



# Financial statements Park Lane Rented Homes (Scotland) Limited

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**For the Year Ended 30 September 2008**

THURSDAY



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30/07/2009  
COMPANIES HOUSE

## Company information

<b>Company registration number</b>	2829451
<b>Registered office</b>	22 Melton Street London NW1 2BW
<b>Directors</b>	D S Robinson B J Clarke
<b>Secretary</b>	D S Robinson
<b>Bankers</b>	Bank of Scotland 56 Main Street Uddingston G71 7LS
<b>Solicitors</b>	Anderson Fyfe 72 Gordon Street Glasgow G1 3RN  Semple Fraser 130 St Vincent Street Glasgow G2 5HF
<b>Auditor</b>	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 2008.

### **Principal activities and business review**

The company is principally engaged in property investment.

There was a profit for the year after taxation amounting to £174,434 (2007 - £163,248).

The directors have recommended a dividend of £175,000 (2007 - £150,000).

### **Directors**

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

D S Robinson  
B J Clarke

### **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 auditor is 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 auditor is 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

29 July 2009



## 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 2008 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of total recognised gains and losses and notes 1 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), 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.

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

### **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.

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 2008 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

*30/7/09*

## 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 2007).

### **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	2008 £	2007 £
Turnover		281,680	274,538
Cost of sales		(34,321)	(30,979)
Gross profit		247,359	243,559
Other operating charges	1	(10,779)	(10,372)
<b>Operating profit</b>	2	236,580	233,187
Interest receivable		12,050	2,314
Interest payable and similar charges		–	(705)
<b>Profit on ordinary activities before taxation</b>		248,630	234,796
Tax on profit on ordinary activities	3	(74,196)	(71,548)
<b>Profit for the financial year</b>	12	174,434	163,248

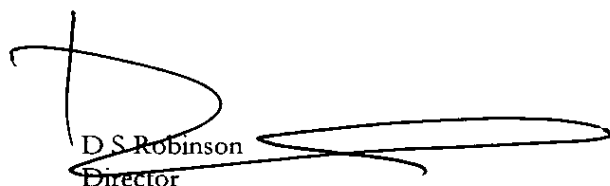
**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	5	7,067,275	7,072,205
<b>Current assets</b>			
Debtors	6	361	416
Cash at bank		302,740	111,251
		303,101	111,667
<b>Creditors: amounts falling due within one year</b>	7	(1,168,574)	(904,205)
<b>Net current liabilities</b>		(865,473)	(792,538)
<b>Total assets less current liabilities</b>		6,201,802	6,279,667
<b>Capital and reserves</b>			
Called-up equity share capital	11	1,337,077	1,337,077
Share premium account	12	1,203,367	1,203,367
Revaluation reserve	12	3,647,638	3,724,937
Profit and loss account	12	13,720	14,286
<b>Shareholders' funds</b>	12	6,201,802	6,279,667

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 2007).

These financial statements were approved by the directors and authorised for issue on 29 July 2009, and are signed on their behalf by:

  
D S Robinson  
Director

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

## Other primary statements

### **Statement of total recognised gains and losses**

	2008 £	2007 £
Profit for the financial year	174,434	163,248
Unrealised (loss)/profit on revaluation of certain fixed assets	(77,299)	350,625
<b>Total gains and losses recognised for the year</b>	<b>97,135</b>	<b>513,873</b>

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

## Notes to the financial statements

### **1 Other operating charges**

	2008	2007
	£	£
Administrative expenses	<u>10,779</u>	<u>10,372</u>

### **2 Operating profit**

Operating profit is stated after charging:

	2008	2007
	£	£
Depreciation of owned fixed assets	7,662	6,980
Auditor's fees	<u>2,500</u>	<u>3,225</u>

### **3 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 29% (2007 - 30%)	<u>74,196</u>	<u>71,548</u>
Total current tax	<u>74,196</u>	<u>71,548</u>

**3 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 29% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>248,630</u>	<u>234,796</u>
Profit on ordinary activities by rate of tax	72,103	70,439
Expenses not deductible for tax purposes	1,837	–
Depreciation for period in excess of capital allowances	(54)	1,109
Adjustments to tax charge in respect of previous periods	311	–
Rounding on tax charge	(1)	–
Total current tax (note 3(a))	<u>74,196</u>	<u>71,548</u>

**4 Dividends**

**Dividends on shares classed as equity**

	2008 £	2007 £
Proposed at the year-end (recognised as a liability):		
Equity dividends on ordinary shares	<u>175,000</u>	<u>150,000</u>

**5 Tangible fixed assets**

	Investment property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2007	7,060,000	27,918	7,087,918
Additions	77,299	2,732	80,031
Revaluation	(77,299)	–	(77,299)
At 30 September 2008	<u>7,060,000</u>	<u>30,650</u>	<u>7,090,650</u>
Depreciation			
At 1 October 2007	–	15,713	15,713
Charge for the year	–	7,662	7,662
At 30 September 2008	<u>–</u>	<u>23,375</u>	<u>23,375</u>
Net book value			
At 30 September 2008	<u>7,060,000</u>	<u>7,275</u>	<u>7,067,275</u>
At 30 September 2007	<u>7,060,000</u>	<u>12,205</u>	<u>7,072,205</u>

The company's investment properties were valued on 20 October 2008 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 2008. The basis of the valuation used was open market value and the loss 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 £3,412,362 (2007 - £3,335,063).

**6 Debtors**

	2008 £	2007 £
Called up share capital not paid	2	2
Prepayments and accrued income	359	414
	<u>361</u>	<u>416</u>

**7 Creditors: amounts falling due within one year**

	2008	2007
	£	£
Trade creditors	60,259	43,987
Amounts owed to group undertakings	1,105,500	856,615
Corporation tax	311	—
Accruals and deferred income	2,504	3,603
	<u>1,168,574</u>	<u>904,205</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 2008 or 30 September 2007.

**9 Contingent liabilities**

The company has unlimited cross guarantees with PL Holdings Limited and its subsidiary undertakings. At 30 September 2008 the bank borrowings of the group amounted to £33,775,777 (2007 - £24,276,413).

**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:

	2008	2007
	£	£
10,000,000 Ordinary shares of £0.50 each	<u>5,000,000</u>	<u>5,000,000</u>

Allotted and called up:

	2008		2007	
	No	£	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:

	2008	2007
	£	£
Ordinary shares	<u>2</u>	<u>2</u>

# **12 Reconciliation of shareholders' funds and movement on reserves**

	Share capital	Share premium account	Revaluation reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
At 1 October 2007	1,337,077	1,203,367	3,724,937	14,286	6,279,667
Profit for the year	—	—	—	174,434	174,434
Equity dividends	—	—	—	(175,000)	(175,000)
Other gains and losses					
- Revaluation of fixed assets	—	—	(77,299)	—	(77,299)
At 30 September 2008	<u>1,337,077</u>	<u>1,203,367</u>	<u>3,647,638</u>	<u>13,720</u>	<u>6,201,802</u>

# **13 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 OHF. Copies of the PL Holdings Group accounts can be obtained from this address.