRANTS

	1997 £	1996 £
Received and receivable	4,173	4,173
Amortisation	2,782	1,391
	<u>1,391</u>	<u>2,782</u>

6. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>100</u>	<u>100</u>