

REGISTERED NUMBER: 02996651 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2018
for
PT South West Limited**



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for the Year Ended 31 March 2018**

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PT South West Limited

**Company Information
for the Year Ended 31 March 2018**

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
EC2A 1AG

**Report of the Directors
for the Year Ended 31 March 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

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 2017 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 FRS102 "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 2018**

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 F Chan - Secretary

Date: 28/9/2018
.....

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

Opinion

We have audited the financial statements of PT South West Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 directors' report.

**Independent Auditors' Report 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.

Responsibilities of directors


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, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.



David Pearson (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
London

Date: 28/9/18

**Statement of Comprehensive Income
for the Year Ended 31 March 2018**


	Notes	2018 £	2017 £
TURNOVER	2	169,076	202,433
Other operating charges		<u>(55,000)</u>	<u>(57,000)</u>
GROSS PROFIT		114,076	145,433
Administrative expenses		<u>(576)</u>	<u>(202)</u>
		113,500	145,231
Other operating income		<u>3,501</u>	<u>-</u>
OPERATING PROFIT	3	117,001	145,231
Interest receivable and similar income		<u>1</u>	<u>-</u>
		117,002	145,231
Gain/(loss) on revaluation of tangible assets		<u>(60,000)</u>	<u>(40,000)</u>
		57,002	105,231
Interest payable and similar expenses	4	<u>(74,926)</u>	<u>(90,630)</u>
(LOSS)/PROFIT BEFORE TAXATION		(17,924)	14,601
Tax on (loss)/profit	5	<u>(12,644)</u>	<u>(16,230)</u>
LOSS FOR THE FINANCIAL YEAR		(30,568)	(1,629)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(30,568)</u>	<u>(1,629)</u>

Balance Sheet
31 March 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investment property	7	600,000	2,260,000
CURRENT ASSETS			
Debtors	8	32,413	19,641
Cash at bank		<u>11,786</u>	<u>54,407</u>
		44,199	74,048
CREDITORS			
Amounts falling due within one year	9	<u>(432,900)</u>	<u>(2,491,418)</u>
NET CURRENT LIABILITIES		<u>(388,701)</u>	<u>(2,417,370)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		211,299	(157,370)
CREDITORS			
Amounts falling due after more than one year	10	(500,000)	-
PROVISIONS FOR LIABILITIES	12	<u>(15,675)</u>	<u>(16,438)</u>
NET LIABILITIES		<u>(304,376)</u>	<u>(173,808)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Non-distributable reserve	14	(329,004)	(269,004)
Retained earnings	14	<u>24,627</u>	<u>95,195</u>
SHAREHOLDERS' FUNDS		<u>(304,376)</u>	<u>(173,808)</u>

The financial statements were approved by the Board of Directors on
on its behalf by:

28/4/2018 and were signed


.....
N C F Chan - Director

**Statement of Changes in Equity
for the Year Ended 31 March 2018**

	Called up share capital £	Retained earnings £	Non-distributable reserve £	Total equity £
Balance at 1 April 2016	1	56,824	(229,004)	(172,179)
Changes in equity				
Total comprehensive income	-	38,371	(40,000)	(1,629)
Balance at 31 March 2017	1	95,195	(269,004)	(173,808)
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	29,432	(60,000)	(30,568)
Balance at 31 March 2018	1	24,627	(329,004)	(304,376)

**Notes to the Financial Statements
for the Year Ended 31 March 2018**

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 2018

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

	2018	2017
	£	£
Bank interest	60,137	78,833
Interest payable to group undertakings	<u>14,789</u>	<u>11,797</u>
	<u>74,926</u>	<u>90,630</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

5. TAXATION

Analysis of the tax charge

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

	2018 £	2017 £
Current tax:		
UK corporation tax	11,895	16,152
Adjustment in respect of prior years	<u>1,512</u>	<u>-</u>
Total current tax	13,407	16,152
Deferred tax	<u>(763)</u>	<u>78</u>
Tax on (loss)/profit	<u><u>12,644</u></u>	<u><u>16,230</u></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:

	2018 £	2017 £
(Loss)/profit before tax	<u>(17,924)</u>	<u>14,601</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 20% (2017 - 20%)	(3,585)	2,920
Effects of:		
Expenses not allowable for taxation purposes	47	1
Revaluation in year not taxable	12,000	8,000
Group relief surrendered/(claimed)	<u>4,182</u>	<u>5,309</u>
Total tax charge	<u><u>12,644</u></u>	<u><u>16,230</u></u>

6. DIVIDENDS

	2018 £	2017 £
Ordinary share of 1 Interim	<u><u>100,000</u></u>	<u><u>-</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2017	2,260,000
Revaluations	(60,000)
Transfer to group company	<u>(1,600,000)</u>
At 31 March 2018	<u>600,000</u>
NET BOOK VALUE	
At 31 March 2018	<u>600,000</u>
At 31 March 2017	<u>2,260,000</u>

During the year a property in Bristol was transferred to PT Northern Limited, a fellow subsidiary.

Valuation of investment property as at 31 March 2018 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 Gerald Eve LLP, an independent firm of professional valuers, as at 15 November 2017.

If the investment property had not been revalued, they would have been included on the historical cost basis at £1,405,984 (2017: £2,529,004).

Fair value at 31 March 2018 is represented by:

	£
Valuation in 2000	(25,560)
Valuation in 2001	(200,513)
Valuation in 2004	230,089
Valuation in 2005	270,000
Valuation in 2008	20,000
Valuation in 2009	(600,000)
Valuation in 2012	(400,000)
Valuation in 2017	(40,000)
Valuation in 2018	(60,000)
Cost	<u>1,405,984</u>
	<u>600,000</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	8,000	8,000
Other debtors	<u>24,413</u>	<u>11,641</u>
	<u>32,413</u>	<u>19,641</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	-	(1)
Bank loans	-	2,066,783
Amounts owed to group undertakings	392,049	324,755
Corporation tax	11,894	16,152
Social security and other taxes	3,878	10,275
Other creditors	9,329	12,829
Accruals and deferred income	15,750	60,625
	<u>432,900</u>	<u>2,491,418</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Bank loans	<u>500,000</u>	<u>-</u>

The bank loans are secured by a charge on certain freehold investment properties.

Interest is payable at a fixed rate of 4.06%. Bank loans maturing in more than 5 years are £nil (2017: £nil). Contingent liabilities regarding this loan are detailed in note 15.

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 5 years.

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

	2018 £	2017 £
Not later than one year	63,000	205,500
After one year but not more than five years	98,986	725,452
After five years	-	2,115,452
	<u>161,986</u>	<u>3,046,404</u>

12. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>15,675</u>	<u>16,438</u>

	Deferred tax £
Balance at 1 April 2017	16,438
Provided during year	<u>(763)</u>
Balance at 31 March 2018	<u>15,675</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

12. PROVISIONS FOR LIABILITIES - continued

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

	2018 £	2017 £
Excess of taxation allowances over depreciation on fixed assets	<u>15,675</u>	<u>16,438</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
1	Ordinary	1	<u>1</u>	<u>1</u>

14. RESERVES

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 April 2017	95,195	(269,004)	(173,809)
Deficit for the year	(30,568)	-	(30,568)
Dividends	(100,000)	-	(100,000)
Revaluation	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>
At 31 March 2018	<u>24,627</u>	<u>(329,004)</u>	<u>(304,377)</u>

15. CONTINGENT LIABILITIES

A cross guarantee exists between the company, PT Store Investments Limited, Godliman Limited, Bury Street Limited and Carter Lane Limited, in favour of Santander UK plc. All companies are either subsidiaries of or fellow subsidiaries of PT Holdings Ltd.

The total value of the guaranteed loan outstanding at 31 March 2018 was £ 17,500,000 (2017: £13,899,000) of which £500,000 (2017: £2,066,783) is reflected in creditors above.

16. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2018 or 31 March 2017.

17. 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.

18. 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.