

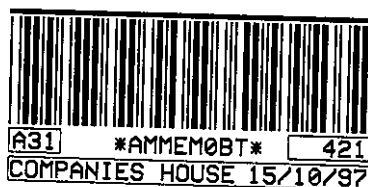
COMPANY NO: 1456521

DERRYVILLE LIMITED

BALANCE SHEET AND ACCOUNTS

FOR THE YEAR ENDED
24TH JUNE 1997

FORDYCE, CURRY & CO
CHARTERED CERTIFIED ACCOUNTANTS
61 WEST SMITHFIELD
LONDON EC1A 9EA



DERRYVILLE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 24th June 1997.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management and provision of services to the land and flats known as Block E, The Watersplash, Barnet Road London Colney, Hertfordshire.

RESULTS AND DIVIDENDS

The result for the year is as shown in the attached Income & Expenditure Account. The Company is not permitted to declare dividends.

DIRECTORS

The Directors of the Company during the year were:-

E. K. Arnold	T. B. Moriarty (Appointed 15.10.96)
S. Evans	D. Purfield (Resigned 31.10.96)
C. J. Land (Resigned 30.9.96)	S. J. Sturrock
P. E. MacDonald	F. J. Wood

All are ordinary members of the Company.

AUDITORS

Messrs. Fordyce, Curry & Co were reappointed at the last AGM and a resolution proposing their reappointment will be proposed at the forthcoming AGM.

In the preparation of the above report, the Directors have taken advantage of the special exemptions available to small companies.

BY ORDER OF THE BOARD

Mamie Lowe

M. LOWE
SECRETARY

DATE: 25 September 1997

DERRYVILLE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial year 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 financial statements, the Directors are required to:-

Select suitable accounting policies and then apply them consistently.

Make judgements and estimates that are reasonable and prudent.

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Prepare the financial statements 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 financial statements 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.

AUDITORS' REPORT TO THE MEMBERS OF
DERRYVILLE LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

As described on page 2, the Company's Directors are responsible for the preparation of 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.

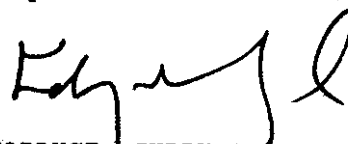
Basis of opinion

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 state of the Company's affairs as at 24th June 1997, and of its excess of expenditure over income for the year then ended and have properly prepared in accordance with the Companies Act 1985 applicable to small companies.



FORDYCE, CURRY & CO.
CHARTERED CERTIFIED ACCOUNTANTS

REGISTERED AUDITORS

61 WEST SMITHFIELD
LONDON EC1A 9EA

DATE: 25 September 1997

DERRYVILLE LIMITED

BALANCE SHEET
AS AT 24TH JUNE 1997

As At
24th June 1996

FIXED ASSETS

Tangible (Note 3)	212	282
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CURRENT ASSETS

Debtors & Prepayments (Note 4)	1,604	1,094
Cash at Bank & In Hand	2,159	4,360

	3,763	5,454
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CREDITORS: AMOUNTS FALLING DUE

<u>WITHIN ONE YEAR</u> (Note 5)	876	782
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NET CURRENT ASSETS

	2,887	4,672
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TOTAL ASSETS LESS CURRENT LIABILITIES

	£ 3,099	£ 4,954
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CAPITAL AND RESERVES

Maintenance Reserve (Note 1b)	1,950	1,950
Income & Expenditure Account	1,149	3,004

	£ 3,099	£ 4,954
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The Notes on pages 6 and 7 form part of these financial statements.

In the preparation of the Company's financial statements, the Directors have taken advantage of the special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the Company is entitled to those exemptions as a small company.

E. K. ARNOLD

E. K. Arnold

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) DIRECTOR
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DATE: 25 September 1997

DERRYVILLE LIMITED

INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 24TH JUNE 1997

For the Year Ended
24th June 1996

INCOME

Maintenance Charges	7,054	21,946
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EXPENDITURE

Cleaning & Grass Cutting	2,515	2,501
Electricity	434	95
Repairs & Renewals	1,530	923
Insurance	2,058	2,141
Depreciation	70	70
Print, Post, Telephone & Stationery	215	198
General Expenses	15	18
Audit	353	352
Legal Expenses	-	176
Secretary's Fees	1,650	1,850
Bank Charges & Interest	96	119
Redecoration Expenses	-	9,025
	<u>8,936</u>	<u>17,468</u>
	(1,882)	4,478
Interest Receivable	<u>35</u>	<u>17</u>
<u>EXCESS OF (EXPENDITURE OVER INCOME)/</u> <u>INCOME OVER EXPENDITURE BEFORE TAX</u>	(1,847)	4,495
Taxation (Note 2)	<u>8</u>	<u>4</u>
<u>EXCESS OF (EXPENDITURE OVER INCOME)/</u> <u>INCOME OVER EXPENDITURE AFTER TAX</u>	(1,855)	4,491
<u>BALANCE BROUGHT FORWARD</u>	<u>3,004</u>	<u>(1,487)</u>
<u>BALANCE CARRIED FORWARD</u>	£ <u>1,149</u>	£ <u>3,004</u>

None of the Company's activities was acquired or discontinued during the financial year, or the preceding financial year.

The Notes on pages 6 and 7 form part of these financial statements.

STATEMENT OF RECOGNISED GAINS & LOSSES

There were no recognised gains or losses for the above two financial years other than the Excess of (Expenditure over Income)/Income over Expenditure after tax.

DERRYVILLE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 24TH JUNE 1997

1. ACCOUNTING POLICIES

The company is a company without share capital and is limited by guarantee.

a) Basis of preparation of accounts

The Accounts of the company are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

b) Maintenance Reserve

The basic maintenance deposit paid on completion has been credited to the maintenance reserve. This reserve may be applied in paying up arrears of maintenance charges but is otherwise retained throughout the term of the lease and repaid to the lessees on the determination of the several leases.

c) Tangible Fixed Assets

Depreciation is provided in order to write off each asset over its estimated useful life:-

Fixtures & Fittings	20% on Cost
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2. TAXATION

The company is a mutual company for tax purposes and not generally liable to taxation on income derived from members which is applied for management of and provision of services to the members' flats.

The charge for the year is as follows:-

	<u>1997</u>	<u>1996</u>
Corporation Tax		
on interest received	£ <u>8</u>	£ <u>4</u>

DERRYVILLE LIMITED

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 24TH JUNE 1997

3. TANGIBLE FIXED ASSETS

	<u>Fixtures & Fittings</u>
Cost at 25.6.96 and at 24.6.97	£ <u>997</u>
Depreciation at 25.6.96	715
Charge for the Year	<u>70</u>
Depreciation at 24.6.97	£ <u>785</u>
Net Book Value 25.6.96	£ <u>282</u>
Net Book Value 24.6.97	£ <u>212</u>

4. DEBTORS AND PREPAYMENTS

	<u>1997</u>	<u>1996</u>
Maintenance Charges	804	945
Prepayments	<u>800</u>	<u>149</u>
	£ <u>1,604</u>	£ <u>1,094</u>

5. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

Accruals	868	778
Taxation due 25.3.98	<u>8</u>	<u>4</u>
	£ <u>876</u>	£ <u>782</u>

6. MEMBERS' LIABILITY

At the Balance Sheet date the Company had 39 members who have guaranteed the sum of £50 each.

9. RECONCILIATION OF MOVEMENT ON
SHAREHOLDERS FUNDS

Excess of (Expenditure over Income)/		
Income Over Expenditure for the Year	(1,855)	4,491
Opening Shareholders Funds	<u>4,954</u>	<u>463</u>
Closing Shareholders Funds	£ <u>3,099</u>	£ <u>4,954</u>

All shareholders funds are attributable to equity interests.