REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

FOR

REGENTS COURT (DARLINGTON) LTD



REGENTS COURT (DARLINGTON) LTD

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for the Year Ended 31st December 2003

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REGENTS COURT (DARLINGTON) LTD

COMPANY INFORMATION
for the Year Ended 31st December 2003

DIRECTORS:	A Day H G Hillary Mrs O Aylott
SECRETARY:	A Day
REGISTERED OFFICE:	Ossington Chambers 6/8 Castle Gate Newark Nottinghamshire NG24 1AX
REGISTERED NUMBER:	2563321 (England and Wales)
ACCOUNTANTS:	Stephenson Nuttall & Co Chartered Accountants 6/8 Castle Gate Newark Nottinghamshire NG24 1AX

REGENTS COURT (DARLINGTON) LTD

REPORT OF THE DIRECTORS
for the Year Ended 31st December 2003

The directors present their report with the financial statements of the company for the year ended 31st December 2003.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the management of the property known as Regents Court, Yarm Road, Bright Street, Darlington, County Durham.

DIRECTORS
The directors during the year under review were:

A Day
H G Hillary

The beneficial interests of the directors holding office on 31st December 2003 in the issued share capital of the company were as follows:

	31/12/03	1/1/03
Ordinary £1 shares		
A Day	1	1
H G Hillary	1	1

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

.....
A. DAY - Secretary

Date: 8TH OCT 2004.

REGENTS COURT (DARLINGTON) LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 31st December 2003

	Notes	31/12/03	31/12/02
		£	£
TURNOVER		11,972	11,846
Service charge expenses		11,454	8,843
OPERATING PROFIT	2	518	3,003
Interest receivable and similar income		141	332
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		659	3,335
Tax on profit on ordinary activities	3	-	(63)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		659	3,398
Transfer (to)/from Reserve Fund for Major Works	4	(659)	3,691
		-	7,089
Deficit brought forward		-	(7,089)
RETAINED PROFIT CARRIED FORWARD		-	-

The notes form part of these financial statements

REGENTS COURT (DARLINGTON) LTD

BALANCE SHEET
31st December 2003

	Notes	31/12/03 £	31/12/02 £
CURRENT ASSETS:			
Debtors	5	525	2,876
Investments	6	1,575	14,463
Cash at bank and in hand		568	100
		2,668	17,439
CREDITORS: Amounts falling due within one year	7	2,644	17,415
NET CURRENT ASSETS:		24	24
TOTAL ASSETS LESS CURRENT LIABILITIES:		£24	£24
CAPITAL AND RESERVES:			
Called up share capital	8	24	24
SHAREHOLDERS' FUNDS:		£24	£24

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st December 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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 with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

O. AYLOTT Director

Approved by the Board on 8TH OCT 2004

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2003

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover
Turnover represents service charge contributions receivable from residents.

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Freehold property
No figure has been included in these accounts in respect of any value that could be placed on the freehold property known as Regents Court, Yarm Road, Bright Street, Darlington, Co Durham. In the opinion of the directors, the freehold interest in the company based on net rental income is negligible, and the directors cannot envisage a situation where the company would dispose of the freehold interest in the property.

Reserves
Where expenditure exceeds income the deficit is recoverable from residents within subsequent contributions. Surpluses of income over expenditure are held on trust on behalf of the residents, and may be set off against subsequent contributions due.

As mentioned in note nine, cumulative balances on the Profit and Loss Account and the Capital Reserve Account were transferred to the Reserve Fund for Major Works during the year ended 31st December 2002. In the opinion of the directors, this more accurately reflected the assets, liabilities and Reserve Fund position of the company at 31st December 2002.

Other Reserves - Capital Reserve Account
The Capital Reserve Account in the sum of £29,754 at 1st January 2002, consisted of the net assets of Teeside and First Darlington Housing Society Limited which ceased trading in December 1990, all remaining assets and liabilities being taken over by Regents Court (Darlington) Ltd.

The directors believe it more appropriate for these reserves to be included within the Reserve Fund for Major Works as reflected within note nine.

Presentation of the Profit and Loss Account and Balance Sheet
The presentation of the Profit and Loss Account on page 3 has been modified from the prescribed format for company accounts in order to provide more information to residents and other parties who may be interested in the expenditure incurred in the management of the property. Within the balance sheet on page 4, the Reserve Fund for Major Works is held to the credit of the lessees and included within creditors. Any recoverable deficit is included within debtors.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31/12/03	31/12/02
	£	£
Auditors' remuneration – under provision in previous year	-	9
Directors' emoluments and other benefits etc	-	-

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st December 2003

3. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	31/12/03 £	31/12/02 £
Current tax:		
UK corporation tax	-	(63)
Tax on profit on ordinary activities	-	(63)

4. TRANSFER TO/(FROM) RESERVE FUND FOR MAJOR WORKS

31/12/03 £	31/12/02 £
659	(3,691)

A transfer of £659 has been made from the Profit and Loss Account to the Reserve Fund for Major Works to bring the cumulative balance on the Profit and Loss Account to nil, as further detailed in note nine.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/03 £	31/12/02 £
Trade debtors	512	767
Other debtors	-	1,329
Service Charge Deficit (Note 9)	13	-
Prepayments	-	780
	525	2,876

6. CURRENT ASSET INVESTMENTS

	31/12/03 £	31/12/02 £
Darlington Building Society	1,575	14,463

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/03 £	31/12/02 £
Trade creditors	633	2,641
Reserve Fund for Major Works (Note 9)	-	12,637
Accrued expenses	2,011	2,137
	2,644	17,415

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/03 £	31/12/02 £
24	Ordinary	£1	24	24

9. RESERVE FUND FOR MAJOR WORKS AND RECOVERABLE DEFICIT

		31/12/03		31/12/02
		£		£
Balance brought forward		12,637		4,189
Transfer from Profit and Loss account		659		-
Transfer from Capital Reserve Account		-		29,754
		13,296		33,943
Transfer to Profit and Loss Account	-		3,691	
Major Works expenditure in the year	13,309		17,615	
		13,309		21,306
(Deficit)/Surplus carried forward		£(13)		£12,637

The purpose of the company is that of flat management, and in the opinion of the directors, the net reserves of the company are held on trust to the credit of lessees. The company does not trade with a view to a profit, and any surpluses or deficits on the Service Charge Account are carried forward to the following year. Accordingly, in the opinion of the directors, there should be no cumulative balance on the Profit and Loss Account, and this has therefore been transferred to the Reserve Fund for Major Works. As mentioned in note ten, and for the same reason, the balance on the Capital Reserve Account has likewise been transferred to the Reserve Fund for Major Works. In the opinion of the directors this treatment reflects more clearly the assets, liabilities and Reserve Fund position for the company.

10. OTHER RESERVES – CAPITAL RESERVE ACCOUNT

	31/12/03	31/12/02
	£	£
Brought forward	-	29,754
Transfer to Reserve Fund for Major Works	-	(29,754)
	-	-

11. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31st December 2003 (2002 - none).

12. CAPITAL COMMITMENTS

	31/12/03	31/12/02
	£	£
Contracted but not provided for in the financial statements	-	-

13. CONTINGENT ASSET

Whilst the Directors have approved these accounts, they are never the less in dispute with the previous Managing Agents, Town & City Management Services, concerning the level of fees charged by the Managing Agents on Major Works. The Managing Agents have charged 10%, together with VAT where applicable, and the Directors believe that they had an agreement to the effect that such supervisory works would be charged at 4.6% plus VAT, where appropriate. The Directors have asked ARMA to investigate their complaint, ARMA being the regulatory body of Town & City Management Services.

The Directors do not know how this matter will be resolved, and the figures within these accounts reflect the commissions actually charged by Town & City. Any reduction in commission which may be agreed upon at a later stage will be reflected in subsequent accounts.