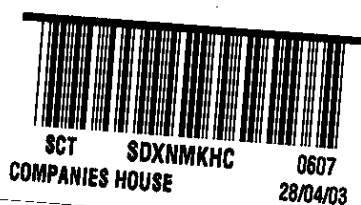


**PARK LANE CALEDONIAN
GROUP LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2002



Company no SC174456

PARK LANE CALEDONIAN GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2002

Company registration number: SC174456

Registered office: Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

Directors: D S Robinson
B J Clarke

Secretary: D S Robinson

Bankers: Bank of Scotland
56 Main Street
Uddingston
G71 7LS

Solicitors: Anderson Fyfe
90 St Vincent Street
Glasgow
G2 5UB

Miller Samuel
5 Renfield Street
Glasgow
G2 5EZ

Auditors: Grant Thornton
Registered auditors
Chartered accountants

PARK LANE CALEDONIAN GROUP LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2002

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PARK LANE CALEDONIAN GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 2002.

Principal activities

The company operates principally as a holding company.

There was a profit for the year after taxation amounting to £59,055. On 19 December 2001 P L Holdings Limited acquired the whole of the issued share capital of Park lane Caledonian Group Limited.

On 19 December 2001, Park Lane Investments (Scotland) Limited was demerged from the group.

Directors

The present membership of the Board is set out below. All directors served throughout the year apart from where indicated below.

The interests of directors and their families in the shares of P L Holdings Limited, the parent company, are given in that company's accounts.

The interests of the directors and their families in the shares of the company as at 30 September 2002 and 1 October 2001, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	30 September 2002	1 October 2001
D S Robinson	-	443
B J Clarke	-	-
E McDaid (Resigned 19 December 2001)	-	799
P Conway (Resigned 19 December 2001)	-	-

Directors' responsibilities for the financial statements

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 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 maintaining 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.

PARK LANE CALEDONIAN GROUP LIMITED

REPORT OF THE DIRECTORS

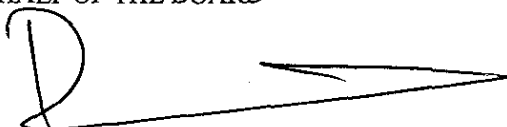
Auditors

Deloitte & Touche resigned during the year and Grant Thornton were appointed in their place. Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'D S Robinson', with a long horizontal stroke extending to the right.

D S Robinson
Director

Date

23rd January 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PARK LANE CALEDONIAN GROUP LIMITED

We have audited the financial statements of Park Lane Caledonian Group Limited for the year ended 30 September 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 auditors

The directors' responsibilities for preparing the directors' report 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 the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

GLASGOW

Date 23/1/07

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

The implementation of Financial Reporting Standard 18, Accounting Policies, has not resulted in any changes to the company's accounting policies. The company has implemented Financial Reporting Standard 19, Deferred tax during the year.

INVESTMENTS

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

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

PARK LANE CALEDONIAN GROUP LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 September 2002

	Note	2002 £	2001 £
Administrative expenses		(10,031)	983
Other operating income		409,779	474,754
Operating profit		399,748	475,737
Other interest receivable and similar income		91,014	104,944
Interest payable and similar charges		(409,779)	(474,754)
Profit on ordinary activities before taxation		80,983	105,927
Tax on profit on ordinary activities	4	(21,928)	(29,740)
Profit for the financial year	12	59,055	76,187
Dividends paid or proposed		(100)	-
Profit transferred to reserves	11	58,955	76,187

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

PARK LANE CALEDONIAN GROUP LIMITED

BALANCE SHEET AT 30 SEPTEMBER 2002

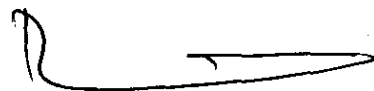
	Note	2002 £	2001 £
Fixed assets			
Investments	6	2,970	3,070
		<u>2,970</u>	<u>3,070</u>
Current assets			
Debtors		2,899,307	1,897,384
Cash at bank and in hand		579,461	572,027
		<u>3,478,768</u>	<u>2,469,411</u>
Creditors: amounts falling due within one year		<u>(262,964)</u>	<u>(376,375)</u>
Net current assets		<u>3,215,804</u>	<u>2,093,036</u>
Total assets less current liabilities		<u>3,218,774</u>	<u>2,096,106</u>
Creditors: amounts falling due after more than one year		<u>(3,043,095)</u>	<u>(1,979,711)</u>
		<u>175,679</u>	<u>116,395</u>
Capital and reserves			
Called up share capital	10	2,958	2,629
Other reserves	11	443	443
Profit and loss account	11	172,278	113,323
	12	<u>175,679</u>	<u>116,395</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board of Directors on

23rd January 2003

Director



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

PARK LANE CALEDONIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

The profit on ordinary activities is stated after:

	2002 £	2001 £
Other operating income includes:		
Management charges	409,779	474,754

2 NET INTEREST

	2002 £	2001 £
On bank loans and overdrafts	409,779	474,754
Other interest receivable and similar income	(91,014)	(104,944)
	318,765	369,810

3 DIRECTORS AND EMPLOYEES

The average number of employees of the company during the year was nil (2001: nil).

During the year no directors (2001: nil) participated in defined benefit pension schemes and nil directors participated in money purchase pension schemes.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
Corporation tax	7,312	10,000
Group relief	16,045	19,740
	23,357	29,740
Adjustments in respect of prior periods:		
Corporation tax	(1,429)	-
	21,928	29,740

PARK LANE CALEDONIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

5 DIVIDENDS

	2002 £	2001 £
Ordinary shares - dividend in specie	100	-
	<u>100</u>	<u>-</u>

On 19 December 2001 the company issued a gross dividend of £100. This was by way of a dividend in specie, being the transfer of the entire share capital of the company's wholly owned subsidiary, Park Lane Investments (Scotland) Limited.

6 FIXED ASSETS INVESTMENTS

	Shares in group undertaking £	Total £
Cost or valuation At 1 October 2001	3,070	3,070
Disposals	(100)	(100)
At 30 September 2002	<u>2,970</u>	<u>2,970</u>
Net book amount at 30 September 2002	<u>2,970</u>	<u>2,970</u>
Net book amount at 30 September 2001	<u>3,070</u>	<u>3,070</u>

At 30 September 2002 the company held more than 20% of the allotted share capital of the following undertakings:

	Country of registration	Class of share capital held	Proportion held	Nature of Business
Park Lane Rented Homes Limited	Scotland	Ordinary	100%	Property Investment
Park Lane Developments Limited	Scotland	Ordinary	100%	Property Development
Park Lane Developments (East) Limited	Scotland	Ordinary	100%	Dormant
Park Lane Rented Homes (Scotland) Limited	England	Ordinary	100%	Property Investment

PARK LANE CALEDONIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

7 DEBTORS

	2002 £	2001 £
Amounts owed by group undertakings	2,899,307	1,897,384
	<u>2,899,307</u>	<u>1,897,384</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amounts owed to group undertakings	255,652	32,702
Corporation tax	7,312	10,000
Other creditors	-	333,673
	<u>262,964</u>	<u>376,375</u>

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Loan notes 2005	3,043,095	1,979,711
	<u>3,043,095</u>	<u>1,979,711</u>

Loan notes amounting to £3,250,000 are redeemable between 30 June 2003 and 31 December 2005. The loan notes are disclosed above as £3,043,095, net of arrangement fees of £206,905 which are amortised to the profit and loss account over the period of the loan notes.

Borrowings are repayable as follows:

	2002 £	2001 £
After two and within five years		
Bank and other borrowings	3,043,095	1,979,711
	<u>3,043,095</u>	<u>1,979,711</u>

PARK LANE CALEDONIAN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

10 SHARE CAPITAL

	2002 £	2001 £
Authorised 100,000,000 Ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, called up and fully paid 2,958 (2001: 2,629) Ordinary shares of £1 each	<u>2,958</u>	<u>2,629</u>
Allotments during the year		

On 19 December 2001 the company made an allotment of 329 ordinary shares at par.

11 RESERVES

	Other reserves £	Profit and loss account £
At 1 October 2001	443	113,323
Retained profit for the year	-	58,955
At 30 September 2002	<u>443</u>	<u>172,278</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	59,055	76,187
Dividends	(100)	-
Issue of shares	<u>58,955</u> 329	<u>76,187</u> -
Net increase in shareholders' funds	59,284	76,187
Shareholders' funds at 1 October 2001	<u>116,395</u>	<u>40,208</u>
Shareholders' funds at 30 September 2002	<u>175,679</u>	<u>116,395</u>

13 RELATED PARTIES

As a wholly owned subsidiary of P L Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by P L Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2002

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 September 2002 or 30 September 2001.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2002 or 30 September 2001.