

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2016
for
PT South West Limited**

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for the Year Ended 31 March 2016**

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PT South West Limited

**Company Information
for the Year Ended 31 March 2016**

DIRECTORS:

A K C Cheng
N C F Chan

SECRETARIES:

N C F Chan
Cargil Management Services Limited

REGISTERED OFFICE:

Kingsgate House
115 High Holborn
London
WC1V 6JJ

REGISTERED NUMBER:

02996651 (England and Wales)

INDEPENDENT AUDITORS:

Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
30 Finsbury Square
London
EC2P 2YU

**Report of the Directors
for the Year Ended 31 March 2016**

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The company carries on the business of property investment, trading and development.

REVIEW OF BUSINESS

The company's continued objective is to maximise growth in assets from increases in investment property values and from retained earnings from property rental. The company's parent undertaking monitors net assets per share in managing the group's property portfolio.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

A K C Cheng
N C F Chan

STATEMENT OF 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the annual report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

**Report of the Directors
for the Year Ended 31 March 2016**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
N C F Chan - Secretary

Date: 20/12/16.....

Report of the Independent Auditors to the Members of PT South West Limited

We have audited the financial statements of PT South West Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income, balance sheet and the related notes including consolidated reconciliation of equity and consolidated reconciliation of profit. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 and express an opinion on 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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matters 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



David Pearson (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
30 Finsbury Square
London
EC2P 2YU

Date: 20/12/16


**Statement of Comprehensive Income
for the Year Ended 31 March 2016**

	Notes	2016 £	2015 £
TURNOVER	2	202,433	198,267
Other operating charges		<u>(54,000)</u>	<u>(55,565)</u>
GROSS PROFIT		148,433	142,702
Administrative expenses		<u>(203)</u>	<u>(288)</u>
OPERATING PROFIT	4	148,230	142,414
Interest receivable and similar income		<u>1</u>	<u>-</u>
		148,231	142,414
Interest payable and similar charges	5	<u>(94,533)</u>	<u>(102,352)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		53,698	40,062
Tax on profit on ordinary activities	6	<u>(2,479)</u>	<u>(1,383)</u>
PROFIT FOR THE FINANCIAL YEAR		51,219	38,679
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>51,219</u></u>	<u><u>38,679</u></u>

Balance Sheet
31 March 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investment property	8	2,300,000	2,300,000
CURRENT ASSETS			
Debtors	9	12,088	72,155
Cash at bank		54,644	55,187
		<u>66,732</u>	<u>127,342</u>
CREDITORS			
Amounts falling due within one year	10	(2,522,551)	(2,634,477)
NET CURRENT LIABILITIES		<u>(2,455,819)</u>	<u>(2,507,135)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(155,819)	(207,135)
PROVISIONS FOR LIABILITIES	12	(16,360)	(16,263)
NET LIABILITIES		<u>(172,179)</u>	<u>(223,398)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Non-distributable reserve	14	(229,004)	(229,004)
Retained earnings	14	56,824	5,605
SHAREHOLDERS' FUNDS		<u>(172,179)</u>	<u>(223,398)</u>

The financial statements were approved by the Board of Directors on 20/12/16 and were signed on its behalf by:



.....
N C F Chan - Director

**Statement of Changes in Equity
for the Year Ended 31 March 2016**

	Called up share capital £	Retained earnings £	Non-distributable reserve £	Total equity £
Balance at 1 April 2014	1	27,926	(229,004)	(201,077)
Changes in equity				
Dividends	-	(61,000)	-	(61,000)
Total comprehensive income	-	38,679	-	38,679
Balance at 31 March 2015	<u>1</u>	<u>5,605</u>	<u>(229,004)</u>	<u>(223,398)</u>
Changes in equity				
Total comprehensive income	-	51,219	-	51,219
Balance at 31 March 2016	<u>1</u>	<u>56,824</u>	<u>(229,004)</u>	<u>(172,179)</u>

**Notes to the Financial Statements
for the Year Ended 31 March 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis for investment property and certain financial instruments as specified in the accounting policies below.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover is the total amount receivable from rent recognised on a straight line basis over the term of the lease.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Deferred tax

Deferred taxation 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 sheet date. Deferred tax is not discounted.

Derivative financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Revaluation of investment properties

The valuation of the Company's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations placed on the property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market. The assumptions on which the property valuations have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. These assumptions are market standard and accord with the Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards 2012.

Derivative Financial instruments

The operating activities expose it to financial risks of changes in interest rates. The Company uses interest rate swaps to hedge its risk to changes in interest rates. Derivative financial instruments are only used for hedging purposes. Derivative financial instruments are recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The gain or loss on subsequent fair value measurement is recognised in the income statement.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

2. TURNOVER

The turnover is attributable to the one principal activity of the company and is derived wholly within the UK.

3. STAFF COSTS

There were no staff costs for the year ended 31 March 2016 nor for the year ended 31 March 2015.

4. OPERATING PROFIT

Auditor's remuneration is borne by a fellow group company.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest	87,721	93,787
Interest on derivatives	(5,487)	1,065
Interest payable to group undertakings	12,299	7,500
	<u>94,533</u>	<u>102,352</u>

6. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	2,143	2,069
Adjustment in respect of prior years	239	-
Total current tax	<u>2,382</u>	<u>2,069</u>
Deferred tax	97	(686)
Tax on profit on ordinary activities	<u>2,479</u>	<u>1,383</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>53,698</u>	<u>40,062</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	10,740	8,012
Effects of:		
Expenses not allowable for taxation purposes of depreciation	3	-
Group relief claimed	(8,503)	(6,041)
Adjustment in respect of prior years	239	-
Change in rate of taxation	-	(588)
Total tax charge	<u>2,479</u>	<u>1,383</u>

7. DIVIDENDS

	2016 £	2015 £
Ordinary share of 1 Interim	-	61,000

8. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2015 and 31 March 2016	<u>2,300,000</u>
NET BOOK VALUE	
At 31 March 2016	<u>2,300,000</u>
At 31 March 2015	<u>2,300,000</u>

Valuation of investment property as at 31 March 2016 was carried out in accordance with the RICS Valuation Standards by the Directors, who have been advised by external professional valuers.

Full independent valuation of investment property was carried out in accordance with RICS Valuation Standards by Colliers International, an independent firm of professional valuers, as at 12 November 2012.

If the investment property had not been revalued, they would have been included on the historical cost basis at £2,529,004 (2015: £2,529,004).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

8. INVESTMENT PROPERTY - continued

Cost or valuation at 31 March 2016 is represented by:

	£
Valuation in 2002	(204,005)
Valuation in 2003	79,912
Valuation in 2004	230,089
Valuation in 2005	470,000
Valuation in 2008	20,000
Valuation in 2009	(325,000)
Valuation in 2012	(500,000)
Cost	2,529,004
	<u>2,300,000</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	8,000	8,000
Amounts owed by group undertakings	-	57,000
Other debtors	4,088	7,155
	<u>12,088</u>	<u>72,155</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans	2,066,783	2,138,211
Derivative financial instruments	-	5,487
Amounts owed to group undertakings	370,981	405,236
Tax	2,143	2,069
Social security and other taxes	10,275	10,275
Other creditors	12,829	12,828
Accruals and deferred income	59,540	60,371
	<u>2,522,551</u>	<u>2,634,477</u>

11. LEASING AGREEMENTS

Operating lease agreements where the Company is lessor.

The Company holds retail and industrial buildings as investment properties which are let to third parties. These non-cancellable leases have remaining terms of up to 21 years.

The future minimum rentals receivable under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not later than one year	205,500	205,500
After one year but not more than five years	679,899	742,036
After five years	2,250,329	2,390,877
	<u>3,135,727</u>	<u>3,338,412</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

12. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>16,360</u>	<u>16,263</u>
		Deferred tax
		£
Balance at 1 April 2015		16,263
Movement arising in the year		97
Balance at 31 March 2016		<u>16,360</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Excess of taxation allowances over depreciation on fixed assets	<u>16,360</u>	<u>16,263</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
1	Ordinary	1	<u>1</u>	<u>1</u>

14. RESERVES

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 April 2015	5,605	(229,004)	(223,399)
Profit for the year	<u>51,219</u>	<u>-</u>	<u>51,219</u>
At 31 March 2016	<u>56,824</u>	<u>(229,004)</u>	<u>(172,180)</u>

15. CONTINGENT LIABILITIES

A cross guarantee exists between the company, Carthusian Properties Limited, Nivess Holdings Limited, PT Store Investments Limited, Noak Limited, Godliman Limited, Bury Street Limited and Carter Lane Limited, in favour of Santander. All companies are either subsidiaries of or fellow subsidiaries of The Property Trust Plc.

The total value of the guaranteed loan outstanding at 31 March 2016 was £ 21,186,500 (2015: £21,936,500) of which £2,066,783 (2015: £2,138,211) is reflected in creditors above.

16. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2016 or 31 March 2015.

17. ULTIMATE CONTROLLING PARTY

A K C Cheng is the company's ultimate controlling related party by virtue of his ownership of Throgmorton International Holdings Limited which in turn owns 95.62% of PT Holdings Limited.

PT Holdings Limited was incorporated under the laws of Bermuda. The largest group of undertakings for which group accounts have been drawn up is that headed by PT Holdings Limited.

As a wholly owned subsidiary of PT Holdings Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by PT Holdings Limited.

Reconciliation of Equity

1 April 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		2,300,000	-	2,300,000
CURRENT ASSETS				
Debtors		72,155	-	72,155
Cash at bank		55,187	-	55,187
		127,342	-	127,342
CREDITORS				
Amounts falling due within one year	A	(2,628,990)	(4,422)	(2,633,412)
NET CURRENT LIABILITIES		(2,501,648)	(4,422)	(2,506,070)
TOTAL ASSETS LESS CURRENT LIABILITIES		(201,648)	(4,422)	(206,070)
PROVISIONS FOR LIABILITIES		(16,263)	-	(16,263)
NET LIABILITIES		(217,911)	(4,422)	(222,333)
CAPITAL AND RESERVES				
Called up share capital		1	-	1
Non-distributable reserve		(229,004)	-	(229,004)
Retained earnings		11,092	(4,422)	6,670
SHAREHOLDERS' FUNDS		(217,911)	(4,422)	(222,333)

Reconciliation of Equity - continued
31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Investment property		2,300,000	-	2,300,000
CURRENT ASSETS				
Debtors		72,155	-	72,155
Cash at bank		55,187	-	55,187
		127,342	-	127,342
CREDITORS				
Amounts falling due within one year	A	(2,628,990)	(5,487)	(2,634,477)
NET CURRENT LIABILITIES		(2,501,648)	(5,487)	(2,507,135)
TOTAL ASSETS LESS CURRENT LIABILITIES		(201,648)	(5,487)	(207,135)
PROVISIONS FOR LIABILITIES		(16,263)	-	(16,263)
NET LIABILITIES		(217,911)	(5,487)	(223,398)
CAPITAL AND RESERVES				
Called up share capital		1	-	1
Non-distributable reserve		(229,004)	-	(229,004)
Retained earnings		11,092	(5,487)	5,605
SHAREHOLDERS' FUNDS		(217,911)	(5,487)	(223,398)

Notes to the reconciliation of equity

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014.

The impact from the transition to FRS 102 is as follows:

A - Derivatives

Interest rate swaps are recorded on the balance sheet at fair value and accounted for at fair value through profit and loss. Under previous UK GAAP interest rate swaps were not re-valued to fair value or shown on the group balance sheet at the year end. Net interest payable is accrued.

**Reconciliation of Profit
for the Year Ended 31 March 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER		198,267	-	198,267
Other operating charges		(55,565)	-	(55,565)
GROSS PROFIT		142,702	-	142,702
Administrative expenses		(288)	-	(288)
OPERATING PROFIT		142,414	-	142,414
Interest payable and similar charges	A	(101,287)	(1,065)	(102,352)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,127	(1,065)	40,062
Tax on profit on ordinary activities		(1,383)	-	(1,383)
PROFIT FOR THE FINANCIAL YEAR		39,744	(1,065)	38,679