



Financial Statements Park Lane Rented Homes (Scotland) Limited

For the Year Ended 30 September 2007



Company No. 2829451

Company information

Company Registration Number	2829451
Registered Office	22 Melton Street London NW1 2BW
Directors	D S Robinson B J Clarke
Secretary	D S Robinson
Bankers	Bank of Scotland 56 Main Street Uddingston G71 7LS
Solicitors	Anderson Fyfe 72 Gordon Street Glasgow G1 3RN
	Semple Fraser 130 St Vincent Street Glasgow G2 5HF
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 September 2007

Principal activities and business review

The company is principally engaged in property investment

There was a profit for the year after taxation amounting to £163,248 (2006 - £171,038)

The directors have recommended a dividend of £150,000 (2006 - £170,000)

Directors

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

D S Robinson
B J Clarke

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information


Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting 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

15 May 2008



Report of the independent auditor 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 2007 which comprise the principal accounting policies, profit and loss account, balance sheet, 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 January 2005), 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Report of the independent auditor to the members of Park Lane Rented Homes (Scotland) Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Glasgow

19/5/08

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 January 2005)

Turnover

The turnover shown in the profit and loss accounts represents amounts invoiced during the year

Rental income is received monthly in advance and recognised evenly over the month with deposits not being recognised as revenue unless the tenant defaults on the rental agreement

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% straight line

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2007 £	2006 £
Turnover		274,538	270,095
Cost of sales		(30,979)	(23,956)
Gross profit		243,559	246,139
Other operating charges	1	(10,372)	(8,451)
Operating profit	2	233,187	237,688
Interest receivable		2,314	8,498
Interest payable and similar charges		(705)	(416)
Profit on ordinary activities before taxation		234,796	245,770
Tax on profit on ordinary activities		(71,548)	(74,732)
Profit for the financial year	14	163,248	171,038

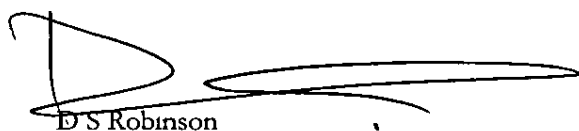
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	5	<u>7,072,205</u>	<u>6,606,592</u>
Current assets			
Debtors	6	416	2
Cash at bank		<u>111,251</u>	<u>—</u>
		111,667	2
Creditors: amounts falling due within one year	7	<u>(904,205)</u>	<u>(690,800)</u>
Net current liabilities		<u>(792,538)</u>	<u>(690,798)</u>
Total assets less current liabilities		<u>6,279,667</u>	<u>5,915,794</u>
Capital and reserves			
Called-up equity share capital	11	1,337,077	1,337,077
Share premium account	12	1,203,367	1,203,367
Revaluation reserve	13	3,724,937	3,374,312
Profit and loss account	14	14,286	1,038
Shareholders' funds		<u>6,279,667</u>	<u>5,915,794</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 January 2005)

These financial statements were approved by the directors on 15 May 2008 and are signed on their behalf by


D S Robinson

Other primary statements

Statement of total recognised gains and losses

	2007	2006
	£	£
Profit for the financial year	163,248	171,038
Unrealised profit on revaluation of certain fixed assets	350,625	442,250
Total recognised gains and losses for the year	513,873	613,288
Prior year adjustment	–	135,295
Total gains and losses recognised since the last financial statements	513,873	748,583

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

Notes to the financial statements

1 Other operating charges

	2007 £	2006 £
Administrative expenses	<u>10,372</u>	<u>8,451</u>

2 Operating profit

Operating profit is stated after charging

	2007 £	2006 £
Depreciation of owned fixed assets	6,980	6,331
Auditor's fees	<u>3,225</u>	<u>1,950</u>

3 Dividends

Dividends on shares classed as equity

	2007 £	2006 £
Paid during the year		
Equity dividends on ordinary shares	<u>—</u>	<u>135,295</u>
Proposed at the year-end (recognised as a liability)		
Equity dividends on ordinary shares	<u>150,000</u>	<u>170,000</u>

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	<u>71,548</u>	<u>74,732</u>
Total current tax	<u>71,548</u>	<u>74,732</u>

4 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>234,796</u>	<u>245,770</u>
Profit on ordinary activities by rate of tax	<u>70,439</u>	73,731
Depreciation for period in excess of capital allowances	<u>1,109</u>	1,001
Total current tax (note 3(a))	<u>71,548</u>	<u>74,732</u>

5 Tangible fixed assets

	Investment property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2006	6,590,000	25,325	6,615,325
Additions	119,375	2,593	121,968
Revaluation	350,625	—	350,625
At 30 September 2007	<u>7,060,000</u>	<u>27,918</u>	<u>7,087,918</u>
Depreciation			
At 1 October 2006	—	8,733	8,733
Charge for the year	—	6,980	6,980
At 30 September 2007	<u>—</u>	<u>15,713</u>	<u>15,713</u>
Net book value			
At 30 September 2007	<u>7,060,000</u>	<u>12,205</u>	<u>7,072,205</u>
At 30 September 2006	<u>6,590,000</u>	<u>16,592</u>	<u>6,606,592</u>

The company's investment properties were revalued on 3 October 2007 by Allied Surveyors, independent surveyors and valuers registered with The Royal Institution of Chartered Surveyors. The directors consider this valuation to be appropriate at 30 September 2007. The basis of the valuation used was open market value and 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 £3,335,063 (2006 - £3,215,688).

6 Debtors

	2007	2006
	£	£
Called up share capital not paid	2	2
Prepayments and accrued income	414	—
	<u>416</u>	<u>2</u>

7 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	—	51,749
Trade creditors	43,987	1,964
Amounts owed to group undertakings	856,615	635,067
Other creditors	3,603	2,020
	<u>904,205</u>	<u>690,800</u>

The bank holds a standard security over 47 flats at Berkeley Street and Kent Road, Glasgow, and a debenture for all sums due over whole company assets

8 Capital commitments

The company had no capital commitments at 30 September 2007 or 30 September 2006

9 Contingent liabilities

The company has unlimited cross guarantees with PL Holdings Limited and its subsidiary undertakings
 At 30 September 2007 the bank borrowings of the group amounted to £24,276,413 (2006 - £23,855,362)

10 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

11 Share capital

Authorised share capital

	2007 £	2006 £
10,000,000 Ordinary shares of £0 50 each	<u>5,000,000</u>	<u>5,000,000</u>

Allotted and called up

	2007 No	£	2006 No	£
Ordinary shares of £0 50 each	<u>2,674,154</u>	<u>1,337,077</u>	<u>2,674,154</u>	<u>1,337,077</u>

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

	2007 £	2006 £
Ordinary shares	<u>2</u>	<u>2</u>

12 Share premium account

	2007 £	2006 £
Balance brought forward	<u>1,203,367</u>	<u>1,203,367</u>
Balance carried forward	<u>1,203,367</u>	<u>1,203,367</u>

13 Revaluation reserve

	2007 £	2006 £
Balance brought forward	<u>3,374,312</u>	<u>2,932,062</u>
Revaluation of fixed assets	<u>350,625</u>	<u>442,250</u>
Balance carried forward	<u>3,724,937</u>	<u>3,374,312</u>

14 Profit and loss account

	2007 £	2006 £
Balance brought forward as previously reported	<u>1,038</u>	<u>-</u>
Prior year adjustment	-	135,295
Balance brought forward restated	<u>1,038</u>	<u>135,295</u>
Profit for the financial year	<u>163,248</u>	<u>171,038</u>
Equity dividends proposed	<u>(150,000)</u>	<u>(170,000)</u>
Equity dividends paid	-	(135,295)
Balance carried forward	<u>14,286</u>	<u>1,038</u>

15 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is PL Holdings Limited, a company registered in Scotland. At the balance sheet date the registered office of PL Holdings was 87 Port Dundas Road, Cowcaddens, Glasgow, G4 0HF. Copies of the PL Holdings Group accounts can be obtained from this address.