

Park Lane Rented Homes Limited

Financial statements

For the year ended 30 September 2003

Grant Thornton 

SC150648



Company No. SC150648

Company information

Company Registration Number	SC150648
Registered Office	87 Port Dundas Road Cowcaddens Glasgow G4 0HF
Directors	B J Clarke D S Robinson
Secretary	D S Robinson
Bankers	Bank of Scotland 56 Main Street Uddingston G71 7LS
Solicitors	Anderson Fyfe 72 Gordon Street Glasgow G1 3RN Miller Samuel 5 Renfield Street Glasgow G2 5EZ Semple Fraser 130 St Vincent Street Glasgow G2 5HF
Auditors	Grant Thornton Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

Index to the financial statements

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7 - 9
Profit and loss account	10
Balance sheet	11
Other primary statements	12
Notes to the financial statements	13 - 166

Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 September 2003.

Principal activities and business review

The company is principally engaged in property acquisition and investment.

There was a profit for the year after taxation amounting to £78,025 (2002 profit : £50,072). *The directors do not recommend payment of a dividend.*

Directors

The directors who served the company during the year were as follows:

B J Clarke
D S Robinson

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent 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 at the end of the year and of the profit or loss for the year then ended. 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company provisions

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

BY ORDER OF THE BOARD

D S Robinson
Secretary
27 January 2004

A handwritten signature in black ink, appearing to be 'D S Robinson', written over a horizontal line.

Report of the independent auditors to the members of Park Lane Rented Homes Limited

We have audited the financial statements of Park Lane Rented Homes Limited for the year ended 30 September 2003 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

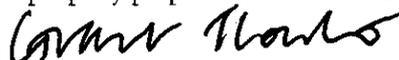
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 30 September 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

27 January 2004

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 25%

Investment properties

Certain of the company's properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from the statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income from investment

Investment income comprises dividends declared during the accounting period and interest receivable on unlisted investments.

Investments

Investments are included at cost less provision for any diminution in value. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Deferred government grants

Property investment grants are included in accruals and deferred income in the balance sheet. These grants are repayable upon sale of the properties to which they relate within six years of receipt of the final instalment of the grant. For each year the company retains ownership over the period of the grant, a proportion is released to the revaluation reserve.

Profit and loss account

	Note	2003 £	2002 £
Turnover		528,626	451,151
Cost of sales		<u>140,107</u>	<u>111,723</u>
Gross profit		388,519	339,428
Other operating charges	1	<u>32,330</u>	<u>23,614</u>
Operating profit	2	356,189	315,814
Income from fixed asset investments	3	131,444	134,404
Interest receivable and similar income		8,981	6,263
Interest payable		<u>(433,109)</u>	<u>(434,647)</u>
Profit on ordinary activities before taxation		63,505	21,834
Tax on profit on ordinary activities		<u>(14,520)</u>	<u>(28,238)</u>
Retained profit for the financial year		<u>78,025</u>	<u>50,072</u>

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	4	11,919,130	10,053,175
Investments	5	2,859,909	2,859,909
		<u>14,779,039</u>	<u>12,913,084</u>
Current assets			
Debtors	6	289,914	147,115
Creditors: amounts falling due within one year	7	<u>723,043</u>	<u>1,597,335</u>
Net current liabilities		<u>(433,129)</u>	<u>(1,450,220)</u>
Total assets less current liabilities		<u>14,345,910</u>	<u>11,462,864</u>
Creditors: amounts falling due after more than one year	8	<u>7,777,000</u>	<u>6,250,000</u>
		<u>6,568,910</u>	<u>5,212,864</u>
Accruals and deferred income	9	–	40,346
		<u>6,568,910</u>	<u>5,172,518</u>
Capital and reserves			
Called-up equity share capital	12	1,000	1,000
Revaluation reserve	13	6,316,229	4,997,862
Profit and loss account	14	251,681	173,656
Shareholders' funds		<u>6,568,910</u>	<u>5,172,518</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 27 January 2004 and are signed on their behalf by:

D S Robinson



The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	2003	2002
	£	£
Profit for the financial year	78,025	50,072
Unrealised profit on investment properties	1,278,021	1,746,364
Total gains and losses recognised for the year	<u>1,356,046</u>	<u>1,796,436</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating income and charges

	2003	2002
	£	£
Administrative expenses	<u>32,330</u>	<u>23,614</u>

2 Operating profit

Operating profit is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	22,960	21,093
Auditors' fees	<u>2,000</u>	<u>2,000</u>

3 Income from fixed asset investments

	2003	2002
	£	£
Income from other fixed asset investments	<u>131,444</u>	<u>134,404</u>

Fixed asset investment income relates to dividends received from subsidiary undertakings.

4 Tangible fixed assets

	Investment Property £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 October 2002	10,028,820	92,567	10,121,387
Additions	605,159	5,735	610,894
Revaluation	1,278,021	–	1,278,021
At 30 September 2003	<u>11,912,000</u>	<u>98,302</u>	<u>12,010,302</u>
Depreciation			
At 1 October 2002	–	68,212	68,212
Charge for the year	–	22,960	22,960
At 30 September 2003	<u>–</u>	<u>91,172</u>	<u>91,172</u>
Net book value			
At 30 September 2003	<u>11,912,000</u>	<u>7,130</u>	<u>11,919,130</u>
At 30 September 2002	<u>10,028,820</u>	<u>24,355</u>	<u>10,053,175</u>

The company's investment properties were valued on 30 September 2003 by Gilchrist MacNab and Co Chartered Surveyors, Graham and Sibbald Chartered Surveyors, and CRGP Robertson Chartered Surveyors. The basis of the valuation used was open market value. The surplus has been transferred to the revaluation reserve. No other assets have been revalued.

The net book value of investment properties determined under the historical cost convention is £6,663,853 (2002: £6,058,694).

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, those assets are unlikely to be disposed of in the foreseeable future.

5 Investments

	Shares in group companies £
Cost or valuation	
At 1 October 2002 and 30 September 2003	<u>2,859,909</u>
Net book value	
At 30 September 2003	<u>2,859,909</u>
At 30 September 2002	<u>2,859,909</u>

At 30 September 2003 the company owned the entire share capital of Park Lane Rented Homes (Scotland) Limited, at a cost of £2,589,909. That company's principal activity is property investment.

6 Debtors

	2003	2002
	£	£
Amounts owed by group undertakings	278,603	–
Other debtors	1,200	132,538
Called up share capital not paid	2	2
Prepayments and accrued income	10,109	14,575
	<u>289,914</u>	<u>147,115</u>

7 Creditors: amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	518,181	135,723
Amounts owed to group undertakings	86,131	1,371,030
Other creditors	89,438	87,243
Accruals and deferred income	29,293	3,339
	<u>723,043</u>	<u>1,597,335</u>

There is a corporate cross guarantee for all sums due between P L Holdings Limited group companies.

8 Creditors: amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	<u>7,777,000</u>	<u>6,250,000</u>

The bank loans and overdrafts are secured by a standard security over 16/22 Burgh Hall Street, Partick; Ferry Road, Yorkhill; Oban Drive, Glasgow and flats 41-52 Tower Wharf, Tower Street, Leith.

In addition they are also secured by a bond and floating charge over the assets of the company. The bank loans are repayable in 80 equal quarterly instalments of £81,150 commencing December 2004.

The aggregate amount due after more than 5 years is £5,193,600 (2002: £5,3212,500).

9 Accruals and deferred income

	2003	2002
	£	£
Received and receivable:		
At 1 October 2002	40,346	218,358
Fully amortised	(40,346)	–
Repayable	–	(178,012)
At 30 September 2003	<u>–</u>	<u>40,346</u>
Amortisation:		
Grants fully amortised	(40,346)	–
Credit to profit and loss account	40,346	–
At 30 September 2003	<u>–</u>	<u>–</u>
Net balance at 30 September 2003	<u>–</u>	<u>40,346</u>

10 Capital Commitments

At the year end the group has a capital commitment to purchase an additional eighteen flats from Bellway Homes within their Cowcaddens development. During the year to 30 September 2003, six flats from the same development were purchased for £605,159

11 Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Parties" in not disclosing transactions with other companies in the PL Holdings Limited Group.

12 Share capital

Authorised share capital:

	2003	2002
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2003	2002
	£	£
Ordinary shares	<u>2</u>	<u>2</u>

13 Revaluation reserve

	2003	2002
	£	£
Balance brought forward	4,997,862	3,251,498
Revaluation of investment properties	1,318,367	1,746,364
Balance carried forward	<u>6,316,229</u>	<u>4,997,862</u>

14 Profit and loss account

	2003	2002
	£	£
Balance brought forward	173,656	123,584
Retained profit for the financial year	78,025	50,072
Balance carried forward	<u>251,681</u>	<u>173,656</u>

15 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is P L Holdings Limited, a company registered in Scotland. The registered office of P L Holdings is 87 Port Dundas Road, Cowcaddens, Glasgow, G4 OHF. Copies of the P L Holdings Group accounts can be obtained from this address.