

**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2017  
for  
PT South West Limited**

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for the Year Ended 31 March 2017**

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**PT South West Limited**

**Company Information  
for the Year Ended 31 March 2017**

**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 2017**

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

**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 2016 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 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.

**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.

PT South West Limited (Registered number: 02996651)

**Report of the Directors  
for the Year Ended 31 March 2017**

**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 provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
N C P Chan - Secretary

Date: **28** September 2017

## **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 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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](http://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 2017 and of its loss 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, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

**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: 28 September 2017

**Statement of Comprehensive Income  
for the Year Ended 31 March 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>	2	<b>202,433</b>	202,433
Other operating charges		<u>(57,000)</u>	<u>(54,000)</u>
<b>GROSS PROFIT</b>		<b>145,433</b>	148,433
Administrative expenses		<u>(202)</u>	<u>(203)</u>
<b>OPERATING PROFIT</b>	3	<b>145,231</b>	148,230
Interest receivable and similar income		<u>-</u>	<u>1</u>
		<b>145,231</b>	148,231
Gain/loss on revaluation of tangible assets		<u>(40,000)</u>	<u>-</u>
		<b>105,231</b>	148,231
Interest payable and similar expenses	4	<u>(90,630)</u>	<u>(94,533)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>14,601</b>	53,698
Tax on profit	5	<u>(16,230)</u>	<u>(2,479)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(1,629)</b>	51,219
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>(1,629)</b></u>	<u>51,219</u>



**Balance Sheet**  
**31 March 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Investment property	6	2,260,000	2,300,000
<b>CURRENT ASSETS</b>			
Debtors	7	19,641	12,088
Cash at bank		<u>54,407</u>	<u>54,644</u>
		74,048	66,732
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(2,491,418)</u>	<u>(2,522,551)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,417,370)</u>	<u>(2,455,819)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(157,370)	(155,819)
<b>PROVISIONS FOR LIABILITIES</b>	10	<u>(16,438)</u>	<u>(16,360)</u>
<b>NET LIABILITIES</b>		<u>(173,808)</u>	<u>(172,179)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1	1
Non-distributable reserve	12	(269,004)	(229,004)
Retained earnings	12	<u>95,195</u>	<u>56,824</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(173,808)</u>	<u>(172,179)</u>

The financial statements were approved by the Board of Directors on **28** September 2017 and were signed on its behalf by:



.....  
N C F Chan - Director

**Statement of Changes in Equity  
for the Year Ended 31 March 2017**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Non-distributable reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2015</b>	1	5,605	(229,004)	(223,398)
<b>Changes in equity</b>				
Total comprehensive income	-	51,219	-	51,219
<b>Balance at 31 March 2016</b>	1	56,824	(229,004)	(172,179)
<b>Changes in equity</b>				
Total comprehensive income	-	38,371	(40,000)	(1,629)
<b>Balance at 31 March 2017</b>	1	95,195	(269,004)	(173,808)

**Notes to the Financial Statements  
for the Year Ended 31 March 2017**

**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 fair valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Derivative financial instruments**

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

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES - continued

**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.

**Going concern**

The financial statements have been prepared on a going concern basis as the company's parent undertaking, Property Trust Plc, has agreed to provide continued financial support to the company for at least twelve months from the date of approval of these accounts.

2. TURNOVER

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

3. OPERATING PROFIT

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

The company had no employees during the year.

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	78,833	87,721
Interest on derivatives	-	(5,487)
Interest payable to group undertakings	<u>11,797</u>	<u>12,299</u>
	<u>90,630</u>	<u>94,533</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

5. TAXATION

**Analysis of the tax charge**

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

	2017 £	2016 £
Current tax:		
UK corporation tax	16,152	2,143
Adjustment in respect of prior years	-	239
Total current tax	16,152	2,382
Deferred tax	78	97
Tax on profit	<u>16,230</u>	<u>2,479</u>

**Reconciliation of total tax charge included in profit and loss**

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

	2017 £	2016 £
Profit before tax	<u>14,601</u>	<u>53,698</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	2,920	10,740
Effects of:		
Expenses not allowable for taxation purposes	1	3
Revaluation in year not taxable	8,000	-
Group relief surrendered/(claimed)	5,309	(8,503)
Adjustment in respect of prior years	-	239
Total tax charge	<u>16,230</u>	<u>2,479</u>

6. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 1 April 2016	2,300,000
Revaluations	<u>(40,000)</u>
At 31 March 2017	<u>2,260,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2017	<u>2,260,000</u>
At 31 March 2016	<u>2,300,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

6. INVESTMENT PROPERTY - continued

Valuation of investment property as at 31 March 2017 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 15 March and 21 April 2016.

If the investment property had not been revalued, they would have been included on the historical cost basis at £2,529,004 (2016: £2,529,004).

Cost or valuation at 31 March 2017 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)
Valuation in 2017	(40,000)
Cost	<u>2,529,004</u>
	<u><u>2,260,000</u></u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	8,000	8,000
Other debtors	<u>11,641</u>	<u>4,088</u>
	<u><u>19,641</u></u>	<u><u>12,088</u></u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	(1)	-
Bank loans	2,066,783	2,066,783
Amounts owed to group undertakings	324,755	370,981
Corporation tax	16,152	2,143
Social security and other taxes	10,275	10,275
Other creditors	12,829	12,829
Accruals and deferred income	<u>60,625</u>	<u>59,540</u>
	<u><u>2,491,418</u></u>	<u><u>2,522,551</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

9. 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:

	2017	2016
	£	£
Not later than one year	205,500	205,500
After one year but not more than five years	725,452	679,899
After five years	<u>2,115,452</u>	<u>2,250,329</u>
	<u>3,046,404</u>	<u>3,135,727</u>

10. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	<u>16,438</u>	<u>16,360</u>
		<b>Deferred tax</b>
		£
Balance at 1 April 2016		16,360
Provided during year		<u>78</u>
Balance at 31 March 2017		<u>16,438</u>

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

	2017	2016
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>16,438</u>	<u>16,360</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
1	Ordinary	1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

12. RESERVES

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 April 2016	56,824	(229,004)	(172,180)
Deficit for the year	(1,629)	-	(1,629)
Revaluation	<u>40,000</u>	<u>(40,000)</u>	<u>-</u>
At 31 March 2017	<u>95,195</u>	<u>(269,004)</u>	<u>(173,809)</u>

13. 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 2017 was £ 21,186,500 (2016: £21,186,500) of which £2,066,783 (2016: £2,066,783) is reflected in creditors above.

14. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2017 or 31 March 2016.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

16. 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 95.81% 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.