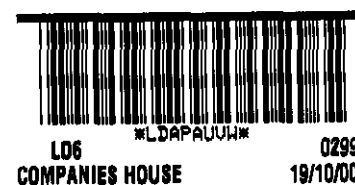


PT SOUTHERN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2000



PT SOUTHERN LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

Company registration number: 2884661

Registered office: Kingsgate House
114/115 High Holborn
LONDON
WC1V 6JJ

Directors: A K C Cheng
N C F Chan

Secretary: N C F Chan
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 2000

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PT SOUTHERN LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2000.

Principal activities

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

Business review

There was a profit for the year after taxation amounting to £44,351 (1999: profit £152,768). The directors do not recommend payment of a dividend.

Directors

The interests of the directors and their families in the shares of the company as at 31 March 2000 and 1 April 1999, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	31 March 2000	1 April 1999
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 statements 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

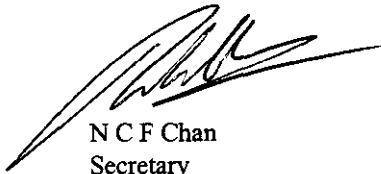
Year 2000 Compliance

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



N C F Chan
Secretary
18 October 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF
PT SOUTHERN LIMITED**

We have audited the financial statements on pages 4 to 12 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 the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

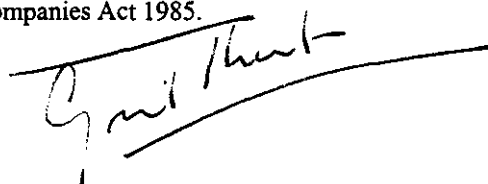
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON
18 October 2000

PT SOUTHERN LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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. The financial statements have been prepared on a going concern basis as the ultimate parent undertaking has indicated its intention to provide continuing financial support.

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

TURNOVER

Turnover is the total amount receivable from rent.

TANGIBLE FIXED ASSETS AND DEPRECIATION

In accordance with Statement of Standard Accounting Practice No. 19, the company's properties held for long term investment 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 many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

DEFERRED TAXATION

Provision 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 2000

	Note	2000 £	1999 £
Turnover	1	941,524	1,186,932
Cost of sales		(1,913)	(2,447)
Gross profit		939,611	1,184,485
Administrative expenses		(158,919)	(104,607)
Other operating income		3,736	6,775
Operating profit		784,428	1,086,653
Exceptional items			
Profit on sale of fixed assets		72,822	(663)
Other interest receivable and similar income		4,038	5,353
Interest payable and similar charges	3	(816,937)	(938,575)
Profit on ordinary activities before taxation	1	44,351	152,768
Tax on profit on ordinary activities	4	-	-
Profit transferred to reserves	10	44,351	152,768

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

PT SOUTHERN LIMITED**BALANCE SHEET AT 31 MARCH 2000**

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	5	10,994,999	9,598,577
		<u>10,994,999</u>	<u>9,598,577</u>
Current assets			
Debtors	6	3,327,798	3,357,066
Cash at bank and in hand		277,434	166,383
		<u>3,605,232</u>	<u>3,523,449</u>
Creditors: amounts falling due within one year	7	<u>(6,920,027)</u>	<u>(6,359,685)</u>
Net current liabilities		<u>(3,314,795)</u>	<u>(2,836,236)</u>
Total assets less current liabilities		<u>7,680,204</u>	<u>6,762,341</u>
Creditors: amounts falling due after more than one year	8	<u>(7,761,890)</u>	<u>(6,939,000)</u>
		<u>(81,686)</u>	<u>(176,659)</u>
Capital and reserves			
Called up share capital	9	1	1
Revaluation reserve	10	(127,514)	(215,016)
Profit and loss account	10	45,827	38,356
Shareholders' funds	11	<u>(81,686)</u>	<u>(176,659)</u>

The financial statements were approved by the Board of Directors on 18 October 2000.

N C F Chan



Director

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

PT SOUTHERN LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 March 2000

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000	1999
	£	£
Profit for the financial year	44,351	152,768
Unrealised surplus on revaluation of investment properties	50,622	-
Total recognised gains and losses for the year	94,973	152,768

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2000	1999
	£	£
Profit on ordinary activities before taxation	44,351	152,768
Realisation of revaluation losses of previous years	(36,880)	(115,786)
Historical cost profit on ordinary activities before taxation	7,471	36,982
Historical cost profit transferred to reserves	7,471	36,982

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 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£	£
Rents receivable	941,524	1,186,932
	941,524	1,186,932

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 NET INTEREST

	2000	1999
	£	£
On bank loans and overdrafts	562,855	724,384
Interest payable to group undertakings	254,082	214,191
	816,937	938,575
Other interest receivable and similar income	(4,038)	(5,353)
	812,899	933,222

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

No liability to United Kingdom corporation tax arises on the results for the period due to the availability of group relief (1999: £nil)

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

For the year ended 31 March 2000

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Total £
Cost or valuation			
At 1 April 1999	9,408,577	190,000	9,598,577
Additions	1,990,800	-	1,990,800
Surplus on revaluation	50,622	-	50,622
	<u>11,449,999</u>	<u>190,000</u>	<u>11,639,999</u>
Disposals	(645,000)	-	(645,000)
	<u>10,804,999</u>	<u>190,000</u>	<u>10,994,999</u>
Net book amount at 31 March 2000			
	<u>10,804,999</u>	<u>190,000</u>	<u>10,994,999</u>
Net book amount at 31 March 1999			
	<u>9,408,577</u>	<u>190,000</u>	<u>9,598,577</u>

Valuations of investment properties as at 31 March 2000 were carried out in accordance with the RICS Statement of Asset Valuation Practice by the Directors, who have been advised by chartered surveyors employed by the company and external professional valuers.

Full independent valuations of investment properties were carried out in accordance with RICS Statement of Asset Valuation Practice by Weatherall Green & Smith, an independent firm of professional valuers, as at 13 August 1997, 25 September 1997, 9 January 1998, 31 March 1998, 24 November 1999 and 31 March 2000.

If the investment properties had not been revalued, they would have been included on the historical cost basis at £9,726,091.

6 DEBTORS

	2000 £	1999 £
Amounts owed by group undertakings	3,324,353	3,324,529
Other debtors	3,445	14,069
Prepayments and accrued income	-	18,468
	<u>3,327,798</u>	<u>3,357,066</u>

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

For the year ended 31 March 2000

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts	159,500	171,750
Amounts owed to group undertakings	6,362,351	5,899,422
Other creditors	40,242	34,658
Accruals and deferred income	357,934	253,855
	<u>6,920,027</u>	<u>6,359,685</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans	7,482,390	6,659,500
Sub-ordinated loan owed to group undertakings	279,500	279,500
	<u>7,761,890</u>	<u>6,939,000</u>

Bank loans

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

Borrowings are repayable as follows:

	2000 £	1999 £
Within one year	159,500	171,750
After one and within two years	1,309,500	171,750
After two and within five years	2,286,000	2,985,125
After five years	3,886,890	3,502,625
	<u>7,641,890</u>	<u>6,831,250</u>

Bank and other borrowings repayable after five years comprise:

	2000 £	1999 £
Bank loans	3,886,890	3,502,625
	<u>3,886,890</u>	<u>3,502,625</u>

The bank loans are repayable in instalments and the rates of interest payable are 1.25% over LIBOR and 7.68% fixed.

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

For the year ended 31 March 2000

9 SHARE CAPITAL

	2000 £	1999 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 1 ordinary share of £1 each	1	1

10 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 1999	(215,016)	38,356
Retained profit for the year	-	44,351
Surplus on revaluation of assets	50,622	-
Transfer from revaluation reserve to profit and loss account	36,880	(36,880)
At 31 March 2000	(127,514)	45,827

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	44,351	152,768
Other recognised gains and losses	50,622	-
Net increase in shareholders' funds	94,973	152,768
Shareholders' funds at 1 April 1999	(176,659)	(329,427)
Shareholders' funds at 31 March 2000	(81,686)	(176,659)

12 CONTINGENT LIABILITIES

A Cross guarantee exists between the company and PT Northern Limited, PT Southern Limited, Lune Industrial Estate Limited and Carlton Real Estates Developments Limited in favour of Bristol & West Plc. All companies are fellow subsidiaries of the Property Trust Plc. The total value of guaranteed loans outstanding at 31 March 2000 was £11,992,890 (1999: £9,699,917) of which £7,641,890 (1999: £6,831,250) is reflected in creditors above.

PT SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

13 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2000 or 31 March 1999.

14 POST BALANCE SHEET EVENTS

On 11 August 2000 the company disposed of an office building at Ambassdor Place, Stockport Road, Altrincham for £370,000 representing a yield of 7.7%.

15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The ultimate parent undertaking and controlling related party of this company is Property Trust (PVT) Holdings Limited, 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 Limited 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.