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VALIANT HOUSE (MANAGEMENT) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

24 JUNE 2000

DIRECTORS : M H Swan
A J B Mawdsley
W Richards
K S Lucas
D Andrews
P G Madoc-Jones
B G Leigh-Mason

SECRETARY : A J B Mawdsley

COMPANY NUMBER : 1051860 registered in England and Wales.

REGISTERED OFFICE : 4 Plantagenet Road, New Barnet, Hertfordshire, EN5 5JQ.

AUDITORS : Gallagher & Brocklehurst, Chartered Accountants,
4 Plantagenet Road, New Barnet, Hertfordshire, EN5 5JQ.

SOLICITORS : Russell-Cooke Potter and Chapman,
2 Putney Hill, Putney, London, SW15 6AB

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VALIANT HOUSE (MANAGEMENT) LIMITED

SCHEDULE OF UNPAID MAINTENANCE

FOR THE YEAR ENDING 24 JUNE 2000

Flat No	Owner's Surname	AMOUNT OUTSTANDING	
		At 24-Jun-00	At 28-Aug-00
11	Hepburn	0.00	1,300.00
43	Wood	0.00	1,300.00
45	Wallace	0.00	600.00
59	Hattat	1,200.00	2,500.00
84	Dorny	0.00	1,300.00
93	Gorbenka	0.00	1,296.20
<u>Car Space</u>			
10	McGill	30.00	0.00
20	Wood	0.00	30.00
29	Symington	30.00	0.00
37	Hepburn	0.00	30.00
54	Lodge	60.00	90.00
59	Dhandsa	30.00	0.00
63	Burgess Hodgson	0.00	30.00
65	Dorny	0.00	30.00
74	Gorbenka	0.00	30.00
102	Hattat	30.00	60.00
<u>Debt collection costs recoverable</u>			
59	Hattat	197.72	197.72
66	Dorny	58.75	58.75
70	Hart	53.75	58.75
<u>Late payment charges recoverable</u>			
7	McGill	15.12	0.00
8	Burgues	19.84	0.00
11	Hepburn	23.68	23.68
20	Knight	14.72	0.00
40	Paleokrassas	15.36	0.00
59	Hattat	107.51	107.51
60	Mitchell-Heggs	14.72	14.72
66	Dorny	14.72	14.72
68	Lodge	43.84	0.00
70	Hart	22.08	22.08
78	Walker	35.63	13.44
81	Dhandsa	10.56	10.56
85	Considine	40.01	0.00
92	Bowyer	25.92	25.92
96	Madoc-Jones	14.72	14.72
<u>Recoverable expenses</u>			
86	Dixon	39.88	0.00
89	Palomares	101.05	0.00
PER BALANCE SHEET		£ 2,254.58	
STILL OUTSTANDING AT			£ 9,158.77

The amounts outstanding at 24 June 2000 exclude the levy notes due in advance at that date.
These are included in the amount outstanding at 28 August 2000.

VALIANT HOUSE (MANAGEMENT) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 24 JUNE 2000

The directors present herewith their report and the financial statements for the year ended 24 June 2000:-

Results

Surplus of income on ordinary activities after taxation	69,194
Less: extraordinary costs	281,479
Decrease in reserve for the financial year	<u>-212,285</u>
Reserves, brought forward	223,519
Reserve per balance sheet	<u>£ 11,234</u>

Directors and their interests

The company's directors, who served the company during the year and their periods of office, are set out below. All directors were members of the company.

M H Swan	
A J B Mawdsley	
L B P Mitchell	(resigned 4 October 1999)
R Sims	(resigned 4 October 1999)
M R Palomares	(resigned 4 October 1999)
K S Lucas	
D Andrews	
P Madoc-Jones	
B G Leigh-Mason	
W Richards	(appointed 4 October 1999)

Principal activity

The company continued to manage the company known as Valiant House, Vicarage Crescent, London, SW11 through their agents, Kinleigh Folkard and Hayward.

Business review

The directors regard as satisfactory the state of the affairs at the balance sheet date, the company being a non-profit making organisation, as it has sufficient reserves in hand at the year end.

Auditors

Gallagher & Brocklehurst, Chartered Accountants, have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act, it is proposed that they be re-appointed auditors to the company for the ensuing year.

Small company rules

These financial statements 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.

Dated: 8 September 2000

4 Plantagenet Road
New Barnet
Hertfordshire
EN5 5JQ

BY ORDER OF THE BOARD



A J B MAWDSLEY
Secretary

VALIANT HOUSE (MANAGEMENT) LIMITED

DIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS

FOR THE YEAR ENDED 24 JUNE 2000

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 the affairs of the company and of the profit or loss of the company for that year.

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 responsible and prudent, and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are also 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 Valiant House (Management) Limited

We have audited the financial statements on page 2 to 9, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described above 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 financial 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 the 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 at 24 June 2000 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Dated: 8 September 2000

GALLAGHER & BROCKLEHURST
4 Plantagenet Road
New Barnet
Hertfordshire
EN5 5JQ

Gallagher & Brocklehurst.

CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

VALIANT HOUSE (MANAGEMENT) LIMITED

INCOME AND EXPENDITURE ACCOUNT RESERVE

FOR THE YEAR ENDING 24 JUNE 2000

		2000		1999	
	(Note	£	£	£	£
<u>INCOME</u> , being maintenance due from residents:					
Flats			249,600		249,600
Car spaces			6,240		6,240
TOTAL MAINTENANCE INCOME			255,840		255,840
<u>NET OPERATING EXPENSES</u>					
Porterage	(6)	32,926		29,600	
Insurance		8,507		7,678	
Electricity		8,973		8,538	
Central heating and hot water costs		24,869		25,011	
Central heating and hot water costs for 1998		0		5,329	
Metered water rates		12,120		17,991	
Cleaning, refuse disposal and paladin hire		15,881		12,617	
Lift maintenance and repairs		13,614		9,410	
Video door entry system		7,869		4,138	
Television aerial and satellite TV costs		219		799	
Gardening contractors		8,359		4,672	
Gardening sundries - plants and tree surgery		8,323		3,341	
Repairs	(7)	39,515		33,216	
Sundries	(8)	3,915		3,580	
Audit fee		2,938		2,938	
Accountancy, tax and registration work		588		588	
Management fees		13,141		11,603	
Professional fees	(9)	2,639		2,595	
			204,396		183,644
OPERATING SURPLUS OF INCOME			51,444		72,196
<u>OTHER OPERATING INCOME</u>	(10)		22,337		21,281
SURPLUS OF INCOME ON ORDINARY ACTIVITIES BEFORE TAXATION			73,781		93,477
<u>TAXATION</u>	(1)		4,587		5,937
SURPLUS OF INCOME ON ORDINARY ACTIVITIES AFTER TAXATION			69,194		87,540
<u>EXTRAORDINARY COSTS</u>	(11)		281,479		50,880
INCREASE OR -DECREASE- IN RESERVE FOR THE FINANCIAL YEAR			-212,285		36,660
RESERVE, brought forward			223,519		186,859
RESERVE PER BALANCE SHEET, per page 5			£ 11,234		£ 223,519

There are no recognised gains or losses in the year other than those shown above, all operations continued and there were no other changes in shareholders' funds.

VALIANT HOUSE (MANAGEMENT) LIMITED


BALANCE SHEET

AS AT 24 JUNE 2000

	(Note)	2000		1999	
<u>CURRENT ASSETS</u>		£	£	£	£
Debtors					
Tenants' maintenance arrears, per page 1			2,255		4,593
Insurance claims receivable			1,746		1,746
Prepayments and sundry debtors			16,982		3,511
			<u>20,983</u>		<u>9,850</u>
Building society deposit accounts		102,354		235,645	
Treasury and bank deposit account		3,250		614	
Bank balance on deposit with managing agent	(2)	54,971		631	
			<u>160,575</u>		<u>236,890</u>
TOTAL ASSETS			<u>£ 181,558</u>		<u>£ 246,740</u>
Funded by:					
<u>LIABILITIES</u>					
Capital and reserves					
Called-up share capital	(3)		0		0
Income and expenditure account reserve, per page 4			11,234		223,519
			<u>11,234</u>		<u>223,519</u>
Shareholders' funds					
Creditors: amounts falling due within one year:					
Maintenance received in advance		23,490		113	
Corporation tax		7,497		4,419	
Social security and other taxes		342		285	
Expense creditors and accruals		138,995		18,404	
			<u>170,324</u>		<u>23,221</u>
TOTAL FUNDS EMPLOYED			<u>£ 181,558</u>		<u>£ 246,740</u>

These financial statements 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.

APPROVED BY THE BOARD ON 8 SEPTEMBER 2000


A J B MAWDSLEY
Director

VALIANT HOUSE (MANAGEMENT) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 2000

1 ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities. In particular:-

- (a) The income and expenditure account on page 4 is a statement of a maintenance income received and expenses paid during the year except that:-
 - Maintenance and other income due from the flats and car spaces is the total due for the year and not the amount received during the year.
 - Expenses, which were unpaid at the year end due to the invoices not having been rendered at the balance sheet date are included.
 - Only substantial expense prepayments at the balance sheet date, are carried forward into the next accounting year.
 - Late payment levies are included on all known late payments for the year to 24 June 2000.
- (b) As last year all additions and improvements in the building and its facilities have been written off directly to the income and expenditure account as "extraordinary costs".
- (c) The company has no turnover as it is a mutual trading entity.
- (d) Rentals under operating and finance leases have been charged to the income and expenditure account as annual rentals, which is on a straight line basis. Assets held under finance lease contracts are not capitalised in the balance sheet due to 1(b) above and have consequently been included in the summary of future financial commitments (see note 5 page 7).
- (e) The company continues to be a mutual trading entity and taxation is only due on its investment income. Last year, it was reported that the Revenue are seeking to change the basis of taxation on deposit interest and the directors thought it prudent to provide for tax at the higher rate of 34% although it was only charged at 21%. This matter has still not been clarified to the satisfaction of the board and they therefore consider it prudent to continue to provide for this taxation at 34% of the investment income. Value Added Tax is neither chargeable on the residents' maintenance levies nor recoverable from the Value Added Tax paid on expenses. The company has no deferred taxation liability.
- (f) The company pays no directors' remuneration.

VALIANT HOUSE (MANAGEMENT) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 2000

2. BANK BALANCE ON DEPOSIT WITH MANAGING AGENT

Valiant House's managing agent, Kinleigh Folkard & Hayward, collects monies, pay expenses and hold the balance as trustee for the company in their client's bank deposit account.

3. CALLED-UP SHARE CAPITAL

There is no authorised or issued share capital of the company because the company is limited by guarantee as per Section 5 of the Company's Memorandum, which states that members undertake to contribute a maximum of £1 each to the assets of the company in the event of its being wound up while they are members or within one year after any members ceases to be so. The membership is defined under Sections 3 and 7 of the Company's Articles of Association.

4. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no capital commitments for or authorised by the board nor contingent liabilities at the balance sheet date.

5. FUTURE FINANCIAL COMMITMENTS

At the balance sheet date the company had annual commitments under operating and finance lease contract for the video door entry system, inclusive of VAT, which is assumed to remain at the same rate, which expire;

	<u>2000</u>	<u>1999</u>
(a) Within one year	9,040	9,040
(b) Within the second to fifth year	36,158	36,158
(c) After more than five years	67,795	76,835
 TOTAL LEASE PAYMENTS OUTSTANDING	 £ <u>112,993</u>	 £ <u>122,033</u>

VALIANT HOUSE (MANAGEMENT) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 2000

	2000	1999
	£	£
6. <u>PORTERAGE</u>		
Gross pay, including employers social security costs	14,803	12,759
Rent	11,500	10,000
Maintenance levies	2,400	2,400
Telephone - standard costs (net of deductions)	456	823
Telephone - mobile phone costs	464	465
Electricity	197	228
Stand-by porter's costs	2,546	2,180
Council tax	308	466
Personal accident insurance	252	279
PER INCOME AND EXPENDITURE ACCOUNT	£ 32,926	£ 29,600

7. <u>REPAIRS</u>		
Boiler, plumbing, drainage and heating	19,663	22,102
Launderette	276	745
Car park entry barrier	53	1,651
Electrical	2,750	1,610
Subject to insurance claims (see note 10)	4,744	0
Buildings structures (walls, doors, etc.)	5,887	1,485
Gates, fencing, paving and walkways	1,008	0
Signs	65	689
Roof	1,046	3,681
Bicycle sheds and bin store repairs	0	1,028
Irrigation maintenance	314	225
Plasterwork as a result of redecorations deemed to be repairs	3,709	0
PER INCOME AND EXPENDITURE ACCOUNT	£ 39,515	£ 33,216

8. <u>SUNDRIES</u>		
Directors' telephone, annual general meeting and other sundry costs	89	471
Registrar of Companies filing fee	15	15
P.L.A. rent	153	149
Pest control	2,073	2,132
Photocopying costs	988	151
Printing of annual financial statements	250	500
Fire fighting equipment - contract and service	347	162
PER INCOME AND EXPENDITURE ACCOUNT	£ 3,915	£ 3,580

VALIANT HOUSE (MANAGEMENT) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 2000

	2000	1999
	£	£
9. <u>PROFESSIONAL FEES</u>		
Legal fees	811	821
Debt collection costs	535	253
Surveyors fees and plans	118	0
Health and Safety costs	0	324
Inspection of boilers and lifts	0	1,197
Pipework corrosion testing	1,175	0
PER INCOME AND EXPENDITURE ACCOUNT	£ 2,639	£ 2,595
10. <u>OTHER OPERATING INCOME</u>		
Treasury, bank and other interest received, gross	945	4,985
Interest received, gross, from building society	12,547	12,477
Launderette receipts	3,063	2,703
Insurance claims received (see note 7)	4,744	0
Late payment charges received from residents	620	854
Debt collection costs recovered	418	253
Sale of duplicate keys	0	9
PER INCOME AND EXPENDITURE ACCOUNT	£ 22,337	£ 21,281
11. <u>EXTRAORDINARY COSTS - Short-term Planned Expenditure</u>		
Major planned projects		
Lifts overhaul	0	9,955
Lift door gear replacement	27,730	9,165
Consultancy fee on the above	1,589	0
Landscaping works	5,000	5,782
Managing agents fee on the above	0	918
Roof repairs	10,350	0
Managing agents fee on the above	1,372	0
Internal redecorations	206,075	0
Managing agents fee on the above	20,445	0
	272,561	25,820
Other items		
Establishment of porter's office	0	1,451
Additional railings	0	8,354
Building repairs	0	7,870
Carpeting	1,264	0
Disabled ramps	748	0
Electrical works	3,789	0
Automatic watering system addition	522	0
Replace door closers	2,728	0
Drainage replacement - car park	3,143	0
Legal fees - 1/3 Battersea Square - 1st planning application	506	2,000
Legal fees - 1/3 Battersea Square - 2nd planning application	4,053	0
Legal fees - provision for appeal regarding 2nd application	1,500	0
	6,059	
Prior year item - Electricity charges	-5,335	5,385
Prior year item - Estimated over charge for water	-4,000	0
PER INCOME AND EXPENDITURE ACCOUNT	£ 281,479	£ 50,880