

**PARK LANE CALEDONIAN GROUP  
LIMITED**

**Report and Financial Statements**

**30 September 2001**



**Deloitte & Touche  
Lomond House  
9 George Square  
Glasgow  
G2 1QQ**



**REPORT AND FINANCIAL STATEMENTS 2001**

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**REPORT AND FINANCIAL STATEMENTS 2001**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

E McDaid (resigned 19 December 2001)

B Clarke

S Robinson

P Conway (resigned 19 December 2001)

**SECRETARY**

S Robinson

**REGISTERED OFFICE**

Stanley House

69/71 Hamilton Road

Motherwell

ML1 3DG

**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**

Deloitte & Touche

Chartered Accountants

Lomond House

9 George Square

Glasgow

G2 1QQ

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 2001.

**ACTIVITIES**

The principal activity of the company in the year under review was that of a parent company to subsidiary companies engaged in property investment and development.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors are satisfied with the results for the year. There are a number of development opportunities under consideration for the current year and the directors will continue to pursue suitable business opportunities for the group in the future.

**RESULTS**

The consolidated profit for the year after taxation amounted to £1,042,326 (2000 – loss of £312,631). The directors do not recommend the payment of a dividend and recommend that the profit of £1,042,326 (2000 – loss of £312,631) be transferred to reserves.

**DIRECTORS AND THEIR INTERESTS**

E McDaid (resigned 19 December 2001)

B Clarke

S Robinson

P Conway (resigned 19 December 2001)

The beneficial interests of the directors holding office on 30 September 2001 in the issued share capital of the company were as follows:

	Ordinary shares of £1 each	
	2001	2000
E McDaid	799	799
B Clarke	-	-
S Robinson	443	443
P Conway	-	-

E McDaid has a joint beneficial interest with JG Wright in one share.

In addition to the above holdings, certain directors had options to acquire shares in the company as follows:

Each director holding office on 30 September 2001 has an option to acquire 63 shares or such other number as will represent 2% of the aggregate nominal value of the issued share capital of the company at the date of execution of the option agreement. The exercise price for these options is £1 per share.

S Robinson and B Clarke each have options to acquire 162 shares or such other number as will represent 5% of the aggregate nominal value of the issued share capital of the company. The exercise price for these options is £1,000 per share or such lower price which may be payable in certain circumstances in accordance with the terms of the option agreement.

B Clarke has a further option to acquire 162 shares or such other number as will represent 5% of the aggregate nominal value of the issued share capital of the company. The exercise price for these options is £1 per share.

All of the above options were granted on 14 July 1999 and can be exercised until 14 July 2009.

**DIRECTORS' REPORT (CONTINUED)**

**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.



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

Director

*Jon Apud* 2002

## **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 and the group as at the end of the financial year and of the profit or loss of the group 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; and
- 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT 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 2001 which comprise the profit and loss account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses, the statement of movements in reserves and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 and other members of the group is not disclosed.

We read the directors report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **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 circumstances of the company and the group, 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 and the group at 30 September 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and Registered Auditors

*14 May 2002*

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 30 September 2001**

	Note	2001 £	2000 £
<b>TURNOVER: continuing operations</b>	2	10,955,019	5,384,561
Cost of sales		(7,223,269)	(4,152,895)
Gross profit		3,731,750	1,231,666
Administrative expenses		(1,914,946)	(926,241)
Other operating income		4,130	5,368
<b>OPERATING PROFIT: continuing operations</b>	3	1,820,934	310,793
Interest receivable and similar income	5	115,199	55,695
Interest payable and similar charges	6	(557,779)	(742,306)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,378,354	(375,818)
Tax (charge)/credit on the profit/(loss) on ordinary activities	7	(336,028)	63,187
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		1,042,326	(312,631)



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****Year ended 30 September 2001**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	1,042,326	(312,631)
Unrealised surplus on revaluation of investment properties	658,707	752,340
Release of government grants	178,014	178,014
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>1,879,047</u>	<u>617,723</u>

**STATEMENT OF MOVEMENTS IN RESERVES****Year ended 30 September 2001**

<b>Group</b>	<b>Capital Redemption Reserve £</b>	<b>Profit &amp; Loss Account £</b>	<b>Revaluation Reserve £</b>
At 1 October 2000	443	(58,752)	3,518,267
Retained profit for year	-	1,042,326	-
Surplus on revaluation	-	-	658,707
Release of government grants	-	-	178,014
At 30 September 2001	<u>443</u>	<u>983,574</u>	<u>4,354,988</u>
<b>Company</b>	<b>Capital Redemption Reserve £</b>	<b>Profit &amp; Loss Account £</b>	
At 1 October 2000	443	37,136	
Retained profit for year	-	76,187	
At 30 September 2001	<u>443</u>	<u>113,323</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.

**CONSOLIDATED BALANCE SHEET**  
**30 September 2001**

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	9	11,358,158	10,358,019
<b>CURRENT ASSETS</b>			
Stocks and work in progress	11	4,070,007	3,713,318
Debtors	12	2,210,514	333,993
Cash at bank and in hand		352	491
		6,280,873	4,047,802
<b>CREDITORS: amounts falling due within one year</b>	13	(4,724,436)	(3,786,944)
<b>NET CURRENT ASSETS</b>		1,556,437	260,858
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,914,595	10,618,877
<b>CREDITORS: amounts falling due after more than one year</b>	14	(7,353,503)	(6,755,204)
<b>ACCRUALS AND DEFERRED INCOME</b>	17	(218,358)	(396,372)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	(1,100)	(4,714)
<b>NET ASSETS</b>		5,341,634	3,462,587
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2,629	2,629
Capital redemption reserve		443	443
Revaluation reserve		4,354,988	3,518,267
Profit and loss account		983,574	(58,752)
<b>Equity shareholders' funds</b>	20	5,341,634	3,462,587

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

2002.  
*Jon Apple*

Director



COMPANY BALANCE SHEET  
30 September 2001

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investments	10	3,070	3,070
<b>CURRENT ASSETS</b>			
Debtors	12	1,897,384	72,001
Cash at bank		572,027	1,541,099
		2,469,411	1,613,100
<b>CREDITORS: amounts falling due within one year</b>	13	(376,375)	(409,635)
<b>NET CURRENT ASSETS</b>		2,093,036	1,203,465
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,096,106	1,206,535
<b>CREDITORS: amounts falling due after more than one year</b>	16	(1,979,711)	(1,166,327)
<b>NET ASSETS</b>		116,395	40,208
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2,629	2,629
Capital redemption reserve		443	443
Profit and loss account		113,323	37,136
<b>Equity shareholders' funds</b>		116,395	40,208

These financial statements were approved by the Board of Directors on *30th April* 2002.  
Signed on behalf of the Board of Directors

  
Director

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 30 September 2001**

	<b>Note</b>	<b>2001</b> <b>£</b>	<b>2000</b> <b>£</b>
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1</b>	<b>683,350</b>	<b>(271,759)</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(557,779)	(742,306)
Interest received		115,199	55,695
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(442,580)</b>	<b>(686,611)</b>
<b>Taxation</b>			
Corporation tax paid		(31,022)	(90,693)
<b>Tax paid</b>		<b>(31,022)</b>	<b>(90,693)</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(458,048)	(42,107)
Receipts from sales of tangible fixed assets		26,036	-
<b>Net cash outflow from capital expenditure</b>		<b>(432,012)</b>	<b>(42,107)</b>
<b>Net cash outflow before financing</b>		<b>(222,264)</b>	<b>(1,091,170)</b>
<b>Financing</b>			
Issue of loan stock		750,000	1,500,000
Costs relating to loan stock issue		-	(380,302)
Bank loan repaid		(137,652)	(152,653)
Redemption of share capital		-	(125,000)
Capital element of hire purchase and finance lease repayments		(22,928)	(7,210)
<b>Net cash inflow from financing</b>		<b>589,420</b>	<b>834,835</b>
<b>Increase/(decrease) in cash</b>	<b>2,3</b>	<b>367,156</b>	<b>(256,335)</b>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT****Year ended 30 September 2001****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Operating profit	1,820,934	310,793
Depreciation charge	90,580	90,458
Amortisation of capitalised loan stock fees	63,384	46,629
Increase in stock	(356,689)	(548,968)
Increase in debtors	(1,876,520)	(241,372)
Increase in creditors	941,661	70,701
<b>Net cash inflow/(outflow) from operating activities</b>	<b>683,350</b>	<b>(271,759)</b>

**2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Increase/(decrease) in cash in the year</b>	<b>367,156</b>	<b>(256,335)</b>
Cash inflow from increase in debt	(597,348)	(967,085)
Change in net debt resulting from cash flows	(230,192)	(1,223,420)
Amortisation of loan costs	(63,384)	(46,629)
Cash outflow from decrease in finance leases	22,928	7,210
<b>Net increase in net debt</b>	<b>(270,648)</b>	<b>(1,262,839)</b>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At Beginning of period £</b>	<b>Cash flows £</b>	<b>Non cash flow changes £</b>	<b>At end of year £</b>
Cash at bank and in hand	491	(139)	-	352
Bank overdraft	(2,988,440)	367,295	-	(2,621,145)
	(2,987,949)	367,156	-	(2,620,793)
Debt due within 1 year:				
Term loan	(137,653)	(54,589)	-	(192,242)
Debt due outwith 1 year:				
Bank term loan	(5,414,784)	192,241	-	(5,222,543)
Loan stock	(1,166,327)	(750,000)	(63,384)	(1,979,711)
Other loans	(145,000)	-	-	(145,000)
Hire purchase	(52,020)	22,928	-	(29,092)
	(9,903,733)	(222,264)	(63,384)	(10,189,381)

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2001****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.

**Turnover**

Sales of development properties are recognised as turnover where the properties have achieved practical completion and where missives have been concluded with purchasers. Also included in turnover are rents and management charges from tenants of investment properties.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

**Tangible fixed assets**

Depreciation is provided on cost over the estimated useful lives of the assets. The rates of depreciation are as follows:

Investment properties	not provided
Fixtures and fittings	20% on reducing balance
Motor vehicles	25% straight line

**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 including where appropriate interest capitalised on borrowings.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives or the lease term, whichever is the shorter. The finance charges are allocated over the period of the contract in proportion to the capital amount outstanding.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2001**

**1. ACCOUNTING POLICIES (continued)**

**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 group.

**3. OPERATING PROFIT**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Operating profit is after charging:</b>		
Directors' remuneration	593,298	152,500
Depreciation	90,580	90,458
Auditors' remuneration	17,000	16,000

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2001**

**4. INFORMATION REGARDING EMPLOYEES**

	<b>2001</b>	<b>2000</b>
	<b>No</b>	<b>No</b>
<b>Employees</b>		
Average number of persons employed by the group in the year	<u>7</u>	<u>7</u>
Staff costs incurred during the year in respect of these employees were	<b>£</b>	<b>£</b>
Wages and salaries (including bonuses)	787,318	304,584
Social security costs	84,159	36,745
Other pension costs	21,716	15,853
	<u>893,193</u>	<u>357,182</u>
<b>Directors' Remuneration</b>	<b>No</b>	<b>No</b>
No of directors receiving benefits under defined contribution schemes	<u>2</u>	<u>2</u>
	<b>£</b>	<b>£</b>
Contributions paid by group to directors' defined contribution schemes	<u>13,615</u>	<u>12,848</u>
Remuneration of the highest paid director	<u>228,333</u>	<u>70,000</u>
Pension contributions of the highest paid director	<u>7,000</u>	<u>6,752</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Bank interest received	<u>115,199</u>	<u>55,695</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	803,204	863,762
Hire purchase agreements	4,071	4,281
	<u>807,275</u>	<u>868,043</u>
Less: amount of interest added to cost of properties under development	<u>(249,496)</u>	<u>(125,737)</u>
	<u>557,779</u>	<u>742,306</u>



**NOTES TO THE ACCOUNTS****Year ended 30 September 2001****7. TAXATION**

The tax charge/(credit) on the profit/(loss) on ordinary activities for the year was as follows:

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Based on the adjusted results of the year – UK corporation tax at 30% (2000 30%)	339,642	-
Group relief	-	582
Adjustment to prior years	-	(62,409)
Deferred taxation	(3,614)	(1,360)
	<u>336,028</u>	<u>(63,187)</u>

The tax charge is disproportionately low mainly due to non taxable income received in the period.

**8. PROFIT OF PARENT COMPANY**

As permitted by S 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these accounts. The amount of the profit for the financial year of the parent company dealt with in the consolidated profit and loss account is £76,187 (2000 profit £156,603).

**9. TANGIBLE FIXED ASSETS****Group**

	<b>Investment properties £</b>	<b>Fixtures &amp; fittings and motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2000	10,085,340	435,658	10,520,998
Additions	442,953	15,095	458,048
Disposals	-	(40,734)	(40,734)
Surplus on revaluation	658,707	-	658,707
	<u>11,187,000</u>	<u>410,019</u>	<u>11,597,019</u>
At 30 September 2001	11,187,000	410,019	11,597,019
<b>Whereof</b>			
At cost	-	410,019	410,019
At valuation	11,187,000	-	11,187,000
	<u>11,187,000</u>	<u>410,019</u>	<u>11,597,019</u>
<b>Accumulated depreciation</b>			
At 1 October 2000	-	162,979	162,979
Charge for the year	-	90,580	90,580
Released on disposal	-	(14,698)	(14,698)
	<u>-</u>	<u>238,861</u>	<u>238,861</u>
At 30 September 2001	-	238,861	238,861
<b>Net book value</b>			
At 30 September 2001	<u>11,187,000</u>	<u>171,158</u>	<u>11,358,158</u>
At 30 September 2000	<u>10,085,340</u>	<u>272,679</u>	<u>10,358,019</u>

## NOTES TO THE ACCOUNTS

Year ended 30 September 2001

## 9. TANGIBLE FIXED ASSETS (CONTINUED)

The group's investment properties were valued on an open market value basis at 30 September 2001 by Gilchrist Macnab and Co, Chartered Surveyors and Graham & Sibbald, Chartered Surveyors.

The net book value of investment properties determined under the historical cost convention is £7,003,890 (2000 - £7,003,890).

If the investment properties were sold at their valuation it is estimated that a tax liability of £908,000 (2000 - £721,000) would arise. No provision has been made for this amount as there is no current intention to dispose of the properties.

The net book value of motor vehicles includes £34,568 (2000 £62,850) of assets acquired under Hire Purchase agreements. Depreciation arising thereon amounted to £28,192 (2000 £28,192).

## 10. INVESTMENTS

Company	2001 £	2000 £
Investments in subsidiaries at cost	3,070	3,070

The principal subsidiary companies, all of which are wholly owned and operate in the property sector are:

Name of company	Country of Registration	Proportion of nominal value of issued share capital held
Park Lane Investments Scotland Limited	Scotland	100%
Park Lane Rented Homes Limited	Scotland	100%
Park Lane Developments Limited	Scotland	100%
Park Lane Developments (East) Limited*	Scotland	100%
Park Lane Rented Homes (Scotland) Limited*	England	100%
Glasgow Television and Film Studio Limited*	Scotland	100%

\*Interest held by a subsidiary company

## 11. STOCKS

Group	2001 £	2000 £
Work-in-progress		
- development sites	4,070,007	3,713,318

Included in work in progress at 30 September 2001 is capitalised interest of £138,755 (2000 - £125,737).

# NOTES TO THE ACCOUNTS Year ended 30 September 2001

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2001 £	Group 2000 £	Company 2001 £	Company 2000 £
Trade debtors	472,221	296,666	-	-
Prepayments	1,738,293	25,009	-	-
Other debtors	-	12,318	-	72,001
Amounts due by group companies	-	-	1,897,384	-
	<u>2,210,514</u>	<u>333,993</u>	<u>1,897,384</u>	<u>72,001</u>

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2001 £	Group 2000 £	Company 2001 £	Company 2000 £
Bank loans and overdrafts (note 15)	2,813,387	3,126,093	-	-
Trade creditors	346,331	63,906	-	-
Accrued expenses	1,022,460	461,731	-	16,370
Corporation tax	342,273	4,432	10,000	-
Hire purchase creditor	22,843	22,927	-	-
Other creditors	118,381	83,142	333,673	380,302
Other taxes and social security	58,761	24,713	-	-
Group relief	-	-	32,702	12,963
	<u>4,724,436</u>	<u>3,786,944</u>	<u>376,375</u>	<u>409,635</u>

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2001 £	Group 2000 £	Company 2001 £	Company 2000 £
Bank loans (note 15)	5,222,543	5,414,784	-	-
Loan stock (note 16)	1,979,711	1,166,327	1,979,711	1,166,327
Other loan	145,000	145,000	-	-
Hire purchase creditor	6,249	29,093	-	-
	<u>7,353,503</u>	<u>6,755,204</u>	<u>1,979,711</u>	<u>1,166,327</u>

The loan stock is shown net of arrangement fees of £270,289 which are amortised to the profit and loss account over the period of the loan stock.

Obligations under finance leases and hire purchase contracts are secured by the related assets and are wholly repayable within 5 years.

# NOTES TO THE ACCOUNTS

## Year ended 30 September 2001

### 15. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	Group 2001 £	Group 2000 £	Company 2001 £	Company 2000 £
Amounts falling due within one year or on demand:				
Bank loans and overdrafts	2,813,387	3,126,093	-	-
Amounts falling due between one and two years:				
Bank loans	216,617	192,241	-	-
Other loan	145,000	145,000	-	-
	<u>361,617</u>	<u>337,241</u>	<u>-</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans and loan stock	3,016,539	2,136,156	2,000,000	1,250,000
Amounts falling due after 5 years:				
Bank loans and loan stock	<u>4,239,387</u>	<u>4,586,387</u>	<u>250,000</u>	<u>250,000</u>
	<u>10,430,930</u>	<u>10,185,877</u>	<u>2,250,000</u>	<u>1,500,000</u>

Bank loans and overdrafts are secured by a bond and floating charge over the assets of the company and the assignation of key man policies over the lives of David Sean Robinson and Brian John Clarke.

The group's long term loans attract interest at rates ranging from 1.5% – 2% over the bank's base rate.

### 16. LOAN STOCK

	Group 2001 £	Group 2000 £	Company 2001 £	Company 2000 £
<b>Loan stock</b>				
At 1 October 2000	1,500,000	1,500,000	1,500,000	1,500,000
New loans	750,000	-	750,000	-
Loans repaid	-	-	-	-
	<u>2,250,000</u>	<u>1,500,000</u>	<u>2,250,000</u>	<u>1,500,000</u>
<b>Capitalised fees</b>				
At 1 October 2000	333,673	-	333,673	-
Fees capitalised	-	380,302	-	380,302
Fees amortised	(63,384)	(46,629)	(63,384)	(46,629)
	<u>270,289</u>	<u>333,673</u>	<u>270,289</u>	<u>333,673</u>
<b>Net book value</b>				
At 30 September 2001	<u>1,979,711</u>	<u>1,166,327</u>	<u>1,979,711</u>	<u>1,166,327</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2001**

**17. ACCRUALS AND DEFERRED INCOME**

	<b>Group 2001 £</b>
<b>Grants</b>	
At 1 October 2000	396,372
Transfer to revaluation reserve	(178,014)
	<hr/>
At 30 September 2001	<u>218,358</u>

**18. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>Group</b>	<b>Provided 2001 £</b>	<b>Provided 2000 £</b>	<b>Unprovided 2001 £</b>	<b>Unprovided 2000 £</b>
<b>Deferred tax</b>				
Accelerated capital allowances	1,100	4,714	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,100</u>	<u>4,714</u>	<u>-</u>	<u>-</u>

The movement in deferred tax is as follows:

	<b>£</b>
At 1 October 2000	4,714
Profit and loss account - current year	(417)
- prior year	(3,197)
	<hr/>
At 30 September 2001	<u>1,100</u>

**19. CALLED UP SHARE CAPITAL**

	<b>Nominal value</b>	<b>2001 £</b>	<b>2000 £</b>
Authorised:			
Number:      Class:			
100,000,000    Ordinary	£1	100,000,000	100,000,000
		<hr/>	<hr/>
	<b>Nominal value</b>	<b>2001 £</b>	<b>2000 £</b>
Called up, allotted and fully paid:			
Number :      Class:			
2,629          Ordinary	£1	2,629	2,629
		<hr/>	<hr/>

# NOTES TO THE ACCOUNTS

## Year ended 30 September 2001

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit/(loss) for the financial year	1,042,326	(312,631)
Share capital redeemed	-	(125,000)
Other recognised gains or losses	836,721	930,354
<b>Net addition to shareholders funds</b>	<b>1,879,047</b>	<b>492,723</b>
Opening shareholders' funds	3,462,587	2,969,864
Closing shareholders' funds	<u>5,341,634</u>	<u>3,462,587</u>

### 21. RELATED PARTY TRANSACTIONS

During the year the directors acquired flats from a group company following the completion of the development at Bell Street. The transactions (noted below) were entered into at arms length.

	Price paid £
Director	
Brian Clarke	125,000
Sean Robinson	125,000
Other	
McDaid Family Trust	127,000

The amount due by McDaid Family Trust was not paid until after the year end.

### 22. POST BALANCE SHEET EVENT

Following the year-end the Group's bank facilities were restructured. This restructuring included an additional £1 million draw down of loan stock by the Group (under the existing Bank of Scotland agreement) and restructuring of term loans and existing revolving credit facilities with Bank of Scotland which should provide a further £900,000 facility for the Group. This restructuring exercise was carried out to facilitate the purchase of shares from retiring directors, a group restructuring and to provide an appropriate funding base for the Group's future development.