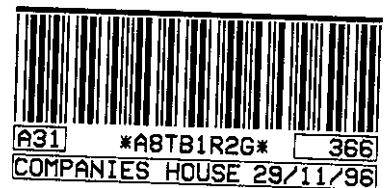


Registered No: 1481899

FENNLAND LIMITED

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 24 JUNE 1996**

CHANTREY VELLACOTT



CHANTREY VELLACOTT
Chartered Accountants
Gresham House
53 Clarendon Road
Watford
Herts WD1 1LR

FENNLAND LIMITED

OFFICERS AND ADVISERS

DIRECTORS

T. Over
A.E. Thomas
C. Guest

SECRETARY

M. Tant

REGISTERED OFFICE

Red Lodge
Tollgate Road
North Mymms
Hatfield
Herts AL9 7TW

REGISTERED NUMBER

1481899

AUDITORS

Chantrey Vellacott
Chartered Accountants
Gresham House
53 Clarendon Road
Watford
Herts WD1 1LR

FENNLAND LIMITED

DIRECTOR'S REPORT

The directors present their report and the audited financial statements of the company for the year ended 24 June 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is to manage land and flats known as Block D, Watersplash, London Colney, Hertfordshire and to provide services to maintain common parts, pay the costs relating thereto and to recover these from the lessees.

REVIEW OF THE YEAR

The company is a non-profit making organisation and all expenditure relative to the services provided, which in the year under review amounted to £17,446 including £9,541 set aside for redecoration and repairs, is recoverable from the lessees. The results are set out in detail on page 4.

The directors have been concerned for some time over the non-payment of service charges by certain tenants and have instructed solicitors in cases where debts are long overdue. Failure of tenants to pay on a timely basis places the company in a difficult position as regards settlement of its own liabilities and all tenants are therefore firmly encouraged to ensure that service charge demands are settled promptly.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

T. Over
A.E. Thomas
M. Saunders - resigned 19 March 1996
C. Guest
P. Henry - resigned 19 March 1996

All present directors are members of the company.

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 surplus or deficit 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;
- 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.

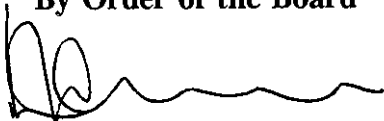
FENNLAND LIMITED

DIRECTOR'S REPORT (continued)

AUDITORS

A resolution to re-appoint Chantrey Vellacott as auditors will be proposed at the Annual General Meeting.

By Order of the Board



M. Tant
Secretary

Approved by the Board on 20 November
^ 1996

AUDITORS' REPORT TO THE MEMBERS OF FENNLAND LIMITED

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

Respective responsibilities of directors and auditors

As described on page 1 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 24 June 1996 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHANTREY VELLACOTT
Chartered Accountants and Registered Auditors

WATFORD

26 November 1996

FENNLAND LIMITED**INCOME AND EXPENDITURE ACCOUNT****YEAR ENDED 24 JUNE 1996**

	Notes	£	1996 £	£	1995 £
TURNOVER	1(b)		13,950		14,051
OPERATING CHARGES					
Annual Return fees		18		4	
Auditors' remuneration		423		425	
Bank charges		212		186	
Cleaning of halls, windows & grass cutting		2,614		2,544	
Electricity		143		367	
Insurance		3,039		2,783	
Legal & professional fees		147		100	
Management charges		882		2,229	
Meeting expenses		-		15	
Provision for long term maintenance	4	9,541		4,000	
Repairs & equipment		427		958	
			<u>17,446</u>		<u>13,611</u>
(DEFICIT)/SURPLUS FOR THE YEAR	1(c)		(3,496)		440
Amount brought forward from previous year			<u>3,066</u>		<u>2,626</u>
AMOUNT CARRIED FORWARD, to be reflected in future charges to lessees	3		<u>£(430)</u>		<u>£3,066</u>

None of the company's activities was acquired or discontinued during the above two financial years. The company had no recognised gains or losses, other than shown above.

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

FENNLAND LIMITED

BALANCE SHEET AT 24 JUNE 1996

	Notes	1996 £	1995 £
CURRENT ASSETS			
Debtors			
Amounts recoverable from lessees	3	4,229	1,034
Prepayment		179	210
		<u>4,408</u>	<u>1,244</u>
Cash at bank		1,464	8,252
		<u>5,872</u>	<u>9,496</u>
CREDITORS: Amounts falling due within one year			
Accruals and other creditors		(1,271)	(2,197)
		<u>4,601</u>	<u>7,299</u>
NET CURRENT ASSETS			
Provision for liabilities and charges	4	(3,001)	(5,699)
		<u>£1,600</u>	<u>£1,600</u>
REPRESENTED BY			
Deposits from lessees	5	<u>£1,600</u>	<u>£1,600</u>

Approved by the directors on ^{20 November} 1996 and signed on their behalf.

.....*C. Guest*..... T. OVER - Director.
PP MRS C. GUEST.

The notes on page 6 form part of these financial statements.

FENNLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 24 JUNE 1996**

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents charges rendered on account for the year.

(c) Provision for long term maintenance and (deficit)/surplus for the year

Each year the directors assess the requirement to set aside monies for periodic redecoration and repairs under the terms of the leases. Any charges in the Income and Expenditure account is also reflected in the provision for liabilities and charges, representing the long term maintenance account. The remaining surplus or deficit on the Income and Expenditure Account is then accountable to lessees through normal service charges.

2 STATUS & MEMBERS

The company is limited by guarantee with 32 members, each of whom is a lessee and liable to contribute a sum not exceeding £1 in the event of the company being wound up. However under the terms of the leases each lessee is responsible for a one thirty-second share of all costs, charges and expenses incurred or to be incurred by the company.

No taxation liability arises on any surplus for the year in view of the mutual trading position of the company.

3 AMOUNTS RECOVERABLE FROM LESSEES

	1996	1995
	£	£
Charges on account unpaid at year end	3,799	4,100
Accumulated (deficit)/surplus accountable (from)/to the lessees (page 4)	(430)	(3,066)
	<u>£4,229</u>	<u>£1,034</u>

4 PROVISION FOR LIABILITIES AND CHARGES - LONG TERM MAINTENANCE

Under the terms of the leases, the company has a commitment to redecorate the internal and external parts of the building at certain prescribed intervals and to undertake periodic remedial work. The movement in the year was as follows:

	£
At 25 June 1995	5,699
Income and Expenditure account	9,541
	<u>15,240</u>
Utilised in the year, including related management fees	(12,239)
	<u>£3,001</u>

FENNLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 24 JUNE 1996 (Cont'd)**

5 DEPOSIT FROM LESSEES

It is a condition of the lease of each flat that each lessee, who is a member of the company, deposit £50 with the company for the length of their lease.