



**PT SOUTHERN LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1999

Company No. 2884661

**PT SOUTHERN LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 31 MARCH 1999**

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Company registration number:

2884661

Registered office:

Kingsgate House  
114/115 High Holborn  
LONDON  
WC1V 6JJ

Directors:

A K C Cheng BSc ACA FInst.D  
N C F Chan BSc ACA

Joint secretaries:

N C F Chan BSc ACA  
Cargil Management Services Limited

Auditors:

Grant Thornton  
Registered Auditors  
Chartered Accountants  
Grant Thornton House  
Melton Street  
Euston Square  
LONDON  
NW1 2EP

**PT SOUTHERN LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

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# **PT SOUTHERN LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report and the audited financial statements for the year ended 31 March 1999.

### **Principal activities and review of the business**

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

### **Trading results and dividends**

The company profit for the financial year was £152,768 (1998: loss £16,550). The directors do not recommend the payment of a dividend.

### **Directors and their share interests**

The directors during the year ended 31 March 1999, none of whom have an interest in the share capital of the company, are set out below:

A K C Cheng  
N C F Chan

A K C Cheng and N C F Chan were also directors of the ultimate parent undertaking, Property Trust (PVT) Holdings Limited, during the year and their interests, where appropriate, are disclosed in the financial statement of that company.

### **Directors' responsibilities for the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PT SOUTHERN LIMITED**

**REPORT OF THE DIRECTORS**

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**Year 2000**

The company reviewed its computer systems for the impact of the Year 2000 date change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the year 2000 date change and through any roll-over procedures that occurred at a latter date.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the company's business to a greater or lesser extent.

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of Grant Thornton, as auditors of the company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



N C F Chan  
Secretary  
28 January 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**PT SOUTHERN LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 4.

**Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1999 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON  
28 JANUARY 2000**

## **PT SOUTHERN LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous years.

#### **ACCOUNTING CONVENTION**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention except that freehold and leasehold investment properties are shown at their revalued amounts.

#### **TURNOVER**

Turnover is the total amount receivable by the company for rent.

#### **TANGIBLE FIXED ASSETS**

In accordance with Statement of Standard Accounting Practice No. 19, the company's properties held for long-term investments are included in the balance sheet at their open market values. The surpluses or deficits on revaluation of such properties are transferred to the revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### **DEFERRED TAXATION**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation purposes except to the extent that the directors consider that a liability is unlikely to crystallise.

**PT SOUTHERN LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 MARCH 1999

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	Note	1999 £	1998 £
<b>Turnover</b>	1	1,186,932	894,504
Cost of sales		<u>(2,447)</u>	<u>(35)</u>
<b>Gross profit</b>		1,184,485	894,469
Administrative expenses		<u>(221,094)</u>	<u>(236,915)</u>
Operating profit		963,391	657,554
Other income		6,775	-
Profit on sale of fixed asset		115,786	-
Interest receivable and similar income		5,353	4,592
Interest payable and similar charges	3	<u>(938,537)</u>	<u>(678,696)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		152,768	(16,550)
Taxation on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year transferred to/(deducted from) reserves</b>	10	<u><u>152,768</u></u>	<u><u>(16,550)</u></u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the loss for the period.

The accompanying accounting policies and notes form an integral part of these financial statements.



**PT SOUTHERN LIMITED****BALANCE SHEET AT 31 MARCH 1999**

	Note	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	5	<u>9,598,577</u>	<u>12,791,149</u>
<b>Current assets</b>			
Debtors	6	3,357,066	70,604
Cash at bank and in hand		<u>166,384</u>	<u>178,966</u>
		3,523,450	249,570
<b>Creditors: amounts falling due within one year</b>	7	<u>(6,359,686)</u>	<u>(4,024,355)</u>
<b>Net current liabilities</b>		<u>(2,836,236)</u>	<u>(3,774,785)</u>
<b>Total assets less current liabilities</b>		6,762,341	9,016,364
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(6,939,000)</u>	<u>(9,345,791)</u>
		<u>(176,659)</u>	<u>(329,427)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Revaluation reserve	10	(215,016)	(330,802)
Profit and loss account	10	<u>38,356</u>	<u>1,374</u>
<b>Shareholders' funds</b>	11	<u>(176,659)</u>	<u>(329,427)</u>

The financial statements were approved by the Board of Directors on 28 January 2000



N C F Chan  
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**PT SOUTHERN LIMITED**

**OTHER PRIMARY STATEMENTS**

For the year ended 31 MARCH 1999

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	1999 £	1998 £
Profit/(loss) for the financial year	152,768	(16,550)
Unrealised deficit on revaluation of investment properties	<u>-</u>	<u>(330,802)</u>
Total recognised profit/(loss) for the year	<u>152,768</u>	<u>(347,352)</u>

**NOTE OF HISTORICAL COST PROFIT AND LOSS**

	1999 £	1998 £
Profit/(loss) on ordinary activities before taxation	152,768	(16,550)
Realisation of revaluation losses of previous years	<u>(115,786)</u>	<u>-</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>36,982</u>	<u>(16,550)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

# **PT SOUTHERN LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

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### **1 TURNOVER**

	1999 £	1998 £
Rents receivable	<u>1,186,932</u>	<u>894,504</u>

All income was derived from within the United Kingdom.

### **2 DIRECTORS AND EMPLOYEES**

The only employees of the company during the year were the directors who did not receive any remuneration.

### **3 INTEREST PAYABLE**

	1999 £	1998 £
Bank interest payable	724,346	551,855
Interest payable to group undertakings	<u>214,191</u>	<u>126,841</u>
	<u>938,537</u>	<u>678,696</u>

### **4 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

No United Kingdom corporation tax liability arises on the results for the year due to the availability of losses brought forward from previous years.

**PT SOUTHERN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

**5 TANGIBLE FIXED ASSETS**

	Freehold investment property £
Cost or valuation	
At 1 April 1998	12,791,149
Transfers	<u>(3,192,572)</u>
At 31 March 1999	<u>9,598,577</u>

Valuations of investment properties were carried out in accordance with the RICS Statement of Asset Valuation Practice by Weatherall Green & Smith, an independent firm of professional valuers, as at 20 December 1996, 13 August 1997, 25 September 1997, 9 January 1998 and 31 March 1998. The Directors, who have been advised by chartered surveyors employed by the group and external professional valuers, are of the opinion that all the valuations as at 31 March 1999 were at least as high as those stated within the independent valuation report above.

**6 DEBTORS**

	1999 £	1998 £
Intercompany	3,324,529	2,398
Prepayments and accrued income	18,468	3,700
Sundry debtors	14,069	31,882
Rent control	-	32,624
	<u>3,357,066</u>	<u>70,604</u>

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1999 £	1998 £
Bank loans	171,750	215,683
Amounts owed to group undertakings	5,899,422	3,341,415
Other creditors	34,659	127,806
Accruals and deferred income	253,855	339,451
	<u>6,359,686</u>	<u>4,024,355</u>

**PT SOUTHERN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

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

	1999 £	1998 £
Secured loans repayable in instalments by:		
2000 - Interest at 1.40% over LIBOR	-	803,100
2002 - Interest at 1.25% over LIBOR	1,270,000	4,653,875
2003 - Interest at 1.25% over LIBOR	1,700,875	2,737,500
2004 - Interest at 1.25% over LIBOR	-	1,087,500
2005 - Interest at 8.34% fixed	508,255	-
2005 - Interest at 8.32% fixed	529,245	-
2009 - Interest at 7.68% fixed	2,822,875	-
Sub-ordinated loan owed to group undertakings	279,500	279,500
	<u>7,110,750</u>	<u>9,561,475</u>
Current portion of loans (note 7)	<u>(171,750)</u>	<u>(215,684)</u>
	<u>6,939,000</u>	<u>9,345,791</u>

The loans are repayable as follows:

	£	£
In under one year	171,750	215,683
Between one and two years	171,750	930,917
Between two and five years	2,985,125	7,297,875
Over five years	<u>3,502,625</u>	<u>837,500</u>
	<u>6,831,250</u>	<u>9,281,975</u>

The loans are secured by a charge on the freehold investment property.

**9 CALLED UP SHARE CAPITAL**

	Authorised Number	£	Issued Allotted and called up Number	£
Ordinary shares of £1 each				
At 1 April 1998 and at 31 March 1999	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>1</u>

**PT SOUTHERN LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

**10 RESERVES**

	Revaluation reserve	Profit and loss account £	Total £
At 1 April 1998	(330,802)	1,374	(329,428)
Profit for financial year	-	152,768	152,768
Transfer from revaluation reserve to profit and loss account	115,786	(115,786)	-
At 31 March 1999	<u>(215,016)</u>	<u>38,356</u>	<u>(176,660)</u>

**11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Profit/(loss) for the year	152,768	(16,550)
Deficit on revaluation	<u>-</u> 152,768	<u>(330,802)</u> (347,352)
Shareholders' funds at 1 April 1998	<u>(329,427)</u>	<u>17,925</u>
Shareholders' funds at 31 March 1999	<u>(176,659)</u>	<u>(329,427)</u>

**12 CONTINGENT LIABILITIES**

A cross guarantee exists between the company and PT Northern Limited, Busyglen Limited, Lune Industrial Estate Limited and Carlton Real Estates Developments Limited in favour of The Bristol & West Building Society. All companies are fellow subsidiaries of the Property Trust Plc. The total value of guaranteed loans outstanding at 31 March 1999 was £13,526,416 (1998: £18,719,142) of which £6,831,250 (1998: £9,281,975) is reflected in creditors above.

**13 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 March 1999 or at 31 March 1998.

**PT SOUTHERN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 1999

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**14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY**

The ultimate parent undertaking and controlling related party of this company is Property Trust (PVT) Holdings Ltd, which is incorporated under the laws of Bermuda. The largest group of undertakings for which group accounts have been drawn up is that headed by Property Trust (PVT) Holdings Ltd and the smallest such group of undertakings, including the company, is that headed by Property Trust PLC which is registered in England and Wales.

As a wholly owned subsidiary of Property Trust (PVT) Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Property Trust (PVT) Holdings Limited.