



**PARK LANE RENTED HOMES
(SCOTLAND) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2002

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2002

Company registration number: 2829451

Registered office: Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

Directors: D S Robinson
B J Clarke

Secretary: D S Robinson

Bankers: Bank of Scotland
56 Main Street
Uddingston
G71 7LS

Solicitors: Miller Samuel & Co
RWF House
5 Renfield Street
Glasgow
G2 5EZ

Anderson Fyfe
90 St Vincent Street
Glasgow
G2 5UB

Auditors: Grant Thornton
Registered auditors
Chartered accountants

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2002

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PARK LANE RENTED HOMES (SCOTLAND) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 2002.

Principal activities

The company is principally engaged in property investment.

There was a profit for the year after taxation amounting to £133,763 (2001: profit £130,093). On the directors recommendation a dividend of £134,404 was paid on the ordinary shares in respect of the year ended 30 September 2002 (2001: £130,093).

Directors

The present membership of the Board is set out below. All directors served throughout the year except where indicated below.

The interests of the directors and their families in the shares of P L Holdings Limited, the ultimate parent undertaking, are given in that company's accounts.

The interests of the directors and their families in the shares of the company as at 30 September 2002 and 1 October 2001, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	30 September 2002	1 October 2001
D S Robinson	-	-
B J Clarke	-	-
E McDaid (resigned 19 December 2001)	-	-

Directors' responsibilities for the financial statements

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 maintaining 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.

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

REPORT OF THE DIRECTORS


Auditors

Deloitte & Touche resigned as auditors during the year and Grant Thornton were appointed in their place. Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company exemption

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

BY ORDER OF THE BOARD


D S Robinson
Secretary

23rd January 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

We have audited the financial statements of Park Lane Rented Homes Scotland Limited for the year ended 30 September 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and 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 auditor's 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 directors' report 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 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 the company's affairs as at 30 September 2002 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

GLASGOW

Date

23/1/03

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that certain freehold properties are shown at their revalued amounts.

The implimentation of Financial Reporting Standard 18, "Accounting Policies", has not resulted in any changes to the companies accounting policies. During the year the company implemented Financial Reporting Standard 19, "Deferred Tax".

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

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

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets excluding investment properties by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures and fittings	25%
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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 may 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 provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2002

	Note	2002 £	2001 £
Turnover	1	258,441	256,875
Cost of sales		(63,294)	(59,138)
Gross profit		195,147	197,737
Administrative expenses		(7,283)	(7,944)
Operating profit		187,864	189,793
Net interest	2	446	(7,202)
Profit on ordinary activities before taxation		188,310	182,591
Tax on profit on ordinary activities	3	(54,547)	(52,498)
Profit for the financial year	11	133,763	130,093
Dividends paid	4	(134,404)	(130,093)
Profit transferred to reserves	10	(641)	-

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

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

BALANCE SHEET AT 30 SEPTEMBER 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	5	4,479,525	3,744,209
		4,479,525	3,744,209
Current assets			
Debtors	6	89,319	187,818
Cash at bank and in hand		111,617	-
		200,936	187,818
Creditors: amounts falling due within one year	7	(155,322)	(138,247)
Net current assets		45,614	49,571
Total assets less current liabilities		4,525,139	3,793,780
Capital and reserves			
Called up share capital	9	1,337,077	1,337,077
Share premium account	10	1,203,367	1,203,367
Revaluation reserve	10	1,985,336	1,253,336
Profit and loss account	10	(641)	-
	11	4,525,139	3,793,780

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).

The financial statements were approved by the Board of Directors on

23rd January 2003

Director



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

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 September 2002

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002	2001
	£	£
Profit for the financial year	133,763	130,093
Unrealised surplus on revaluation of investment properties	732,000	178,200
Total recognised gains and losses for the year	865,763	308,293

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

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

The profit on ordinary activities is stated after:

2002	2001
£	£

Auditors' remuneration

1,000	1,645
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Depreciation and amortisation:

Tangible fixed assets, owned

6,266	4,214
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2 INTEREST PAYABLE AND SIMILAR CHARGES

2002	2001
£	£

On bank loans and overdrafts

111	7,202
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Other interest receivable and similar income

(557)	-
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(446)	7,202
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3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

2002	2001
£	£

Corporation tax

7,312	35,603
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Group relief

47,045	17,797
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Deferred taxation

(902)	-
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53,455	53,400
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Adjustments in respect of prior periods:

Corporation tax

1,092	(902)
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54,547	52,498
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4 DIVIDENDS

2002	2001
£	£

Ordinary shares

134,404	130,093
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134,404	130,093
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PARK LANE RENTED HOMES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

5 TANGIBLE FIXED ASSETS

	Investment property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2001	3,731,000	18,922	3,749,922
Additions	-	9,582	9,582
Surplus on revaluation	732,000	-	732,000
At 30 September 2002	4,463,000	28,504	4,491,504
Depreciation			
At 1 October 2001	-	5,713	5,713
Provided in the year	-	6,266	6,266
At 30 September 2002	-	11,979	11,979
Net book amount at 30 September 2002	4,463,000	16,525	4,479,525
Net book amount at 30 September 2001	3,731,000	13,209	3,744,209

The company's investment properties were revalued on 30 September 2002 by B Gilchrist Macnab and Co 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 £2,477,664 (2001: £2,477,664)

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, these assets are unlikely to be disposed of in the foreseeable future.

The company's parent has overdrafts and bank loans secured by standard security over the investment properties of Park Lane Rented Homes (Scotland) Limited.

6 DEBTORS

	2002 £	2001 £
Amounts owed by group undertakings	86,031	185,843
Called up share capital not paid	2	2
Prepayments and accrued income	3,286	1,973
	89,319	187,818

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank overdrafts	-	5,108
Amounts owed to group undertakings	147,009	96,884
Corporation tax	7,313	35,603
Accruals and deferred income	1,000	652
	<u>155,322</u>	<u>138,247</u>

The bank overdrafts are secured by a debenture over the company assets and a standard security over 47 flats at 117-121 Berkely Street and 122-126 Kent Road, Glasgow.

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

8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Total £
At 1 October 2001	902	902
Reversed during the year	(902)	(902)
At 30 September 2002	<u>-</u>	<u>-</u>

9 SHARE CAPITAL

	2002 £	2001 £
Authorised 10,000,000 Ordinary 50p shares	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and not fully paid 2,674,154 Ordinary 50p shares	<u>1,337,077</u>	<u>1,337,077</u>

PARK LANE RENTED HOMES (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

10 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 October 2001	1,203,367	1,253,336	-
Retained loss for the year	-	-	(641)
Surplus on revaluation of assets	-	732,000	-
At 30 September 2002	<u>1,203,367</u>	<u>1,985,336</u>	<u>(641)</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	133,763	130,093
Dividends	(134,404)	(130,093)
Other recognised gains and losses	<u>732,000</u>	<u>178,200</u>
Net increase in shareholders' funds	731,359	178,200
Shareholders' funds at 1 October 2001	<u>3,793,780</u>	<u>3,615,580</u>
Shareholders' funds at 30 September 2002	<u>4,525,139</u>	<u>3,793,780</u>

12 CAPITAL COMMITMENTS

The company had no capital commitments at 30 September 2002 or 30 September 2001.

13 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2002 or 30 September 2001

14 TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES

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 P L Holdings Limited.

15 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is P L Holdings Limited. Copies of the accounts of P L Holdings Limited can be obtained from Caledonian House, Phoenix Crescent, Strathclyde Business Park, Strathclyde, ML4 3UJ.