VALIANT HOUSE
(MANAGEMENT) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

24 JUNE 1998

DIRECTORS	:	M.H. Swan A.J.B. Mawdsley L.P.B. Mitchell R. Sims A.Boers M.R. Palomares K.S. Lucas
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 TENANTS ARREARS

FOR THE YEAR ENDING 24 JUNE 1998

Flat No	Owner's Surname	AMOUNT OUTSTANDING At 24-Jun-98	At 3-Sep-98
15	Mirjan	0.00	1,200.00
20	Knight	0.00	1,200.00
53	Van der Esch	0.00	1,200.00
54	Menon	0.00	1,200.00
55	Tarlton	0.00	1,200.00
59	Hattat	1,200.00	2,400.00
64	De Freitas	0.00	1,200.00
67	Ticktum	10.00	0.00
68	Lodge	0.00	1,200.00
70	Hart	700.00	1,900.00
72	Wright	0.00	1,200.00
74	Waldman	0.00	1,200.00
Car Space			
15	Knight	0.00	30.00
35	Mirjan	0.00	30.00
44	Van der Esch	0.00	30.00
54	Lodge	0.00	30.00
55	Tarlton	0.00	30.00
66	Patel	30.00	0.00
69	Waldman	0.00	30.00
80	Hart	60.00	90.00
81	Nops	0.00	30.00
83	Barry	30.00	0.00
95	Wright	0.00	30.00
96	Menon	0.00	30.00
100	De Frietas	0.00	30.00
102	Hattat	30.00	60.00
Debt collection costs recoverable			
59	Hattat	58.75	58.75
Late payment charges recoverable			
15	Mirjan	31.47	31.47
59	Hattat	61.16	61.16
70	Hart	24.43	24.43
85	Considine	23.13	0.00
92	Bowyer	28.81	0.00
96	Madoc-Jones	37.53	0.00
Special charge levies recoverable			
24	Flanagan	0.00	9.00
53	Van der Esch	387.75	387.75
PER BALANCE SHEET		£ 2,713.03	
STILL OUTSTANDING AT			£ 16,122.56

The amounts outstanding at 24 June 1998 exclude the levy notes due at 24 June 1998.
These are included in the amount outstanding at 3 September 1998

VALIANT HOUSE (MANAGEMENT) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 24 JUNE 1998

Results

The directors present herewith their report and the financial statements for the year ended 24 June 1998:-

Surplus of income on ordinary activities after taxation	112,435
Less: extraordinary costs	61,137
Increase in reserve	51,298
Reserves, brought forward	135,561
Reserve per balance sheet	£ 186,859

Directors and their interests

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

M. H. Swan (Chairman)
A. J. B. Mawdsley
L. B. P. Mitchell
R. Sims
A. Boers
Lady Travers (retired 6 August 1998)
M. R. Palomares
K.S. Lucas (appointed 7 October 1997)

Principal activity

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

Fixed assets

As last year there were no movements in fixed assets during the year.

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

The auditors Gallagher & Brocklehurst, Chartered Accountants, have intimated their willingness to continue in office.

Dated: 2 September 1998

BY ORDER OF THE BOARD

A.J.B. MAWDSLEY
Secretary

4 Plantagenet Road
New Barnet
Hertfordshire
EN5 5JQ

VALIANT HOUSE (MANAGEMENT) LIMITED

DIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS

FOR THE YEAR ENDED 24 JUNE 1998

Statement of directors' responsibilities

The directors are required by company law to prepare financial statements which give a true and fair view of the state of the affairs of the company at the end of its financial year and of the profit or loss for the year then ended. In preparing the financial statements on a going concern basis, suitable accounting policies have been consistently applied by making reasonable and prudent judgements and estimates. Applicable accounting standards have been followed with material departures disclosed in the financial statements. 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 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 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6 in accordance with auditing standards.

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 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 1998 and of its result for the period then ended and have been properly prepared in accordance with the provision of the Companies Act 1985.

Dated: 2 September 1998

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

FOR THE YEAR ENDING 24 JUNE 1998

	(Note)	1998 £	1998 £	1997 £	1997 £
TURNOVER, being maintenance due from residents:					
Flats			249,600		249,600
Car spaces			6,240		6,240
TOTAL MAINTENANCE INCOME			255,840		255,840
ADMINISTRATIVE EXPENDITURE					
Porterage	(7)	24,715		23,707	
Insurance		7,864		14,332	
Electricity		8,512		8,615	
Central heating and hot water costs		24,439		22,359	
Metered water rates		14,831		14,572	
Cleaning, refuse disposal and paladin hire		13,466		12,191	
Lift maintenance and repairs		4,108		5,918	
Automatic door porter and repairs		2,540		2,449	
Televison aerial and satellite TV costs		283		355	
Gardening contractors		5,871		7,584	
Gardening sundries - plants and tree surgery		4,519		6,913	
Repairs	(8)	26,383		51,417	
Sundries	(9)	3,728		3,542	
Depreciation	(1)	0		0	
Audit fee		2,938		2,938	
Accountancy, tax and registration work		588		588	
Management fees		10,839		10,575	
Professional fees	(10)	3,603		3,505	
Bank charges		39		0	
			159,266		191,560
			96,574		64,280
OTHER OPERATING INCOME	(11)		18,317		14,768
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION			114,891		79,048
TAXATION	(1)		2,456		2,625
SURPLUS AFTER TAX BEFORE EXTRAORDINARY COSTS			112,435		76,423
EXTRAORDINARY COSTS	(12)		61,137		53,457
INCREASE IN RESERVE FOR THE YEAR			51,298		22,966
RESERVE, brought forward			135,561		112,595
RESERVE PER BALANCE SHEET, per page 5			£ 186,859		£ 135,561

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 1998

	(Note)	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	(2)		0		0
CURRENT ASSETS					
Debtors due within one year:					
Tenants' arrears		2,713		1,231	
Insurance claims due		1,895		0	
Other prepayments and sundry debtors		1,546		2,491	
		6,154		3,722	
Building society deposit accounts		133,059		126,633	
Treasury and bank deposit account		81,610		97,917	
Bank balance with managing agents	(3)	1,613		1,674	
		222,436		229,946	
CURRENT LIABILITIES					
Creditors due within one year:					
Maintenance received in advance		11		619	
Expense creditors and accruals		34,516		91,857	
Taxation		1,050		1,910	
		35,577		94,385	
NET CURRENT ASSETS			186,859		135,561
NET ASSETS			£ 186,859		£ 135,561
Represented by:					
CAPITAL AND RESERVES					
Called-up share capital	(4)		0		0
Reserve, per page 4			186,859		135,561
SHAREHOLDERS' FUNDS	(5)		£ 186,859		£ 135,561

APPROVED BY THE BOARD ON 2 SEPTEMBER 1998

Director

VALIANT HOUSE (MANAGEMENT) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 1998

1. ACCOUNTING POLICIES

The accounting policies are explained under the appropriate headings in the notes on the financial statements and have been consistently applied throughout the company's financial statements. The income and expenditure account on page 4 is a statement of a maintenance income received and expenses paid during the year except that:-

(a) Maintenance and other income due from the flats and car spaces is the total for the year and not the amount received during the year.

(b) Expenses which were unpaid at the year end due to the financial statements not having been rendered and substantial expense prepayments at the balance sheet date are included.

(c) Additional maintenance levies will be charged on all late payments of the year to 24 June 1998 and these will be included in future financial statements when collected.

(d) As last year depreciation of £Nil (1997 £Nil) is charged at 100% of the cost of fixed assets purchased in the year of account.

(e) The company's results are stated after charging the following:

	1998	1997
Auditors remuneration, excluding VAT	£2,500	£2,500

(f) As last year the company is treated in the Inland Revenue as a mutually trading entity. Corporation tax of £2,456 (1997 - £2,625) is therefore due only on its investment income received at the small company rate of 21% and Value Added Tax is neither chargeable on the residents' maintenance levies nor recoverable from the Value Added Tax paid on expenses.

2. TANGIBLE FIXED ASSETS

Cost - At 25 June 1997 and 24 June 1998	78,383	78,383
Depreciation - At 25 June 1997 and 24 June 1998	78,383	78,383
Net Book Value - At 25 June 1997 and 24 June 1998	£ 0	£ 0

3. BANK BALANCE WITH MANAGING AGENTS

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

4. 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.

5. SHAREHOLDERS FUNDS

	1998	1997
Balance brought forward	135,561	112,595
Increase for the year	51,298	22,966
PER BALANCE SHEET	£ 186,859	£ 135,561

6. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As last year the Board had neither authorised any capital commitments nor were there any contingent liabilities at the balance sheet date. For the purposes of this note, the Board have excluded all maintenance contracts which were authorised at the balance sheet date and which fell within the company's short term planned expenditure programme.

VALIANT HOUSE (MANAGEMENT) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 24 JUNE 1998

		1998	1997
7.	PORTERAGE	£	£
	Gross pay, including employers social security costs	11,033	11,185
	Rent	6,000	6,000
	Maintenance levies	2,400	2,400
	Telephone - standard costs	869	977
	Telephone - mobile phone costs	352	523
	Electricity	169	227
	Stand-by porter's costs	3,132	1,673
	Council tax	420	470
	Personal accident insurance	268	134
	Sundry porterage	72	118
	PER INCOME AND EXPENDITURE ACCOUNT	£ 24,715	£ 23,707

8.	REPAIRS			
	Security installations		0	389
	Boiler, plumbing, drainage and heating		8,704	21,803
	Launderette		1,238	380
	Car park entry barrier		1,674	671
	Electrical		2,181	5,302
	Subject to insurance claims	(see note 11)	2,970	663
	Buildings structures (walls, doors, etc.)		1,937	9,994
	Gates, fencing, paving and walkways		293	4,196
	Signs		141	366
	Roof		4,986	3,910
	Extractor fans		740	2,052
	Redecorations		0	716
	Stairs		1,519	0
	Sundries		0	975
	PER INCOME AND EXPENDITURE ACCOUNT		£ 26,383	£ 51,417

9.	SUNDRIES		
	Directors' telephone costs	120	159
	Annual General Meeting expenses	35	65
	Registrar of Companies filing fee	15	15
	Other expenses	35	83
	P.L.A. rent	187	149
	Pest control	2,724	1,281
	Photocopying costs	260	283
	Printing of annual financial statements	250	250
	Car park barrier keys	0	258
	Fire fighting equipment - battery replacement	102	998
	PER INCOME AND EXPENDITURE ACCOUNT	£ 3,728	£ 3,541

		1998	1997
10.	PROFESSIONAL FEES	£	£
	Legal fees	0	640
	Debt collection costs	411	200
	Surveyors fees and plans	387	575
	Landscape architects fees	1,983	0
	Wandsworth Borough Council Fire Report	0	70
	Health and Safety Assessment	0	492
	Inspection of boilers and lifts	822	1,528
	PER INCOME AND EXPENDITURE ACCOUNT	£ 3,603	£ 3,505

11.	OTHER OPERATING INCOME			
	Treasury, bank and other interest received, gross		4,669	6,961
	Interest received, gross, from Building Society		6,930	3,385
	Launderette receipts		2,243	2,953
	Insurance claims received	(see note 8)	2,970	663
	Late payment charges received from residents		1,061	529
	Debt collection costs recovered		294	188
	Sale of duplicate keys		150	0
	Miscellaneous		0	88
	PER INCOME AND EXPENDITURE ACCOUNT		£ 18,317	£ 14,767

12.	EXTRAORDINARY COSTS - Short-term Planned Expenditure		
	Refurbish cold water tanks	0	20,357
	Barrier installation	0	6,769
	Lifts overhaul	0	2,420
	Landscaping works	19,877	0
	Managing agents fee on the above	994	2,614
		20,871	32,160
	Redecorations to the porter's flat	0	2,563
	Overhaul boilers	9,829	0
	Valve replacement works	13,408	0
	Replacement railings	0	2,584
	Launderette washing machine	0	2,913
	Carpeting	0	460
	Automatic irrigation system	10,492	0
	TV Aerial - installation of Channel 5 equalisers	552	1,531
	Replace manhole covers and frames	0	4,583
	Garden furniture and pots	0	392
	Replacement pump	0	1,751
	Replace door closers	0	2,566
	Construction of new bike sheds	5,985	0
	Installation of speed ramps	0	2,475
	Prior year item - overprovision of PLA rent creditor	0	-522
	PER INCOME AND EXPENDITURE ACCOUNT	£ 61,137	£ 53,456