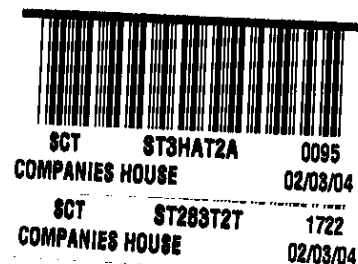


**Park Lane Investments (Scotland) Limited**

Financial statements

For the year ended 30 September 2003

Grant Thornton **Company No. SC125385**

## Company information

<b>Company Registration Number</b>	SC125385
<b>Registered Office</b>	87 Port Dundas Road Cowcaddens Glasgow G1 3RN
<b>Directors</b>	E McDaid B J Clarke D S Robinson
<b>Secretary</b>	E McDaid
<b>Bankers</b>	Bank of Scotland 56 Main Street Uddingston G71 7LS
<b>Solicitors</b>	Miller Samuel & Co RWF House 5 Renfield Street Glasgow G2 5EZ  Anderson Fyfe 90 St Vincent Street Glasgow G2 5UB
<b>Auditors</b>	Grant Thornton Chartered Accountants Registered Auditors 95 Bothwell Street Glasgow G2 7JZ

## Index to the financial statements

<b>Report of the directors</b>	3 - 4
<b>Report of the independent auditors</b>	5 - 6
<b>Principal accounting policies</b>	7 - 8
<b>Profit and loss account</b>	9
<b>Balance sheet</b>	10
<b>Notes to the financial statements</b>	11 - 14

## Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 September 2003.

### Principal activities and business review

The company is principally engaged in property acquisition, investment and development.

There was a loss for the year after taxation amounting to £115,458 (2002 : £68,507).

### The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 30 September 2003	At 1 October 2002
E McDaid	Ordinary	1,648	1,648
B J Clarke	Ordinary	1,143	1,143
D S Robinson	Ordinary	<u>1,498</u>	<u>1,498</u>

### 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 at the end of the year and of the profit or loss for the year then ended. 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 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.

**Auditors**


Grant Thornton offer themselves for reappointment as auditors 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.

ON BEHALF OF THE BOARD

D S Robinson  
Director  
27 January 2004

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line and a loop.

## Report of the independent auditors to the members of Park Lane Investments (Scotland) Limited

We have audited the financial statements of Park Lane Investments (Scotland) Limited for the year ended 30 September 2003 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 14. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 auditors' 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 report of the directors 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 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 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.

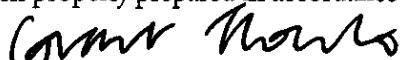
**Basis of opinion**

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 affairs of the company as at 30 September 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

27 January 2004

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

### **Turnover**

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

### **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
Motor Vehicles	-	20% reducing balance

### **Work in progress**

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.



### **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

### **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.

### **Investments**

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

## Profit and loss account

	Note	2003 £	2002 £
Turnover		-	4,406
Cost of sales		154,287	-
Gross (loss)/profit		(154,287)	4,406
Other operating charges	1	106,171	83,774
Other operating income	2	(145,000)	-
Operating loss	3	(115,458)	(79,368)
Interest receivable		-	5,267
Interest payable		-	(720)
<b>Loss on ordinary activities before taxation</b>		<b>(115,458)</b>	<b>(74,821)</b>
Tax on loss on ordinary activities	4	-	(6,314)
<b>Loss for the financial year</b>		<b>(115,458)</b>	<b>(68,507)</b>
Balance brought forward		208,854	277,361
Balance carried forward		93,396	208,854

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

## Balance sheet

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	5	-	8,391
Investments	6	101	101
		<u>101</u>	<u>8,492</u>
<b>Current assets</b>			
Stocks	7	124,125	254,058
Debtors	8	50,849	157,335
Cash at bank		845	5,188
		<u>175,819</u>	<u>416,581</u>
Creditors: amounts falling due within one year	9	82,410	71,105
Net current assets		<u>93,409</u>	<u>345,476</u>
Total assets less current liabilities		<u>93,510</u>	<u>353,968</u>
Creditors: amounts falling due after more than one year	10	-	145,000
		<u>93,510</u>	<u>208,968</u>
<b>Capital and reserves</b>			
Called-up equity share capital	14	114	114
Profit and loss account		93,396	208,854
Shareholders' funds		<u>93,510</u>	<u>208,968</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 June 2002).

These financial statements were approved by the directors on 27 January 2004 and are signed on their behalf by:

D S Robinson



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

## Notes to the financial statements

### 1 Other operating income and charges

	2003	2002
	£	£
Administrative expenses	106,171	83,774
Other operating income	(145,000)	-
	<u>(38,829)</u>	<u>83,774</u>

### 2 Other operating income

	2003	2002
	£	£
Other operating income	<u>145,000</u>	<u>-</u>

### 3 Operating loss

Operating loss is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	-	1,874
Depreciation of assets held under finance leases and hire purchase agreements	-	1,247
Loss on disposal of fixed assets	8,391	-
Auditors' fees	<u>2,000</u>	<u>2,000</u>

### 4 Tax on loss on ordinary activities

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year	-	(5,204)
Over/under provision in prior year	-	(10)
Total current tax	-	<u>(5,214)</u>
Deferred tax:		
Decrease in deferred tax provision	-	<u>(1,100)</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(6,314)</u>

#### 4 Tax on loss on ordinary activities (continued)

The 2003 corporation tax charge has been reduced as a result of the utilisation of tax losses amounting to £3,574.

Unrelieved tax losses of £59,228 remain available to offset against future taxable trading profits.

#### 5 Tangible fixed assets

	Fixtures & Fittings £
Cost	
At 1 October 2002	28,640
Disposals	(28,640)
At 30 September 2003	-
Depreciation	
At 1 October 2002	20,249
On disposals	(20,249)
At 30 September 2003	-
Net book value	
At 30 September 2003	-
At 30 September 2002	8,391

#### 6 Investments

	Shares in group companies £
Cost	
At 1 October 2002 and 30 September 2003	101
Net book value	
At 30 September 2003	101
At 30 September 2002	101

At 30 September 2003 the company owned 100% of the allotted share capital of Glasgow Television and Film Studio Limited, a company principally engaged in the business of property rental.

At 30 September 2003 the company owned 50% of the allotted share capital of Park Lane Palisade Limited whose principal activity is that of a developer.

**7 Stocks**

	2003	2002
	£	£
Work in progress	<u>124,125</u>	<u>254,058</u>

**8 Debtors**

	2003	2002
	£	£
Trade debtors	-	2,000
Amounts owed by group undertakings	35,000	144,500
Amounts owed by undertakings in which the company has a participating interest	15,204	5,204
Other debtors	631	5,617
Called up share capital not paid	14	14
	<u>50,849</u>	<u>157,335</u>

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

	2003	2002
	£	£
Trade creditors	-	88
Amounts owed to undertakings in which the company has a participating interest	77,410	69,015
Accruals and deferred income	5,000	2,002
	<u>82,410</u>	<u>71,105</u>

The bank overdraft facility is secured by a standard security over company assets.

**10 Creditors: amounts falling due after more than one year**

	2003	2002
	£	£
Other creditors including:		
Other loans	-	<u>145,000</u>

**11 Capital commitments**

The company had no capital commitments at 30 September 2003 or 30 September 2002.

**12 Contingent liabilities**

There were no contingent liabilities at 30 September 2003 or 30 September 2002.

### 13 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 Park Lane Investments (Scotland) Limited Group companies.

During the year there E McDaid, a director of Park Lane Investments (Scotland) invoiced the company for fees totalling £12,000 in relation to consultancy services. At the year end £3,000 of the charges were included within accruals.

### 14 Share capital

Authorised share capital:

	2003	2002
	£	£
10,000,000 Ordinary shares of £0.01 each	<u>100,000</u>	<u>100,000</u>

Allotted and called up:

	2003		2002	
	No	£	No	£
Ordinary shares of £0.01 each	<u>11,427</u>	<u>114</u>	<u>11,427</u>	<u>114</u>

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

	2003	2002
	£	£
Ordinary shares	<u>14</u>	<u>14</u>