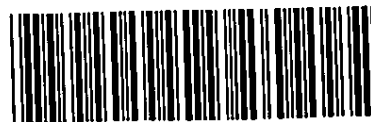


**MERCHANTS COURT LIMITED**  
**REGISTRATION NO. 3816046**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2006**

WEDNESDAY



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**MERCHANTS COURT LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2006**

The directors present their report, together with the financial statements for the period ended 31 December 2006

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company owns the freehold interest in Merchants Court, The Gangway, Cromer, and the principal activity of the company is to manage the property for the benefit of the individual flat owners.

**RESULTS AND DIVIDENDS**

The surplus for the year after taxation and transfers to the Sinking Fund was £2,342 (2005 – deficit £1,443)

No dividends have been paid or declared

**DIRECTORS**

The Directors in office during the period were as follows

Richard Thorne  
Andrew Bingham  
Norman Pollock  
Alfred Pearson

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Follow applicable accounting standards, 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 that the company will continue in business

The directors are responsible for keeping proper accounting records which 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

**MERCHANTS COURT LIMITED**

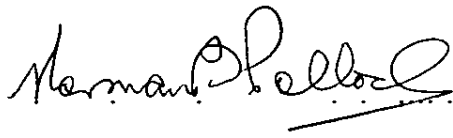
**DIRECTORS' REPORT**

**FOR THE PERIOD ENDED 31 DECEMBER 2006 (continued)**

**AUDITORS**

For the period ended 31 December 2006 the company was entitled to the exemption under section 249A(1) Companies Act 1985 and accordingly auditors have not been appointed.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

 9th February 2007

On behalf of the Board

**MERCHANTS COURT LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2006**

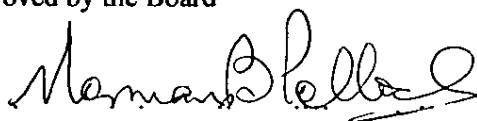
	Note	2005 £	2006 £
<b>TURNOVER</b>			
Service charges receivable from lessees		8,416	11,050
Sundry receipts		23	22
Bank interest		145	313
		<u>8,584</u>	<u>11,385</u>
<b>EXPENDITURE</b>			
Property costs		5,625	5,307
Administration		902	236
		<u>6,527</u>	<u>5,543</u>
<b>TOTAL EXPENDITURE</b>			
Operating surplus		2,057	5,842
Taxation	3	-	-
Surplus for the year		<u>2,057</u>	<u>5,842</u>
Transfer (to)/from Sinking Fund		(3,500)	(3,500)
NET SURPLUS TRANSFERRED TO GENERAL FUND		<u>£(1,443)</u>	<u>£2,342</u>

**MERCHANTS COURT LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2006**

	Note	2005 £	2006 £
<b>FIXED ASSETS</b>	2	14,588	14,588
<b>CURRENT ASSETS</b>			
Bank balances		9,493	15,449
Debtors and prepayments	4	11	12
		9,504	15,461
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors and accruals	6	2,431	2,546
<b>NET CURRENT ASSETS</b>		£7,073	12,915
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		£21,661	£27,503
<b>CAPITAL AND RESERVES</b>			
Share capital	7	59	59
Share premium	7	14,691	14,691
		14,750	14,750
General Fund		(89)	2,253
Sinking Fund		7,000	10,500
		£21,661	£27,503

With reference to the Companies Act 1985, the directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and for preparing accounts that give a true and fair view of the state of affairs for the company as at 31 December 2006 and of its profit for the period then ended, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts. For the year ended 31 December 2006 the company was entitled to the exemption under section 249A(1) and no member or members have requested an audit under section 249B(2).

Approved by the Board



Dated

9th February 2007 ..

**MERCHANTS COURT LIMITED**  
**NOTES TO THE ACCOUNTS BALANCE SHEET**  
**AS AT 31 DECEMBER 2006**

**1 ACCOUNTING POLICIES**

The accounts have been prepared in accordance with the historical cost convention and the Financial Reporting Standard for Smaller Entities

Turnover represents service charges receivable from members and sundry receipts

No depreciation is provided on the company's freehold property

**2 FIXED ASSETS**

The company owns the freehold property Merchants Court, The Gangway, Cromer, subject to long leases of the flats comprising the property.

	<u>2005</u>	<u>2006</u>
Freehold Property at cost	£14,588	£14,588
	<u>          </u>	<u>          </u>

**3 TAXATION**

No tax is payable on the surplus for the period

**4 DEBTORS AND PREPAYMENTS**

	<u>2005</u>	<u>2006</u>
Expenses prepaid	£11	£12
	<u>          </u>	<u>          </u>

**5 DIRECTORS AND EMPLOYEES**

There were no directors' emoluments or other salaries paid in the period

**6 CREDITORS AND ACCRUALS**

	<u>2005</u>	<u>2006</u>
Creditors	2,000	2,120
Accrued expenses	431	426
	<u>£2,431</u>	<u>£2,546</u>

**MERCHANTS COURT LIMITED**  
**NOTES TO THE ACCOUNTS**  
**AS AT 31 DECEMBER 2006**

**7 SHARE CAPITAL AND PREMIUM**

	<u>2005</u>	<u>2006</u>
Authorised capital – 100 ordinary shares of £1 each	£100 ==	£100 ==
Issued capital, fully paid – 59 ordinary shares of £1 each	£59 ==	£59 ==
Share premium	£14,691 ==	£14,691 ==

**8 RECONCILIATION OF TOTAL EXPENDITURE IN THE YEAR**

	<u>2005</u>	<u>2006</u>
Cash paid during the period	7,839	5,429
Less Amounts included in previous accounting period (accruals brought forward)	(3,743)	(2,431)
Add Amounts paid in previous accounting period but not included in previous account (prepayments brought forward)	11	11
Less Paid during the period but not included in the account (prepayments carried forward)	(11)	(12)
Add Accruals and provisions	2,431	2,546
Total expenditure (page 3)	£6,527 ==	£5,543 ==

The above information is provided in accordance with the Landlord and Tenant Acts 1985 and 1987