

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2021
for
PT South West Limited**



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for the Year Ended 31 March 2021**

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PT South West Limited

**Company Information
for the Year Ended 31 March 2021**

DIRECTORS:

A K C Cheng
A K B Cheng

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:

Buzzacott LLP
Statutory Auditor
Chartered Accountants
130 Wood Street
London
EC2V 6DL

**Report of the Directors
for the Year Ended 31 March 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

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.

IMPACT OF COVID-19

The directors have considered the impact of the current COVID-19 pandemic on the company's business, with a particular focus on its effect on the valuation of properties, refer to note 5, and the company's tenants, suppliers and directors.

The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

A K C Cheng

A K B Cheng

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.

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 2021**

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:



.....
A K C Cheng - Director

29 September 2021

Independent Auditor's 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 2021 which comprise the Income Statement, Balance Sheet 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Auditors' 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

Independent Auditor's Report to the Members of PT South West Limited

Matters on which we are required to report by exception

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 Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and 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, 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.

Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we considered the impact of COVID-19 on the company and its internal controls;
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, and taxation legislation; and
- we considered the impact of Brexit on the company and the laws and regulations above.

**Independent Auditor's Report to the Members of
PT South West Limited**

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with
- laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- reviewed journal entries throughout the year to identify unusual transactions, particularly in relation to expenditure;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior year;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management;
- tested the completeness of turnover by reviewing rental lease agreements relating to the year and entries in the nominal ledger and comparing to our expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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.

Use of our report

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.



Peter Chapman (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP
Statutory Auditor
130 Wood Street
London

29 September 2021

**Income Statement
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
TURNOVER		52,934	59,284
Other operating charges		<u>(12,778)</u>	<u>(30,000)</u>
GROSS PROFIT		40,156	29,284
Administrative expenses		<u>(240)</u>	<u>(240)</u>
OPERATING PROFIT		39,916	29,044
Interest receivable and similar income		<u>-</u>	<u>2</u>
		39,916	29,046
Gain/loss on revaluation of assets		<u>(90,000)</u>	<u>(40,000)</u>
		(50,084)	(10,954)
Interest payable and similar expenses	4	<u>(39,666)</u>	<u>(41,281)</u>
LOSS BEFORE TAXATION		(89,750)	(52,235)
Tax on loss		<u>(4,825)</u>	<u>(1,729)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(94,575)</u>	<u>(53,964)</u>

Balance Sheet
31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investment property	5	470,000	560,000
CURRENT ASSETS			
Debtors	6	24,646	23,984
Cash at bank		<u>9,966</u>	<u>12,613</u>
		34,612	36,597
CREDITORS			
Amounts falling due within one year	7	<u>(475,910)</u>	<u>(473,337)</u>
NET CURRENT LIABILITIES		<u>(441,298)</u>	<u>(436,740)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,702	123,260
CREDITORS			
Amounts falling due after more than one year	8	(500,000)	(500,000)
PROVISIONS FOR LIABILITIES		<u>(14,726)</u>	<u>(14,709)</u>
NET LIABILITIES		<u>(486,024)</u>	<u>(391,449)</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Non-distributable reserve	9	(459,004)	(369,004)
Retained earnings		<u>(27,021)</u>	<u>(22,446)</u>
SHAREHOLDERS' FUNDS		<u>(486,024)</u>	<u>(391,449)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:



.....
A K C Cheng - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2021**

1. STATUTORY INFORMATION

PT South West Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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.

Impact of COVID-19

The directors have considered the impact of the current COVID-19 pandemic on the company's business, with a particular focus on its effect on the valuation of properties, refer to note 5, and the company's tenants, suppliers and directors.

The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis.

Turnover

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

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and loans to and from related parties.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

2. ACCOUNTING POLICIES - continued

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.

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 judgements and estimate have been made include:

Revaluation of investments 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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2020 - NIL).

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	20,275	20,442
Interest payable to group undertakings	<u>19,391</u>	<u>20,839</u>
	<u>39,666</u>	<u>41,281</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

5. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2020	560,000
Revaluations	<u>(90,000)</u>
At 31 March 2021	<u>470,000</u>
NET BOOK VALUE	
At 31 March 2021	<u>470,000</u>
At 31 March 2020	<u>560,000</u>

The fair value of each of the Company's investment properties as at 31 March 2021 was determined by independent external valuers, ProMission Limited, at that date ('the valuation date'). The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation - Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at using the income method and by reference to market transactions for similar properties.

At the valuation date, due to the effects of the COVID-19 pandemic, the RICS guidance in issue was that the pandemic would affect the work carried out by its members and firms in a variety of ways.

Nevertheless, as at the valuation date, property markets were mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence existed, upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuation report issued by ProMission Limited on 22 July 2021 is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards.

Fair value at 31 March 2021 is represented by:

	£
Cost	1,405,984
Revaluation in 2001	(226,073)
Revaluation in 2004	230,089
Revaluation in 2005	270,000
Revaluation in 2008	20,000
Revaluation in 2009	(600,000)
Revaluation in 2012	(400,000)
Revaluation in 2017	(40,000)
Revaluation in 2018	(60,000)
Revaluation in 2020	(40,000)
Revaluation in 2021	<u>(90,000)</u>
	<u>470,000</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	12,000	11,780
Other debtors	<u>12,646</u>	<u>12,204</u>
	<u>24,646</u>	<u>23,984</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Amounts owed to group undertakings	447,282	440,367
Taxation and social security	9,051	5,893
Other creditors	19,577	27,077
	<u>475,910</u>	<u>473,337</u>

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

	2021	2020
	£	£
Bank loans	<u>500,000</u>	<u>500,000</u>

The bank loans are secured by a charge over the freehold investment properties.

Interest is payable at a fixed rate of 4.06%. Bank loans maturing in more than 5 years are £nil (2020: £nil). Contingent liabilities regarding this loan are detailed in note 10.

9. NON-DISTRIBUTABLE RESERVE

	£
At 1 April 2020	(369,004)
Revaluation	<u>(90,000)</u>
At 31 March 2021	<u>(459,004)</u>

The non-distributable reserve is used to record increases and decreases in the fair value of investment properties.

10. 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 2021 was £ 18,500,000 (2020: £18,500,000) of which £500,000 (2020: £500,000) is reflected in creditors above.

The company had no other contingent liabilities at 31 March 2021 or 31 March 2020.

11. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2021 or 31 March 2020.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

12. 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 95.89% 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 whose registered office is Clarendon House, Church Street, Hamilton, Bermuda.

The smallest group of undertakings for which group accounts, which include the company, have been drawn up is headed by The Property Trust Plc. The Property Trust Plc has the same registered office as the company.

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.