



**CALEDONIAN RENTED HOMES
(SCOTLAND) LIMITED**

(Formerly Abtrust Accumulator plc)

Report and Financial Statements

30 September 1999



Deloitte & Touche
39 St Vincent Place
Glasgow
G1 2QQ



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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J G Wright
E McDaid
S Robinson
B Clarke

SECRETARY

E McDaid

REGISTERED OFFICE

Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

BANKERS

Bank of Scotland
56 Main Street
Uddingston

AUDITORS

Deloitte & Touche
Chartered Accountants
39 St Vincent Place
Glasgow
G1 2QQ



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 1999.

ACTIVITIES

The principal activity of the company in the year under review was that of property investment. On 2 March 1999 the company's name was changed to Caledonian Rented Homes (Scotland) Limited.

DIRECTORS AND THEIR INTERESTS

J G Wright

E McDaid (appointed 5 March 1999)

B Clarke (appointed 5 March 1999)

S Robinson

E K Ford (resigned 16 February 1999)

A A Laing (resigned 16 February 1999)

None of the directors holding office at 30 September 1999 held any shares in the company during the year.

The directors' interests in the shares of Park Lane Caledonian Group Limited, the ultimate parent company, are given in its accounts.

YEAR 2000

Disclosures concerning the company's preparations for the Year 2000 are contained in the accounts of the parent company.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

In preparing this report the directors have taken advantage of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board

Secretary
15 March 2000



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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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. 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.



AUDITORS' REPORT TO THE MEMBERS OF

CALEDONIAN RENTED HOMES (SCOTLAND) LIMITED

(Formerly Abtrust Accumulator plc)

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Chartered Accountants and Registered Auditors

9 March 2000


PROFIT AND LOSS ACCOUNT
Year ended 30 September 1999

	Note	1999 £	1998 £
TURNOVER: continuing operations	2	237,943	232,445
Cost of sales		57,986	172,382
Gross profit		179,957	60,063
Administrative expenses		21,428	16,924
OPERATING PROFIT: continuing operations	4	158,529	43,139
Interest receivable and similar income	5	4,580	6,783
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		163,109	49,922
Tax on profit on ordinary activities	6	45,892	10,484
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		117,217	39,438
Dividends payable – equity shares		154,427	-
(Loss)/profit for the financial year retained		(37,210)	39,438
Retained profit brought forward		45,340	5,902
Retained profit carried forward		8,130	45,340

STATEMENT OF MOVEMENTS ON RESERVES

	Share Premium £	Revaluation Reserve £	Profit & Loss Account £
At 1 October 1998	1,203,367	392,896	45,340
Surplus on revaluation of properties	-	263,000	-
Retained loss for year	-	-	(37,210)
Deferred tax written back	-	104,440	-
At 30 September 1999	1,203,367	760,336	8,130



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 September 1999

	1999 £	1998 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(37,210)	39,438
Unrealised surplus on revaluation of investment property	263,000	115,340
Release of deferred taxation to revaluation reserve	104,440	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>330,230</u>	<u>154,778</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.


BALANCE SHEET
30 September 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	7	3,238,000	2,975,000
CURRENT ASSETS			
Debtors	8	154,274	1,667
Cash at bank		-	150,896
		154,274	152,563
CREDITORS: amounts falling due within one year	9	83,364	44,443
NET CURRENT ASSETS		70,910	108,120
TOTAL ASSETS LESS CURRENT LIABILITIES		3,308,910	3,083,120
PROVISIONS FOR LIABILITIES AND CHARGES:	10	-	104,440
		3,308,910	2,978,680
CAPITAL AND RESERVES			
Called up share capital	11	1,337,077	1,337,077
Share premium		1,203,367	1,203,367
Revaluation reserve		760,336	392,896
Profit and loss account		8,130	45,340
Equity Shareholders' funds	12	3,308,910	2,978,680

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Sections 246 and 247 of the Companies Act 1985.

These financial statements were approved by the Board of Directors on ¹⁵ March 2000.

Signed on behalf of the Board of Directors

Director



NOTES TO THE ACCOUNTS
Year ended 30 September 1999

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of investment properties.

This departure from the requirements of the Companies Act 1985 for all properties to be depreciated is, in the opinion of the directors, necessary for the accounts to give a true and fair view. If this departure from the Act had not been made the loss for the year would have been increased by depreciation. However, the amount of depreciation cannot reasonably be quantified because 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

Provision is made at anticipated tax rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is a reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

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

3. STAFF COSTS

	1999 £	1998 £
Wages and salaries	669	7,698

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

	1999 No	1998 No
Directors	4	4

4. OPERATING PROFIT

	1999 £	1998 £
Operating profit is after charging:		
Auditors' remuneration	1,500	3,128
Directors' emoluments	669	7,698



NOTES TO THE ACCOUNTS
Year ended 30 September 1999

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Bank interest received	4,580	6,783

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1999 £	1998 £
UK Corporation Tax	17,274	10,484
Group relief	28,618	-
	<u>45,892</u>	<u>10,484</u>

Deferred tax arising on the revaluation of investment property previously set against the revaluation reserve has been released as there is no current intention to sell the company's investment property.

7. TANGIBLE FIXED ASSETS

	Investment Properties £
Value	
At 1 October 1998	2,975,000
Surplus on valuation	263,000
	<u>3,238,000</u>
At 30 September 1999	
Net book value	
At 30 September 1999	<u>3,238,000</u>
At 30 September 1998	<u>2,975,000</u>

The company's investment property was valued on an open market value basis at 30 September 1999 by D Gilchrist & Co, Chartered Surveyors.

The net book value of investment properties determined under the historical cost convention is £2,477,664 (1998 - £2,477,664).

If the investment properties were sold at their valuation it is estimated that a tax liability of £180,000 would arise. No provision has been made for this amount as there is no current intention to dispose of the properties.



NOTES TO THE ACCOUNTS
Year ended 30 September 1999

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Prepayments	1,741	1,665
Unpaid Share Capital	2	2
Amount due from parent company	152,531	-
	<u>154,274</u>	<u>1,667</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Bank overdraft	37,472	-
Trade creditors	-	21,150
Accrued expenses	-	12,809
Corporation tax	17,274	10,484
Group relief payable	28,618	-
	<u>83,364</u>	<u>44,443</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	1999	1998
	£	£
Deferred taxation on valuation surplus	-	104,440
	<u>-</u>	<u>104,440</u>
	Deferred Taxation	
	£	
Balance at 1 October 1998	104,440	
Released to revaluation reserve	(104,440)	
	<u>-</u>	
Balance at 30 September 1999	-	


NOTES TO THE ACCOUNTS
Year ended 30 September 1999
11. CALLED UP SHARE CAPITAL

	Nominal value	1999 £	1998 £
Authorised:			
Number: Class:			
10,000,000 Ordinary	50p	5,000,000	5,000,000
		<u> </u>	<u> </u>
	Nominal value	1999 £	1998 £
Allotted and fully paid:			
Number : Class			
2,674,154 Ordinary	50p	1,337,077	1,337,077
		<u> </u>	<u> </u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
(Loss)/profit for the financial year	(37,210)	39,438
Other recognised gains and loss relating to the year (net)	367,440	115,340
	<u> </u>	<u> </u>
Net addition to shareholders' funds	330,230	154,778
Opening shareholders' funds	2,978,680	2,823,902
	<u> </u>	<u> </u>
Closing shareholders' funds	3,308,910	2,978,680

13. RELATED PARTY TRANSACTIONS

The company became a member of the Park Lane Caledonian Group Limited group of companies during the year. The company has taken advantage of the exemption contained in FRS 8 in not disclosing transactions with other companies in the Park Lane Caledonian Group.

J G Wright director of the company is also a director of Nordham Developments Limited.

Included in cost of sales are property management fees of £13,974 (1998 - £74,003) paid to Nordham Developments Limited.

14. ULTIMATE PARENT COMPANY

Caledonian Rented Homes Limited is the company's parent company. Park Lane Caledonian Group Limited is the company's ultimate parent company. Copies of the accounts of Park Lane Caledonian Group Limited can be obtained from Phoenix Crescent, Caledonian Business Park, Strathclyde ML4 3UJ.