

REGISTERED NUMBER: 02884661 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2013
for
PT Southern Limited**

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for the Year Ended 31 March 2013**

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PT Southern Limited

**Company Information
for the Year Ended 31 March 2013**

DIRECTORS:

A K C Cheng
N C F Chan

SECRETARIES:

N C F Chan
Cargil Management Services Limited

REGISTERED OFFICE:

Kingsgate House
115 High Holborn
London
WC1V 6JJ

REGISTERED NUMBER:

02884661 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
30 Finsbury Square
London
EC2P 2YU

PT Southern Limited (Registered number: 02884661)

**Report of the Directors
for the Year Ended 31 March 2013**

The directors present their report with the financial statements of the company for the year ended 31 March 2013.

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.

DIVIDENDS

During the year dividends of £- (2012 £265,000) were paid

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report

A K C Cheng
N C F Chan

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 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. Liquid resources are deemed to be cash and overdraft facilities.

Interest rate risk

The company finances its operations through a mixture of retained profits, bank borrowings and inter group finance

Credit risk

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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

PT Southern Limited (Registered number: 02884661)

**Report of the Directors
for the Year Ended 31 March 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

AUDITORS

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

N C F Chan - Secretary



25 September 2013

**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 2013 which comprise the principal accounting policies, profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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.



Paul Flatley (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
30 Finsbury Square
London
EC2P 2YU

25 September 2013

PT Southern Limited (Registered number: 02884661)

**Profit and Loss Account
for the Year Ended 31 March 2013**

	Notes	2013 £	2012 £
TURNOVER	2	903,687	950,288
Other operating charges		<u>(230,061)</u>	<u>(273,586)</u>
GROSS PROFIT		673,626	676,702
Administrative expenses		<u>(203)</u>	<u>(194)</u>
		673,423	676,508
Other operating income		<u>11,878</u>	<u>10,958</u>
OPERATING PROFIT	4	685,301	687,466
Interest receivable and similar income		<u>54</u>	<u>77</u>
		685,355	687,543
Interest payable and similar charges	5	<u>(312,150)</u>	<u>(281,219)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		373,205	406,324
Tax on profit on ordinary activities	6	<u>(157,550)</u>	<u>(79,633)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>215,655</u>	<u>326,691</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

PT Southern Limited (Registered number: 02884661)

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2013**

	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR	215,655	326,691
Unrealised profit on revaluation of certain fixed assets	425,000	863,505
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>640,655</u>	<u>1,190,196</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes form part of these financial statements

PT Southern Limited (Registered number: 02884661)

**Balance Sheet
31 March 2013**

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	12,775,000	12,350,000
CURRENT ASSETS			
Debtors	9	63,387	35,011
Cash at bank		29,503	32,080
		92,890	67,091
CREDITORS			
Amounts falling due within one year	10	(7,056,821)	(4,033,459)
NET CURRENT LIABILITIES		(6,963,931)	(3,966,368)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,811,069	8,383,632
CREDITORS			
Amounts falling due after more than one year	11	-	(3,210,363)
PROVISIONS FOR LIABILITIES	12	(183,243)	(186,098)
NET ASSETS		5,627,826	4,987,171
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Revaluation reserve	14	5,331,901	4,906,901
Profit and loss account	14	295,924	80,269
SHAREHOLDERS' FUNDS	19	5,627,826	4,987,171

The financial statements were approved by the Board of Directors on 25 September 2013 and were signed on its behalf by:



N C F Chan - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2013**

1 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 and in accordance with applicable accounting standards

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 recognised on a straight line basis over the term of the lease

Deferred tax

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. Deferred tax is not discounted.

Investment properties

Basis of estimation techniques

The primary source of evidence for valuations is recent, comparable market transactions on arms length terms. The current economic environment means that there have been fewer transactions and, consequently, there is a greater degree of uncertainty in respect of the figures reported.

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 unless a deficit below its original cost, or its reversal, on an individual property is considered to be permanent, in which case it is recognised in the profit and loss account for the period. 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.

2 TURNOVER

The turnover is attributable to the one principal activity of the company and is derived wholly within the UK.

3 STAFF COSTS

There were no staff costs for the year ended 31 March 2013 nor for the year ended 31 March 2012.

4 OPERATING PROFIT

Auditor's remuneration is borne by a fellow group company.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Bank interest	200,558	198,981
Interest payable to group undertakings	111,592	82,238
	<u>312,150</u>	<u>281,219</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2013 £	2012 £
Current tax:		
UK corporation tax	159,754	101,962
Adjustment in respect of prior years	651	1,232
Total current tax	160,405	103,194
Deferred tax	(2,855)	(23,561)
Tax on profit on ordinary activities	<u>157,550</u>	<u>79,633</u>

UK corporation tax has been charged at 24% (2012 - 26%)

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>373,205</u>	<u>406,324</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2012 - 26%)	89,569	105,644
Effects of		
(Income)/expenses not (taxable)/allowable for tax purposes	381	-
Capital allowances in excess of depreciation	(5,112)	(6,922)
Group relief surrendered	74,916	3,240
Adjustment in respect of prior years	651	1,232
Current tax charge	<u>160,405</u>	<u>103,194</u>

7 DIVIDENDS

	2013 £	2012 £
Ordinary share of 1		
Interim	-	265,000

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

8 TANGIBLE FIXED ASSETS

	Freehold property £
COST OR VALUATION	
At 1 April 2012	12,350,000
Revaluations	425,000
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At 31 March 2013	12,775,000
	<hr/>
NET BOOK VALUE	
At 31 March 2013	12,775,000
	<hr/>
At 31 March 2012	12,350,000
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Valuations of investment properties as at 31 March 2013 were carried out in accordance with the RICS Valuation Standards by the Directors, who have been advised by external professional valuers

Full independent valuations of investment properties were carried out in accordance with RICS Valuation Standards by Atisreal, an independent firm of professional valuers, on 31 March 2006 and by Colliers International on 11 February 2013

If the investment property had not been revalued, they would have been included on the historical cost basis at £7,443,099 (2012 £7,443,099)

Cost or valuation at 31 March 2013 is represented by

	Freehold property £
Valuation in 2002	486,366
Valuation in 2005	1,115,000
Valuation in 2006	845,000
Valuation in 2009	1,600,000
Valuation in 2012	860,535
Valuation in 2013	425,000
Cost	7,443,099
	<hr/>
	12,775,000
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9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	57,627	29,643
Other debtors	5,760	5,368
	<hr/>	<hr/>
	63,387	35,011
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Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans	-	350,000
Amounts owed to group undertakings	6,661,555	3,277,114
Tax	22,367	1,901
Social security and other taxes	38,227	41,298
Other creditors	112,094	135,291
Accruals and deferred income	222,578	227,855
	<u>7,056,821</u>	<u>4,033,459</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Bank loans	-	3,210,363
	<u>-</u>	<u>3,210,363</u>

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

During the year the bank loans were repaid in full. The bank loans were repayable in quarterly instalments and the rates of interest payable were 1 15% and 1 10% over LIBOR. Bank loans maturing in more than 5 years are £nil (2012 £nil). Contingent liabilities regarding this loan are detailed in note 15.

12 PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	<u>183,243</u>	<u>186,098</u>
		Deferred tax
		£
Balance at 1 April 2012		186,098
Profit and loss account movement in the year		(2,855)
Balance at 31 March 2013		<u>183,243</u>
	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	<u>183,243</u>	<u>186,098</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2013 £	2012 £
Number	Class	Nominal value		
1	Ordinary	1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2013

14 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2012	80,269	4,906,901	4,987,170
Profit for the year	215,655	-	215,655
Revaluation in the year	-	425,000	425,000
At 31 March 2013	<u>295,924</u>	<u>5,331,901</u>	<u>5,627,825</u>

15 CONTINGENT LIABILITIES

A cross guarantee exists between the company, PT Northern Limited, Sternberg Properties Limited, Daggons Holdings Limited, Polmadie Limited, Barlborough Links Limited, Telford Way Limited and Minorities Limited, in favour of Bank of Ireland. All companies are either subsidiaries of or fellow subsidiaries of The Property Trust Plc.

The total value of guaranteed loan outstanding at 31 March 2013 was £22,160,750 (2012 £35,851,625) of which £- (2012 £3,560,363) is reflected in creditors above.

16 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2013 or 31 March 2012.

17. POST BALANCE SHEET EVENTS

On 28 June 2013, The Parade, Northampton was transferred to PT Northern Limited, a fellow group company at cost and a new loan of £6 million was taken out with Lloyds TSB plc.

18. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling related party of this company is PT 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 PT Holdings Limited and the smallest such group of undertakings, including the company, is that headed by The Property Trust Plc which is registered in England and Wales.

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

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	215,655	326,691
Dividends	-	(265,000)
	<u>215,655</u>	<u>61,691</u>
Other recognised gains and losses relating to the year (net)	425,000	863,505
	<u>640,655</u>	<u>925,196</u>
Net addition to shareholders' funds	4,987,171	4,061,975
Opening shareholders' funds	<u>5,627,826</u>	<u>4,987,171</u>
Closing shareholders' funds	<u>5,627,826</u>	<u>4,987,171</u>