

PARK LANE RENTED HOMES LIMITED
(Formerly Caledonian Rented Homes Limited)

Report and Financial Statements

30 September 2000

Deloitte & Touche
Lomond House
9 George Square
Glasgow
G2 1QQ



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J G Wright (resigned 17 March 2000)
E McDaid
S Robinson
B Clarke

SECRETARY

E McDaid

REGISTERED OFFICE

Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

BANKERS

Bank of Scotland
56 Main Street
Uddingston
G71 7LS

AUDITORS

Deloitte & Touche
Chartered Accountants
Lomond House
9 George Square
Glasgow
G2 1QQ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

ACTIVITIES

The principal activity of the company in the year under review was that of property acquisition, investment and development. On 7 September 2000 the company's name was changed to Park Lane Rented Homes Limited.

DIRECTORS AND THEIR INTERESTS

J G Wright (resigned 17 March 2000)

E McDaid

B Clarke

S Robinson

None of the directors held any shares in the company.


The directors interests in the shares of Park Lane Caledonian Group Limited, the parent company, are given in that company's accounts.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

In preparing this report the directors have taken advantage of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Approved by the Board of Directors
and signed by order of the Board



15/3
Secretary
2001

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 affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. 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;
- state whether applicable accounting standards have been followed; and
- 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 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

PARK LANE RENTED HOMES LIMITED

(Formerly Caledonian Rented Homes Limited)

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 the company's affairs at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Deloitte & Touche

Chartered Accountants and Registered Auditors

20 March

2001

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2000

	Note	2000 £	1999 £
TURNOVER: continuing operations	2	447,743	401,312
Cost of sales		-	-
Gross profit		447,743	401,312
Distribution costs		-	(3,280)
Administrative expenses		(117,678)	(142,022)
OPERATING PROFIT: continuing operations	3	330,065	256,010
Interest receivable and similar income	4	6,516	2,828
Dividend receivable from subsidiary company		125,538	154,427
Interest payable and similar charges		(487,832)	(378,358)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(25,713)	34,907
Tax credit on (loss)/profit on ordinary activities	5	39,301	34,311
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		13,588	69,218
Retained profit brought forward		74,781	5,563
Retained profit carried forward		88,369	74,781

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 September 2000

	2000 £	1999 £
PROFIT FOR THE FINANCIAL YEAR	13,588	69,218
Unrealised surplus on revaluation of investment properties	437,540	745,682
Release of government grants	178,014	178,014
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	629,142	992,914
	<hr/>	<hr/>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

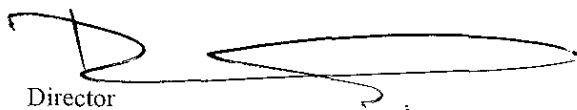
BALANCE SHEET
30 September 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	6	6,586,761	6,169,403
Investments	7	2,859,909	2,859,909
		<u>9,446,670</u>	<u>9,029,312</u>
CURRENT ASSETS			
Debtors	8	77,645	41,148
Cash at bank and in hand		117,933	87,633
		<u>195,578</u>	<u>128,781</u>
CREDITORS: amounts falling due within one year	9	(615,216)	(656,311)
NET CURRENT LIABILITIES		<u>(419,638)</u>	<u>(527,530)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,027,032	8,501,782
CREDITORS: amounts falling due after more than one year	10	(5,863,267)	(5,789,145)
Accruals and deferred income	13	(396,372)	(574,386)
		<u>2,767,393</u>	<u>2,138,251</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Revaluation reserve	15	2,678,024	2,062,470
Profit and loss account		88,369	74,781
Equity Shareholders' funds	17	<u>2,767,393</u>	<u>2,138,251</u>

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Sections 246 and 247 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 15/10/2001.

Signed on behalf of the Board of Directors


Director

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Investment properties and properties under construction	not provided
Fixtures and fittings	25%

Investments

Investments in subsidiary companies are included at cost less provision for any diminution in value. Consolidated accounts are not required because the company is a subsidiary of Park Lane Caledonian Group Limited.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of investment properties.

This departure from the requirements of the Companies Act 1985 for all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to give a true and fair view. If this departure from the Act had not been made the loss for the year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because 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.

Properties under construction

Properties under construction are included at the lower of cost and net realisable value. Cost includes interest on attributable borrowings up to the date of practical completion.

Deferred taxation

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

Deferred 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 within the six years, a proportion is released to the revaluation reserve.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

3. OPERATING PROFIT

	2000 £	1999 £
Operating profit is after charging:		
Directors' remuneration	-	22,214
Depreciation	20,247	6,172
Auditors' remuneration	1,500	5,200
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Bank interest received	6,516	2,828
	<u> </u>	<u> </u>

5. TAXATION

	2000 £	1999 £
The tax (credit)/charge on the profit on ordinary activities for the year was as follows:		
Adjustment to prior year's provisions	-	(315)
Group relief	(39,301)	(33,996)
	<u> </u>	<u> </u>
	<u>(39,301)</u>	<u>(34,311)</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

6. TANGIBLE FIXED ASSETS

	Investment properties £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 October 1999	6,095,000	80,928	6,175,928
Additions	-	65	65
Surplus on revaluation	437,540	-	437,540
	<hr/>	<hr/>	<hr/>
At 30 September 2000	6,532,540	80,993	6,613,533
	<hr/>	<hr/>	<hr/>
Whereof			
At cost	-	80,993	80,993
At valuation	6,532,540	-	6,532,540
	<hr/>	<hr/>	<hr/>
	6,532,540	80,993	6,613,533
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 October 1999	-	6,525	6,525
Charge for the year	-	20,247	20,247
	<hr/>	<hr/>	<hr/>
At 30 September 2000	-	26,772	26,772
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2000	6,532,540	54,221	6,586,761
	<hr/>	<hr/>	<hr/>
At 30 September 1999	6,095,000	74,403	6,169,403
	<hr/>	<hr/>	<hr/>

The company's investment properties were valued on an open market value basis at 30 September 2000 by B. Gilchrist Macnab and Co, Chartered Surveyors and Graham & Sibbald, Chartered Surveyors.

The net book value of investment properties determined under the historical cost convention is £4,526,226 (1999 - £4,526,226)

If the investment properties were sold at their valuation it is estimated that a tax liability of £485,000 (1999 - £400,000) would arise. No provision has been made for this amount as there is no current intention to dispose of the properties.

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

7. INVESTMENTS

	2000	1999
	£	£
Investment in subsidiary company	2,859,909	2,859,909

At 30 September 2000 the company owned the entire share capital of Park Lane Rented Homes Scotland Limited, at a cost of £2,859,909.

The company's principal activity is property investment.

Consolidated accounts are not required as the company is itself a subsidiary of Park Lane Caledonian Group Limited.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Trade debtors	-	2,124
Prepayments	4,394	4,135
Other debtors	891	891
Unpaid Share Capital	2	2
Group relief receivable	72,358	33,996
	<u>77,645</u>	<u>41,148</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank loans	137,653	349,428
Trade creditors	-	765
Accrued expenses	63,320	72,234
Other creditors	83,142	77,135
Amount due to fellow subsidiary	331,101	156,749
	<u>615,216</u>	<u>656,311</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
	£	£
Bank loans	5,303,534	5,229,412
Amount due to Park Lane Investments Limited	559,733	559,733
	<u>5,863,267</u>	<u>5,789,145</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2000	1999
	£	£
<i>Amounts falling due within one year or on demand</i>	137,653	137,653
<i>Amounts falling due between one and two years</i>	177,241	137,653
<i>Amounts falling due between two and five years</i>	841,156	627,460
<i>Amounts falling due in more than five years:</i>		
Repayable by instalments	4,285,137	4,676,074
	<u>5,441,187</u>	<u>5,578,840</u>

The prior year analysis of loan repayments has been restated for comparative purposes.

12. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank loans	<u>5,441,187</u>	<u>5,578,840</u>

13. ACCRUALS AND DEFERRED INCOME

	2000	1999
	£	£
Grants		
At 1 October 1999	574,386	752,400
Transfer to revaluation reserve	(178,014)	(178,014)
	<u>396,372</u>	<u>574,386</u>
At 30 September 2000		

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

14. CALLED UP SHARE CAPITAL

		Nominal value	2000 £	1999 £
Authorised:				
Number:	Class:			
1,000	Ordinary	£1	1,000	1,000

		Nominal value	2000 £	1999 £
Allotted and fully paid:				
Number :	Class:			
1,000	Ordinary	£1	1,000	1,000

15. REVALUATION RESERVE

	2000 £	1999 £
At 1 October 1999	2,062,470	1,138,774
Surplus on revaluation of investment properties	437,540	745,682
Release of government grants	178,014	178,014
At 30 September 2000	2,678,024	2,062,470

16. RELATED PARTY TRANSACTIONS

Included in other debtors is an amount of £891 (1999 - £891) due from Nordham Developments Limited. J G Wright director of the company is also a director of Nordham Developments Limited.

The company has taken advantage of the exemption contained in FRS 8 in not disclosing transactions with other companies in the Park Lane Caledonian Group.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	13,588	69,218
Other recognised gains and losses relating to the year (net)	615,554	923,696
NET ADDITION TO SHAREHOLDERS' FUNDS	629,142	992,914
Opening shareholders' funds	2,138,251	1,145,337
CLOSING SHAREHOLDERS' FUNDS	2,767,393	2,138,251

NOTES TO THE ACCOUNTS
Year ended 30 September 2000

18. ULTIMATE PARENT COMPANY

On 10 October 1997 the share capital of the company was acquired by Park Lane Caledonian Group Limited which became the company's ultimate parent company. Copies of the accounts of Park Lane Caledonian Group Limited can be obtained from Phoenix Crescent, Strathclyde Business Park, Strathclyde ML4 3UJ.