Valleyside Management Company Limited

Financial Statements for the year ended

31 December 2011

Company Number 01404893

Valleyside Management Company Limited

FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2011

INDEX

PAGE	
1 - 2	REPORT OF THE DIRECTORS
3	PROFIT AND LOSS ACCOUNT
4	BALANCE SHEET
5	CASH FLOW STATEMENT
6 - 8	NOTES TO THE FINANCIAL STATEMENTS

VALLEYSIDE MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

PERIOD ENDED 31ST DECEMBER 2011

The Directors submit their report together with the financial statements for the period ended 31st December 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Principal activities

The principal activities of the company are to manage, maintain and administer the land and buildings at Valleyside, Swindon with a commitment to purchase the freehold. The company operates under the terms of a 99 year lease agreement entered into on 29 September 1978 between the company, the freeholder and its shareholders as leaseholders.

Business review

At a General Meeting held on 19 October 2010 members of the company (the leaseholders) resolved to terminate the appointment of Residential Management Group Limited (known as CPM Asset Management Group until 29/12/2009) as managing agent. John & Julie Morris were subsequently appointed as managing agents. As of the date of signing these financial statements, full substantiating financial records have not been provided to the director by Residential Management Group Limited. Therefore these Financial Statements have been compiled based on the incomplete brought forward records provided. During the year a gardener was appointed to maintain the communal grounds and a tree surgeon removed dead trees and made the remaining trees safe.

The Service Charge for 2011 was £770 per leaseholder with a discount of £60 if paid in advance. The company changed its year-end to from 31 March to 31 December in the previous period in order to bring it into line with the provisions of the leases. The comparative accounts for the previous period are therefore for 9 months.

At the Annual General Meeting on 11 October 2011 the Service Charge for 2012 and 2013 were set at £820 and £856 respectively, both with a £60 discount available if paid in advance.

AUDIT

The company has taken advantage of The Companies Act 2006 (Audit Exemptions) Section 477(2).

DIVIDENDS

No dividends were paid or proposed during the period (2010 Nil)

RESERVES

During the year £4,000 (2010 - £1,650) was allocated to the designated reserve fund for future major costs, £2,000 was paid out of (2010 - £450 paid in to) the designated reserve fund for tree maintenance costs and £161 (2010 - £501) was allocated to meet general future maintenance costs.

VALLEYSIDE MANAGEMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

PERIOD ENDED 31ST DECEMBER 2011

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

Sections 152 and 156 of the Commonhold and Leasehold Reform Act expected to have been commenced during 2009 have not been enacted. Items that these sections had been expected to require include:

a) That service charge transactions cease to be shown within the accounts of the Company, as funds held by the Company are held in trust on behalf of tenants (leaseholders). Given that these proposals have yet to be enacted and no guidance has yet been issued on the new format to be adopted the directors have prepared these accounts with transactions shown as flowing through the company in accordance with the lease in order to maintain consistency with prior years and to facilitate access to details of expenditure as these accounts will be placed on the public record at Companies House.

b) An Income and Expenditure Report and Balancing Statement be produced within six months of a year end in a format similar to that shown on page 8 of the notes to these accounts.

DIRECTORS

The following director served during the period:

Bryan Welsh

At the AGM on 11 October 2011 no other members were proposed as directors. It was therefore agreed that a resolution be proposed at the next AGM to amend the Memorandum and Articles of the company such that the minimum number of directors be reduced to one. Directors are due to retire by 3 year rotation under the Articles of Association at Annual General Meetings. A resolution proposing re-election of Mr Walsh will be presented at the AGM.

BY ORDER OF THE BOARD

John R Morris FCMA CGMA AIRPM
Company Secretary
19 February 2012

Registered Office:
15 Windsor Road
Swindon
SN3 1JP

Registered in England No: 01404893
www.valleyside.org.uk

Valleyside Management Company Limited

Profit and Loss Account **For the period ended 31 December:-**	Note	12 months **2011**	9 months **2010**
		£	£
Turnover from continuing operations	2	9,000	*8,332*
Operating charges	11	(6,839)	*(5,731)*
Operating profit from continuing operations		**2,161**	***2,601***
Interest receivable	7	0	*0*
Retained profit transferred to reserves	8	**2,161**	***2,601***

There are no recognised gains or losses other than the profits for the periods, as shown above and therefore, no separate statement of recognised gains and losses has been presented.

There is no material difference between the company results as reported and on an unmodified historical cost basis. Accordingly, no note of historical cost profits and losses has been included.

Valleyside Management Company Limited

Balance Sheet as at:-	Note	31st December 2011		31st December 2010	
		£	£	£	£
Current Assets					
Cash at Bank		24,041		*24,251*	
Debtors	3	2,464		*1,024*	
		26,505		*25,275*	
Creditors : Amounts falling due within one year	4	(2,000)		*(2,931)*	
Net Current Assets			24,505		*22,344*
Total Assets Less Current Liabilities			**24,505**		***22,344***
Capital and Reserves					
Called up Share Capital	5		120		*120*
Profit and Loss Account	8		16,055		*15,894*
Designated Reserves	8		8,330		*6,330*
Shareholders' Funds - equity interests			**24,505**		***22,344***

a. For the period ending 31 December 2011 the company was entitled to exemption under section 477(2) of the Companies Act 2006.

b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibility for:

i. ensuring the company keeps accounting records which comply with Section 386; and

ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the company.

Bryan Welsh Director

The financial statements were approved by the board of directors on 19 February 2012.

Valleyside Management Company Limited

Cash flow statement	Note	2011 £	2010 £
Net cash inflow from operating activities	9	(210)	*4,222*
Increase in cash		(210)	*4,222*

Valleyside Management Company Limited

NOTES TO FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST DECEMBER 2011

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting convention.

2 TURNOVER

Turnover represents the amounts derived from the provision of services during the period, exclusive of value added tax.

	2011	2010
	£	£
Service Charges	9,000	8,332

3 DEBTORS

	2011	2010
	£	£
Trade Debtors - Service Charges outstanding*	1,842	148
Other Debtors	0	694
Payments in advance	622	182
	2,464	**1,024**

*Flat 17 £192, Flat 17A £770, Flat 19A £110, Flat 24 £770.

4 CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Accrued expenses	2,000	2,093
Service Charges received in advance	0	838
	2,000	**2,931**

5 SHARE CAPITAL

	2011	2010
	£	£
Authorised: ordinary shares of £10 each	**120**	**120**
Allotted, called up and paid:		
ordinary shares of £10 each	**120**	**120**

6 CONTROL

No one person controls the company.

7 INTEREST RECEIVABLE

	2011	2010
	£	£
Bank Interest	0	0

Valleyside Management Company Limited

NOTES TO FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST DECEMBER 2011

8 RECONCILIATION OF PROFIT AND LOSS RESERVES

		Allocated as:		
	Total	Designated Tree fund	Designated Major Works	Non-Designated
	£	£	£	£
Balance brought forward at 1st January 2011	22,224	2,100	4,230	15,894
Retained profit for the financial period	2,161	(2,000)	4,000	161
As at 31st December 2011	24,385	100	8,230	16,055

The two Designated Reserves are sinking funds established for tree surgery and unspecified "major works".

9. - 10. NOTES TO THE CASH FLOW STATEMENT

9 *Reconciliation of operating profit to operating cash flows*

	2011	***2010***
	£	£
Operating profit	2,161	*2,601*
(Increase)/Decrease in debtors (note 3)	(1,440)	*2,438*
Decrease in operating creditors (note 4)	(931)	*(817)*
Net cash inflow from operating activities	(210)	*4,222*

10 *Analysis of changes in cash during the period.*

	2011	***2010***
	£	£
Balance brought forward	24,251	*20,029*
Net cash inflow	(210)	*4,222*
Balance at period-end	24,041	*24,251*

11 Detailed Profit & Loss

	2011	***2010***
	£	£
Total Income (note 2)	9,000	*8,332*
Managing Agents Fees	(1,500)	*(3,198)*
Tree Maintenance	(2,000)	*0*
Grounds Maintenance	(860)	*0*
Communal Electricity (previous period - net of refund of overpayments from earlier years)	(227)	*(10)*
Buildings Insurance	(1,148)	*(1,026)*
Sundry	(30)	*(38)*
Building maintenance	(430)	*(823)*
Companies House fees	(14)	*(15)*
Accountancy	(630)	*(621)*
	(6,839)	*(5,731)*
Operating surplus	2,161	*2,601*
Add Interest received (note 7)	0	*0*
From/(To) Tree Fund	2,000	*(450)*
To Major Works Fund	(4,000)	*(1,650)*
To General Reserves	**161**	***501***

Valleyside Management Company Limited

NOTES TO FINANCIAL STATEMENTS FOR PERIOD ENDED 31ST DECEMBER 2011

12 Income and Expenditure Account

- in format proposed by the Commonhold and Leasehold Reform Act 2002 - (not part of the statutory accounts)

Income:	**2011**	***2010***
	£	*£*
Service Charges receivable from tenants		
Service Charges	9,000	*8,332*
Interest (net of tax)	0	*0*
Total Income	**9,000**	***8,332***
Less: Expenditure:		
Repairs and Maintenance		
Building	430	*823*
Tree maintenance	2,000	*0*
Grounds Maintenance	860	*0*
	3,290	*823*
Utilities		
Communal Electricity (previous period - net of refund of overpayments from earlier years)	227	*10*
Professional Fees		
Accountancy fees	630	*621*
Managing Agents Fees	1,500	*3,198*
	2,130	*3,819*
Insurance	1,148	*1,026*
General Expenses		
Sundry	30	*38*
Companies House fees	14	*15*
	44	*53*
Contributions transferred to Designated Reserves	2,000	*2,100*
Total Expenditure	**8,839**	***7,831***
Surplus transferred to Reserves	**161**	***501***

Balancing Statement

Assets	**2011**	***2010***
	£	*£*
Service Charges outstanding	1,842	*148*
Sundry Debtors	0	*694*
Sums paid in this period but relating to a subsequent period	622	*182*
Cash at bank	24,041	*24,251*
	26,505	*25,275*
Less: **Liabilities**		
Service Charges paid in advance by leaseholders	0	*838*
Costs relating to this or previous period but not yet paid	2,000	*2,093*
Current Liabilities	2,000	*2,931*
Net Assets	**24,505**	***22,344***
Reserves (note 8)	16,175	*16,014*
Designated Reserves (note 8)	8,330	*6,330*
	24,505	***22,344***