

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2002 TO 30 JUNE 2003  
FOR  
PARK LANE PROPERTY DEVELOPMENT LIMITED**

**2045608**



# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

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# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

## **COMPANY INFORMATION**

**for the period 1 January 2002 to 30 June 2003**

**DIRECTORS:** A C Gallagher  
G H Gosling

**SECRETARY:** S A Burnett

**REGISTERED OFFICE:** Gallagher House  
51 Bordesley Green  
Birmingham  
B9 4QS

**REGISTERED NUMBER:** 2045608 (England and Wales)

**AUDITORS:** PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

## **REPORT OF THE DIRECTORS**

**for the period 1 January 2002 to 30 June 2003**

The directors present their report and the audited financial statements of the company for the period 1 January 2002 to 30 June 2003.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of property development.

### **REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed financial statements.

Both the result for the period, and the period end financial position were satisfactory. The directors consider future prospects to be satisfactory.

### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

### **DIRECTORS**

The directors during the period under review were:

A C Gallagher  
G H Gosling

The directors holding office at 30 June 2003 did not hold any direct beneficial interest in the issued share capital of the company at 1 January 2002 or 30 June 2003.

The interests of the directors in the shares of the holding company can be seen in the Report and Accounts of that company.

### **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 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;
- 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.

# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

## **REPORT OF THE DIRECTORS**

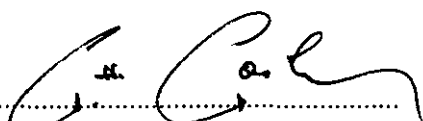
**for the period 1 January 2002 to 30 June 2003**

### **AUDITORS**

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

### **ON BEHALF OF THE BOARD:**

  
.....  
G H Gosling - Director

30 April 2004

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF PARK LANE PROPERTY DEVELOPMENT LIMITED**

We have audited the financial statements on pages 5 to 10

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable 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 the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

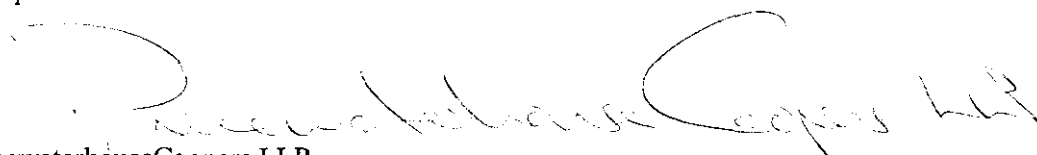
### **Basis of audit opinion**

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 30 June 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

30 April 2004

# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**for the period 1 January 2002 to 30 June 2003**

	Notes	Period 1.1.02 to 30.6.03 £	Year Ended 31.12.01 £
<b>TURNOVER</b>		918,060	325,810
Cost of sales		<u>(859,150)</u>	<u>(158,350)</u>
<b>GROSS PROFIT</b>		58,910	167,460
Administrative expenses		<u>480</u>	<u>(2,276)</u>
		59,390	165,184
Other operating income		<u>20,955</u>	<u>20,910</u>
<b>OPERATING PROFIT</b>	3	80,345	186,094
Interest receivable and similar income		<u>-</u>	<u>80</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		80,345	186,174
Tax on profit on ordinary activities	4	<u>22,415</u>	<u>(56,568)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		<u>102,760</u>	<u>129,606</u>
<b>RETAINED PROFIT FOR THE PERIOD</b>	10	<u>102,760</u>	<u>129,606</u>

### **CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous year.

### **TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current period or previous year.

### **NOTE OF HISTORICAL COST PROFITS AND LOSSES**

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

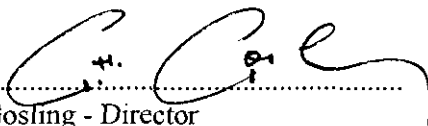
# PARK LANE PROPERTY DEVELOPMENT LIMITED

## BALANCE SHEET

30 June 2003

	Notes	30.6.03 £	31.12.01 £
<b>CURRENT ASSETS</b>			
Stocks	5	261,859	252,602
Debtors	6	<u>8,404,250</u>	<u>8,640,380</u>
		8,666,109	8,892,982
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(71,277)</u>	<u>(400,910)</u>
<b>NET CURRENT ASSETS</b>		<u>8,594,832</u>	<u>8,492,072</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,594,832	8,492,072
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	8	<u>(20,649)</u>	<u>(20,649)</u>
		<u>8,574,183</u>	<u>8,471,423</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2,100	2,100
Profit and loss account	10	<u>8,572,083</u>	<u>8,469,323</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>8,574,183</u>	<u>8,471,423</u>

ON BEHALF OF THE BOARD:

  
 .....  
 G H Gosling - Director

Approved by the Board on 30 April 2004

# PARK LANE PROPERTY DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the period 1 January 2002 to 30 June 2003

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Cash flow statement

The company is a wholly-owned subsidiary of J J Gallagher Limited and is included in the consolidated accounts of A C Gallagher Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised).

#### Cost of sales

Included within cost of sales are expenses relating to fees expended in promoting developments through the planning system which are written off to the profit and loss account, as and when incurred, in accordance with the stocks accounting policy.

#### Turnover

Turnover represents the invoiced value of work done resulting from property development activities.

#### Stocks

Work in progress, which includes land held for development, is valued at the lower of cost and net realisable value. Cost includes the purchase of land and acquisition expenses. Promotional costs associated with developments are expensed until the viability of that development is reasonably secure. Work in progress is reduced to net realisable value where changes in circumstances indicate full recovery is uncertain.

#### Deferred tax

Full provision is made for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

### 2. STAFF COSTS

There were no staff costs for the period ended 30 June 2003 nor for the year ended 31 December 2001.

The average monthly number of employees during the period was as follows:

	Period 1.1.02 to 30.6.03	Year Ended 31.12.01
Directors	<u>2</u>	<u>1</u>

# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **for the period 1 January 2002 to 30 June 2003**

### **3. OPERATING PROFIT**

The operating profit is stated after charging:

	Period 1.1.02 to 30.6.03 £	Year Ended 31.12.01 £
Auditors' remuneration	<u>1,500</u>	<u>1,500</u>
Directors' emoluments	<u>-</u>	<u>-</u>

### **4. TAXATION**

#### **Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the period was as follows:

	Period 1.1.02 to 30.6.03 £	Year Ended 31.12.01 £
Current tax:		
UK corporation tax	-	71,429
Group relief	24,104	11,267
Prior year corporation tax	(59,891)	716
Group relief prior year	<u>13,372</u>	<u>-</u>
Total current tax	(22,415)	83,412
Deferred tax	<u>-</u>	<u>(26,844)</u>
Tax on profit on ordinary activities	<u>(22,415)</u>	<u>56,568</u>

The current corporation tax credit differs from the standard UK corporation tax rate of 30% applied to the profit for the period. The differences are:

	£	£
Profit for the period at 30%	24,104	55,852
Gain on original cost	-	26,844
Prior year corporation tax adjustment	(59,891)	716
Prior year group relief adjustment	<u>13,372</u>	<u>-</u>
	<u>(22,415)</u>	<u>83,412</u>

# **PARK LANE PROPERTY DEVELOPMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 January 2002 to 30 June 2003**

### **5. STOCKS**

	30.6.03	31.12.01
	£	£
Work in progress	<u>261,859</u>	<u>252,602</u>

### **6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.03	31.12.01
	£	£
Trade debtors	-	356,613
Amounts owed by group undertakings	8,344,360	8,283,767
Corporation tax recoverable	<u>59,890</u>	<u>-</u>
	<u>8,404,250</u>	<u>8,640,380</u>

### **7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.03	31.12.01
	£	£
Trade creditors	-	5,204
Corporation tax	-	71,429
Other creditors	42,900	80,788
Accruals and deferred income	<u>28,377</u>	<u>243,489</u>
	<u>71,277</u>	<u>400,910</u>

### **8. PROVISION FOR LIABILITIES AND CHARGES**

	30.6.03	31.12.01
	£	£
Deferred tax	<u>20,649</u>	<u>20,649</u>

	Deferred tax £
Balance at 1 January 2002	<u>20,649</u>
Balance at 30 June 2003	<u>20,649</u>

### **9. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.03	31.12.01
			£	£
2,100	Ordinary	£1	<u>2,100</u>	<u>2,100</u>

## PARK LANE PROPERTY DEVELOPMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 January 2002 to 30 June 2003

#### 10. RESERVES

	Profit and loss account £
At 1 January 2002	8,469,323
Retained profit for the period	<u>102,760</u>
At 30 June 2003	<u><u>8,572,083</u></u>

#### 11. RELATED PARTY DISCLOSURES

All of the subsidiary undertakings of A C Gallagher Holdings Limited are wholly owned and transactions between group companies are not disclosed. During the year ended 31 December 2001 the company sold land to Countywide J9M6 Limited (a company controlled by Mr A C Gallagher) for consideration of £300,000. In addition net construction and letting costs totalling £918,060 for the period ended 30 June 2003 (2001: £204,000) were invoiced to Countywide J9M6 Limited. Both transactions were on an arms length basis and all invoiced amounts were settled by the period end.

#### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.6.03 £	31.12.01 £
Profit for the financial period	<u>102,760</u>	<u>129,606</u>
<b>Net addition to shareholders' funds</b>	102,760	129,606
Opening shareholders' funds	<u>8,471,423</u>	<u>8,341,817</u>
<b>Closing shareholders' funds</b>	<u><u>8,574,183</u></u>	<u><u>8,471,423</u></u>
Equity interests	<u><u>8,574,183</u></u>	<u><u>8,471,423</u></u>

#### 13. CONTROLLING PARTY

Park Lane Property Development Limited is a wholly owned subsidiary of J J Gallagher Limited, (incorporated in England and Wales) and the ultimate parent company at 30 June 2003 was A C Gallagher Holdings Limited. Its ultimate parent undertaking is now Gallagher Residential Limited.

The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the issued share capital of the ultimate parent undertaking.