



# Financial statements Park Lane Rented Homes (Scotland) Limited

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**For the Year Ended 30 September 2009**

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## 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 Statutory Auditor 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 2009

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

The company is principally engaged in property investment

There was a profit for the year after taxation amounting to £171,183 (2008 - £174,434)

The directors have recommended a dividend of £nil (2008 £175,000)

### **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 Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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**

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D.S. Robinson', written over the printed name.

D.S. Robinson  
Secretary  
26 August 2010



## Independent auditor's report 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 2009 which comprise the principal accounting policies, profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

## Independent auditor's report to the members of Park Lane Rented Homes (Scotland) Limited (continued)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the report of the directors in accordance with the small companies regime



ROBERT K HANNAH (Senior Statutory Auditor)  
For and on behalf of  
GRANT THORNTON UK LLP  
STATUTORY AUDITOR  
CHARTERED ACCOUNTANTS

26 August 2010

## 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 April 2008)

### **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	2009 £	2008 £
Turnover		279,437	281,680
Cost of sales		(37,107)	(34,321)
Gross profit		242,330	247,359
Other operating charges	1	(13,024)	(10,779)
<b>Operating profit</b>	2	229,306	236,580
Interest receivable		8,592	12,050
<b>Profit on ordinary activities before taxation</b>		237,898	248,630
Tax on profit on ordinary activities	3	(66,715)	(74,196)
<b>Profit for the financial year</b>	12	171,183	174,434

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

## Balance sheet

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	5	7,060,000	7,067,275
<b>Current assets</b>			
Debtors	6	442	361
Cash at bank		306,256	302,740
		306,698	303,101
<b>Creditors amounts falling due within one year</b>	7	(997,066)	(1,168,574)
<b>Net current liabilities</b>		(690,368)	(865,473)
<b>Total assets less current liabilities</b>		6,369,632	6,201,802
<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	3,644,285	3,647,638
Profit and loss account	12	184,903	13,720
<b>Shareholders' funds</b>	12	6,369,632	6,201,802

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 26 August 2010, and are signed on their behalf by



D S Robinson

Company Registration Number 2829451

## Other primary statements

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

	2009	2008
	£	£
Profit for the financial year	171,183	174,434
Unrealised loss on revaluation of certain fixed assets	(3,353)	(77,299)
<b>Total gains and losses recognised for the year</b>	<b>167,830</b>	<b>97,135</b>

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

## Notes to the financial statements

### **1 Other operating charges**

	2009 £	2008 £
Administrative expenses	<u>13,024</u>	<u>10,779</u>

### **2 Operating profit**

Operating profit is stated after charging

	2009 £	2008 £
Depreciation of owned fixed assets	7,275	7,662
Auditor's fees	<u>2,500</u>	<u>2,500</u>

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

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2008 - 29%)	<u>66,715</u>	<u>74,196</u>
Total current tax	<u>66,715</u>	<u>74,196</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 28% (2008 - 29%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>237,898</u>	<u>248,630</u>
Profit on ordinary activities by rate of tax	66,611	72,103
Expenses not deductible for tax purposes	1,758	1,837
Capital allowances in excess of depreciation	(13)	(54)
Marginal relief	(1,642)	-
Adjustments to tax charge in respect of previous periods	-	311
Rounding on tax charge	1	(1)
Total current tax (note 3(a))	<u>66,715</u>	<u>74,196</u>

**4 Dividends**

**Dividends on shares classed as equity**

	2009 £	2008 £
Proposed at the year-end (recognised as a liability)		
Equity dividends on ordinary shares	<u>-</u>	<u>175,000</u>

**5 Tangible fixed assets**

	Investment property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2008	7,060,000	30,650	7,090,650
Additions	3,353	—	3,353
Revaluation	(3,353)	—	(3,353)
At 30 September 2009	<u>7,060,000</u>	<u>30,650</u>	<u>7,090,650</u>
Depreciation			
At 1 October 2008	—	23,375	23,375
Charge for the year	—	7,275	7,275
At 30 September 2009	<u>—</u>	<u>30,650</u>	<u>30,650</u>
Net book value			
At 30 September 2009	<u>7,060,000</u>	<u>—</u>	<u>7,060,000</u>
At 30 September 2008	<u>7,060,000</u>	<u>7,275</u>	<u>7,067,275</u>

The company's investment properties were valued on 30 September 2009 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 2009. 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 £3,415,715 (2008 - £3,412,362).

**6 Debtors**

	2009 £	2008 £
Called up share capital not paid	2	2
Prepayments and accrued income	440	359
	<u>442</u>	<u>361</u>

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

	2009	2008
	£	£
Trade creditors	5,204	60,259
Amounts owed to group undertakings	970,228	1,105,500
Corporation tax	18,759	311
Other creditors	2,875	2,504
	<u>997,066</u>	<u>1,168,574</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 2009 or 30 September 2008

**9 Contingent liabilities**

The company has unlimited cross guarantees with PL Holdings Limited and its subsidiary undertakings  
 At 30 September 2009 the bank borrowings of the group amounted to £35,851,378 (2008 - £33,775,777)

**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

	2009	2008
	£	£
10,000,000 Ordinary shares of £0 50 each	<u>5,000,000</u>	<u>5,000,000</u>

Allotted and called up

	2009		2008	
	No	£	No	£
2,674,154 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

	2009	2008
	£	£
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 2008	1,337,077	1,203,367	3,647,638	13,720	6,201,802
Profit for the year	—	—	—	171,183	171,183
Other gains and losses					
- Revaluation of fixed assets	—	—	(3,353)	—	(3,353)
At 30 September 2009	<u>1,337,077</u>	<u>1,203,367</u>	<u>3,644,285</u>	<u>184,903</u>	<u>6,369,632</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 0HF. Copies of the PL Holdings Group accounts can be obtained from this address.