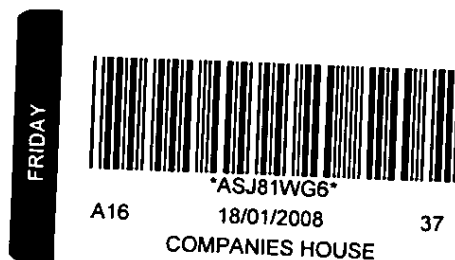


PT Southern Limited
Financial statements
For the year ended 31 March 2007

Grant Thornton 



Company No. 2884661

Company information

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
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Melton Street Euston Square London NW1 2EP

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2007

Principal activities and business review

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

The Company's main 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.

Results and dividends

The profit for the year amounted to £803,759. Particulars of dividends paid are detailed in note 18 to the financial statements.

Financial risk management objectives and policies

The company uses various financial instruments; these include loans and cash to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company uses long term finance to fund the acquisition of investment properties and to ensure continuity of funding. The maturity of borrowings is set out in the notes to the financial statements.

Interest rate risk

The company finances its operations through inter group finance.

Credit risk

The company's principal financial assets are cash. The credit risk associated with the cash is limited as the counterparties have high credit ratings.

Directors

The directors who served the company during the year were as follows:

A K C Cheng
N C F Chan

Directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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,
- 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Grant Thornton UK LLP 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
23 November 2007

Grant Thornton 

Report of the independent auditor to the members of PT Southern Limited

We have audited the financial statements of PT Southern Limited for the year ended 31 March 2007 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of total recognised gains and losses and notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Report of the independent auditor to the members of PT Southern Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

26 NOVEMBER 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover is the total amount receivable from rent.

Fixed assets

All fixed assets are initially recorded at cost

Investment properties

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2007 £	2006 £
Turnover	1	806,108	841,449
Cost of sales		58,559	28,512
Gross profit		<u>747,549</u>	<u>812,937</u>
Other operating charges	2	136,529	109,758
Other operating income	3	(5,834)	–
Operating profit	4	<u>616,854</u>	<u>703,179</u>
Profit on disposal of fixed assets	6	638,566	–
		<u>1,255,420</u>	<u>703,179</u>
Interest receivable	7	1,029	23,868
Interest payable and similar charges	8	(474,372)	(481,825)
Profit on ordinary activities before taxation		<u>782,077</u>	<u>245,222</u>
Tax on profit on ordinary activities	9	(21,682)	143,176
Profit for the financial year	18	<u>803,759</u>	<u>102,046</u>

All of the activities of the company are classed as continuing

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	10	<u>9,886,495</u>	<u>10,358,005</u>
Current assets			
Debtors	11	<u>72,183</u>	<u>49,876</u>
Cash at bank		<u>42,808</u>	<u>16,164</u>
		<u>114,991</u>	<u>66,040</u>
Creditors: amounts falling due within one year	12	<u>2,211,366</u>	<u>1,724,679</u>
Net current liabilities		<u>(2,096,375)</u>	<u>(1,658,639)</u>
Total assets less current liabilities		<u>7,790,120</u>	<u>8,699,366</u>
Creditors: amounts falling due after more than one year	13	<u>4,997,863</u>	<u>6,031,800</u>
		<u>2,792,257</u>	<u>2,667,566</u>
Provisions for liabilities			
Deferred taxation	14	<u>160,569</u>	<u>139,637</u>
		<u>2,631,688</u>	<u>2,527,929</u>
Capital and reserves			
Called-up equity share capital	17	<u>1</u>	<u>1</u>
Revaluation reserve	18	<u>2,443,396</u>	<u>2,467,806</u>
Profit and loss account	18	<u>188,291</u>	<u>60,122</u>
Shareholders' funds	19	<u>2,631,688</u>	<u>2,527,929</u>

These financial statements were approved by the directors on 23 November 2007 and are signed on their behalf by



N C F Chan
 Director

Other primary statements

Statement of total recognised gains and losses

	2007	2006
	£	£
Profit for the financial year	803,759	102,046
Unrealised profit on revaluation of certain fixed assets	—	845,000
Total gains and losses recognised for the year	<u>803,759</u>	<u>947,046</u>

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

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below:

	2007	2006
	£	£
United Kingdom	<u>806,108</u>	<u>841,449</u>

2 Other operating charges

	2007	2006
	£	£
Administrative expenses	<u>136,529</u>	<u>109,758</u>

3 Other operating income

	2007	2006
	£	£
Reversal of bad debt write-off	<u>5,834</u>	<u>-</u>

4 Operating profit

Operating profit is stated after charging:

	2007	2006
	£	£
Auditor's remuneration		
Audit fees	<u>-</u>	<u>-</u>

Auditor's Remuneration is borne by a fellow group company

5 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the year.

6 Profit on disposal of fixed assets

	2007	2006
	£	£
Profit on disposal of fixed assets	<u>638,566</u>	<u>-</u>

7 Interest receivable

	2007	2006
	£	£
Bank interest receivable	1,029	448
Interest from group undertakings	—	23,420
	<u>1,029</u>	<u>23,868</u>

8 Interest payable and similar charges

	2007	2006
	£	£
Interest payable on bank borrowing	384,872	481,825
Interest payable to group undertakings	89,500	—
	<u>474,372</u>	<u>481,825</u>

9 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	(42,614)	112,692
Over/under provision in prior year	—	81
Total current tax	<u>(42,614)</u>	<u>112,773</u>
Deferred tax		
Origination and reversal of timing differences	20,932	30,403
Tax on profit on ordinary activities	<u>(21,682)</u>	<u>143,176</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>782,077</u>	<u>245,222</u>
Profit on ordinary activities by rate of tax	234,623	73,567
Income not chargeable for tax purposes	(191,570)	—
Capital allowances in excess of depreciation	(34,667)	(34,375)
Group relief surrendered/(claimed)	—	73,500
Adjustments to tax charge in respect of previous periods	(51,000)	81
Total current tax (note 9(a))	<u>(42,614)</u>	<u>112,773</u>

10 Tangible fixed assets

	Freehold Property £
Cost or valuation	
At 1 April 2006	10,358,005
Additions	118,490
Disposals	(590,000)
At 31 March 2007	<u>9,886,495</u>
Depreciation	
At 1 April 2006 and 31 March 2007	<u>—</u>
Net book value	
At 31 March 2007	<u>9,886,495</u>
At 31 March 2006	<u>10,358,005</u>

Valuations of investment properties as at 31 March 2007 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 ATIS REAL Weatheralls Limited (formerly Weatherall Green & Smith), an independent firm of professional valuers, 6 May 2003 and 31 March 2006

If the investment property had not been revalued, they would have been included on the historical cost basis at £7,443,099 (2005 £7,572,194)

11 Debtors

	2007 £	2006 £
Trade debtors	72,183	38,113
Other debtors	—	11,763
	<u>72,183</u>	<u>49,876</u>

12 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	300,000	—
Amounts owed to group undertakings	1,614,615	1,334,083
Corporation tax	8,386	112,692
Other taxation and social security	—	3,284
Other creditors	62,091	24,801
Accruals and deferred income	226,274	249,819
	<u>2,211,366</u>	<u>1,724,679</u>

13 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loans and overdrafts	<u>4,997,863</u>	<u>6,031,800</u>

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

The bank loans are repayable in instalments and the rates of interest payable are 1 15% over LIBOR
 Bank loans maturing in more than 5 years are £5,297,863 (2006 £6,031,800) Contingent liabilities regarding this loan are detailed in note 16

14 Deferred taxation

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Provision brought forward	139,637	109,234
Profit and loss account movement arising during the year	<u>20,932</u>	<u>30,403</u>
Provision carried forward	<u>160,569</u>	<u>139,637</u>

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

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>160,569</u>	<u>139,637</u>

15 Capital commitments

The company had no capital commitments at 31 March 2007 or 31 March 2006

16 Contingent liabilities

A cross guarantee exists between the company, PT Northern Limited, Telford Way Limited, Polmadie Limited, Minorities Limited, Daggons Holdings Limited, Balborough Links Limited and Wyndham Court Limited, in favour of Bristol & West Property Finance All companies are either subsidiaries or fellow subsidiaries of The Property Trust Plc. The total value of guaranteed loans outstanding at March 2007 was £35,256,625 (2006 £25,891,625) of which £5,297,863 (2006 £6,031,800) is reflected in creditors above

17 Share capital

Authorised share capital

	2007	2006
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

18 Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	2,467,806	60,122
Profit for the financial year	-	803,759
Equity dividends paid	-	(700,000)
Transfers	(24,410)	24,410
Balance carried forward	<u>2,443,396</u>	<u>188,291</u>

19 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	803,759	102,046
Other net recognised gains and losses	-	845,000
Equity dividends paid	(700,000)	-
Net addition to shareholders' funds	<u>103,759</u>	<u>947,046</u>
Opening shareholders' funds	2,527,929	1,580,883
Closing shareholders' funds	<u>2,631,688</u>	<u>2,527,929</u>

20 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.

Management information

**The following page does not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 5 to 6**

Profit and loss account

	2007	2006
	£	£
Turnover	806,108	841,449
Cost of sales		
Direct costs	58,559	28,512
Gross profit	747,549	812,937
Overheads		
Other office administrative expenses	183	219
Management charges payable	136,200	109,539
Bank charges	146	–
	136,529	109,758
	611,020	703,179
Other operating income		
Other operating income	5,834	–
Operating profit	616,854	703,179
Profit on disposal of fixed assets	638,566	–
	1,255,420	703,179
Interest receivable	1,029	23,868
	1,256,449	727,047
Interest payable	(474,372)	(481,825)
Profit on ordinary activities	782,077	245,222
Interest receivable		
Bank interest receivable	1,029	448
Interest from group undertakings	–	23,420
	1,029	23,868
Interest payable		
Interest payable on loans and overdrafts	384,872	481,825
Interest payable to group undertakings	89,500	–
	474,372	481,825