COMPANY NO: 1456521

DERRYVILLE LIMITED

BALANCE SHEET AND ACCOUNTS

FOR THE YEAR ENDED
24TH JUNE 1998

FORDYCE, CURRY & CO
CHARTERED CERTIFIED ACCOUNTANTS
BOUNDARY HOUSE
91-93 CHARTERHOUSE STREET
LONDON EC1M 6PN

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COMPANIES HOUSE 09/10/98

DERRYVILLE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 24th June 1998.

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 and Expenditure Account. The Company is not permitted to declare dividends.

DIRECTORS

The Directors of the Company during the year were:-

E. K. Arnold	P. E. McDonald
J. C. Braithwaite	T. B. Moriarty
S. C. Evans	S. J. Sturrock
G. Evans (Appointed 19.11.97)	F. J. Wood

All are ordinary members of the Company.

AUDITORS

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

SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

BY ORDER OF THE BOARD

Marie Lowe

M. LOWE
SECRETARY

DATE: 9 September 1998

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 1998, and of its excess of income over expenditure for the year then ended and have properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

FORDYCE, CURRY & CO.
CHARTERED CERTIFIED ACCOUNTANTS

REGISTERED AUDITORS

BOUNDARY HOUSE
91-93 CHARTERHOUSE STREET
LONDON EC1M 6PN

DATE: 9 September 1998

DERRYVILLE LIMITED

BALANCE SHEET
AS AT 24TH JUNE 1998

			As At 24th June 1997	
FIXED ASSETS				
Tangible (Note 3)		142		212
CURRENT ASSETS				
Debtors & Prepayments (Note 4)	1,450		1,604	
Cash at Bank & In Hand	4,934		2,159	
	6,384		3,763	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Note 5)	2,066		876	
NET CURRENT ASSETS		4,318		2,887
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 4,460		£ 3,099
CAPITAL AND RESERVES				
Maintenance Reserve (Note 1b)		1,950		1,950
Income & Expenditure Account		2,510		1,149
MEMBERS FUNDS - EQUITY		£ 4,460		£ 3,099

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

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the Board on 9 September 1998 and signed on its behalf.

E. K. ARNOLD E. K. Arnold) DIRECTOR

DERRYVILLE LIMITED

INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 24TH JUNE 1998

			For the Year Ended 24th June 1997	
INCOME				
Maintenance Charges		9,600		7,054
EXPENDITURE				
Cleaning & Grass Cutting	2,434		2,515	
Electricity	457		434	
Repairs & Renewals	458		1,530	
Insurance	2,131		2,058	
Depreciation	70		70	
Print, Post, Telephone & Stationery	203		215	
General Expenses	15		15	
Audit	353		353	
Legal Expenses	176		-	
Secretary's Fees	1,860		1,650	
Bank Charges & Interest	108		96	
		8,265		8,936
		1,335		(1,882)
Interest Receivable		26		35
EXCESS OF INCOME OVER EXPENDITURE/ (EXPENDITURE OVER INCOME) BEFORE TAX		1,361		(1,847)
Taxation (Note 2)		-		8
EXCESS OF INCOME OVER EXPENDITURE/ (EXPENDITURE OVER INCOME) AFTER TAX		1,361		(1,855)
BALANCE BROUGHT FORWARD		1,149		3,004
BALANCE CARRIED FORWARD		£ 2,510		£ 1,149

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 Income over Expenditure/(Expenditure over Income) after tax.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 24TH JUNE 1998

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 charged 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

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 mamagement of and provision of services to the members' flats.

The charge is as follows:-

	1998	1997
Corporation Tax on interest received	£ -	£ 8

The Inspector of Taxes has indicated that due to the small amounts of tax due from the Company, it is not his intention to seek to collect Corporation Tax from the Company, so long as the Company's circumstances remain unchanged. No provision has therefore been made for Corporation Tax for the year.

NOTES TO THE ACCOUNTS (CONT'D)
FOR THE YEAR ENDED 24TH JUNE 1998

3. TANGIBLE FIXED ASSETS

	Fixtures & Fittings
Cost at 25.6.1997 and at 24.6.1998	£ 997
Depreciation at 25.6.1997	785
Charge for the Year	70
Depreciation at 24.6.1998	£ 855
Net Book Value 25.6.1997	£ 212
Net Book Value 24.6.1998	£ 142

4. DEBTORS & PREPAYMENTS

	1998	1997
Maintenance Charges	650	804
Prepayments	800	800
	£ 1,450	£ 1,604

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Maintenance Charges	1,200	-
Accruals	866	868
Taxation due 25.3.1999	-	8
	£ 2,066	£ 876

6. MEMBERS' LIABILITY

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

7. RECONCILIATION OF MOVEMENT ON MEMBERS FUNDS

	1998	1997
Excess of Income Over Expenditure/ (Expenditure over Income) for the Year	1,361	(1,855)
Opening Members Funds	3,099	4,954
Closing Members Funds	£ 4,460	£ 3,099

All Members funds are attributable to equity interests.

8. CONTROL

The Company is a mutual company controlled by its members, none of whom have overall control.