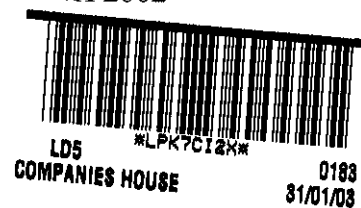


PT SOUTHERN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2002



PT SOUTHERN LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

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 2002

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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 2002.

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 £151,315 (2001: profit £24,945). 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 2002 and 1 April 2001, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	31 March 2002	1 April 2001
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

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

29 January 2003

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

We have audited the financial statements of PT Southern Limited for the year ended 31 March 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

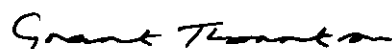
Basis of opinion

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 2002 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
29 January 2003
LONDON

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, apart from the adoption of FRS19 "Deferred Tax". The accounting policies 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

Deferred taxation is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

PT SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2002

	Note	2002 £	2001 as restated £
Turnover	1	987,202	991,053
Cost of sales		(39,314)	(13,094)
Gross profit		947,888	977,959
Administrative expenses		(123,605)	(141,039)
Other operating income		250	4,955
Operating profit		824,533	841,875
Exceptional items			
Profit on sale of fixed assets		35,885	63,595
Other interest receivable and similar income		1,292	6,588
Interest payable and similar charges	3	(660,925)	(842,079)
Profit on ordinary activities before taxation	1	200,785	69,979
Tax on profit on ordinary activities	4	(49,470)	(45,034)
Profit transferred to reserves	11	151,315	24,945

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

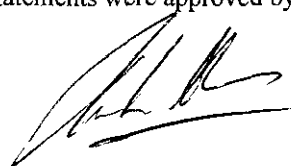
PT SOUTHERN LIMITED

BALANCE SHEET AT 31 MARCH 2002

	Note	2002 £	2001 as restated £
Fixed assets			
Tangible assets	5	10,635,000	11,189,999
		<u>10,635,000</u>	<u>11,189,999</u>
Current assets			
Debtors	6	154,134	18,498
Cash at bank and in hand		57,801	88,811
		<u>211,935</u>	<u>107,309</u>
Creditors: amounts falling due within one year	7	(4,926,412)	(4,541,875)
Net current liabilities		<u>(4,714,477)</u>	<u>(4,434,566)</u>
Total assets less current liabilities		5,920,523	6,755,433
Creditors: amounts falling due after more than one year	8	(5,252,140)	(6,272,140)
Provisions for liabilities and charges	9	(138,854)	(105,079)
		<u>529,529</u>	<u>378,214</u>
Capital and reserves			
Called up share capital	10	1	1
Revaluation reserve	11	416,373	384,639
Profit and loss account	11	113,155	(6,426)
Shareholders' funds	12	<u>529,529</u>	<u>378,214</u>

The financial statements were approved by the Board of Directors on 29 January 2003

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 2002

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002 £	2001 £
Profit for the financial year	151,315	24,945
Unrealised surplus on revaluation of investment properties	-	495,000
Total recognised gains and losses for the year	151,315	519,945
Prior year adjustments	(105,079)	(60,045)
Total gains and losses recognised since last financial statements	46,236	459,900

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2002 £	2001 £
Profit on ordinary activities before taxation	200,785	69,979
Realisation of revaluation losses of previous years	(31,734)	(17,153)
Historical cost profit on ordinary activities before taxation	169,051	52,826
Historical cost profit transferred to reserves	119,581	7,792

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 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £	2001 £
Rents receivable	987,202	991,053
	<u>987,202</u>	<u>991,053</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 NET INTEREST

	2002 £	2001 £
On bank loans and overdrafts	570,827	596,124
Interest payable to group undertakings	90,098	245,955
	<u>660,925</u>	<u>842,079</u>
Other interest receivable and similar income	(1,292)	(6,588)
	<u>659,633</u>	<u>835,491</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 as restated £
Tax charge provided in the year	15,695	-
	<u>15,695</u>	<u>-</u>
Deferred tax charge	33,775	45,034
	<u>49,470</u>	<u>45,034</u>

PT SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	200,785	69,979
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001:30%)	60,236	20,994
Effects of:		
Expenses not deductible/(income) not taxable for tax purposes	(10,766)	-
Capital allowances in excess of depreciation	(33,775)	(20,994)
	<u>15,695</u>	<u>-</u>

5 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Total £
Cost or valuation			
At 1 April 2001	10,940,000	250,000	11,190,000
Disposals	(555,000)	-	(555,000)
	<u>10,385,000</u>	<u>250,000</u>	<u>10,635,000</u>
Net book amount at 31 March 2002			
	<u>10,385,000</u>	<u>250,000</u>	<u>10,635,000</u>
Net book amount at 31 March 2001			
	<u>10,940,000</u>	<u>250,000</u>	<u>11,190,000</u>

Valuations of investment properties as at 31 March 2002 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 31 March 1998, 24 November 1999, 31 March 2000 and 31 March 2001.

If the investment properties had not been revalued, they would have been included on the historical cost basis at £10,218,627.

PT SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

6 DEBTORS

	2002 £	2001 £
Trade debtors	66,333	-
Amounts owed by group undertakings	1,886	2,302
Other debtors	85,915	16,196
	<u>154,134</u>	<u>18,498</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans and overdrafts	1,875,410	1,290,000
Amounts owed to group undertakings	2,641,094	2,887,725
Corporation tax	15,695	-
Social security and other taxes	35,728	-
Other creditors	203	11,608
Accruals and deferred income	358,282	352,542
	<u>4,926,412</u>	<u>4,541,875</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Bank loans and overdraft	4,972,640	5,992,640
Sub-ordinated loan owed to group undertakings	279,500	279,500
	<u>5,252,140</u>	<u>6,272,140</u>

Bank loans

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

PT SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

Borrowings are repayable as follows:

	2002 £	2001 £
Within one year	1,875,410	1,290,000
After one and within two years	110,000	1,020,000
After two and within five years	967,500	1,017,500
After five years	3,895,140	3,955,140
	<u>6,848,050</u>	<u>7,282,640</u>

Bank and other borrowings repayable after five years comprise:

	2002 £	2001 £
Bank loans	3,895,140	3,955,140
	<u>3,895,140</u>	<u>3,955,140</u>

The bank loans are repayable in instalments and the rates of interest payable are 1.25% over LIBOR and 7.68%, 8.32%, 8.34% and 8.57% fixed.

9 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Total £
At 1 April 2001	105,079	105,079
Provided during the year	33,775	33,775
At 31 March 2002	<u>138,854</u>	<u>138,854</u>

10 SHARE CAPITAL

	2002 £	2001 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

PT SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

11 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 April 2001 as previously stated	384,639	98,653
Prior year adjustment	-	(105,079)
Retained reserves at 1 April 2001 as restated	384,639	(6,426)
Retained profit for the year	-	151,315
Transfer from revaluation reserve to profit and loss account	31,734	(31,734)
At 31 March 2002	<u>416,373</u>	<u>113,155</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 as restated £
Profit for the financial year	151,315	24,945
Other recognised gains and losses	-	495,000
Net increase in shareholders' funds	151,315	519,945
Shareholders' funds at 1 April 2001	378,214	(141,731)
Shareholders' funds at 31 March 2002	<u>529,529</u>	<u>378,214</u>

13 CONTINGENT LIABILITIES

A cross guarantee exists between the company and PT Northern Limited, PT Southern Limited and Westcycle Properties 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 2002 was £12,660,840 (2001: £14,193,740) of which £6,792,640 (2001: £7,282,640) is reflected in creditors above.

14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2002 or 31 March 2001.

PT SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

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.