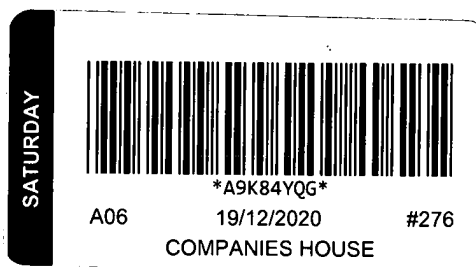


REGISTERED NUMBER: 02884661 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2020
for
PT Southern Limited**



**Contents of the Financial Statements
for the Year Ended 31 March 2020**

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PT Southern Limited

**Company Information
for the Year Ended 31 March 2020**

DIRECTORS:

A K C Cheng
A K B Cheng

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)

INDEPENDENT AUDITORS:

Buzzacott LLP
Statutory Auditor
Chartered Accountants
130 Wood Street
London
EC2V 6DL

**Report of the Directors
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

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.

IMPACT OF COVID-19

The directors have considered the impact of the current COVID-19 pandemic on the company's business, with a particular focus on its effect on the valuation of properties, refer to note 5, and the company's tenants, suppliers, directors and employees.

The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis.

DIRECTORS

A K C Cheng has held office during the whole of the period from 1 April 2019 to the date of this report.

Other changes in directors holding office are as follows:

N C F Chan - resigned 1 April 2019

A K B Cheng - appointed 1 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 and 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.

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.

PT Southern Limited (Registered number: 02884661)

**Report of the Directors
for the Year Ended 31 March 2020**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
A K C Cheng - Director

15 December 2020

Independent Auditors' Report to the Members of PT Southern Limited

Opinion

We have audited the financial statements of PT Southern Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw attention to note 5 of the financial statements, which describes the potential uncertainty over the valuation of the investment properties during the COVID-19 pandemic.

Our opinion is not modified in this respect.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Members of
PT Southern Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 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.



Peter Chapman (Senior Statutory Auditor)
for and on behalf of Buzzacott LLP
Statutory Auditor
Chartered Accountants
London

15 December 2020

**Income Statement
for the Year Ended 31 March 2020**

	Notes	2020 £	2019 £
TURNOVER		885,560	902,394
Other operating charges		<u>(316,887)</u>	<u>(253,227)</u>
GROSS PROFIT		568,673	649,167
Administrative expenses		<u>(240)</u>	-
		568,433	649,167
Other operating income		<u>19,115</u>	<u>15,503</u>
OPERATING PROFIT		587,548	664,670
Interest receivable and similar income		<u>54</u>	<u>12</u>
		587,602	664,682
Gain/loss on revaluation of assets		<u>110,000</u>	<u>707,802</u>
		697,602	1,372,484
Interest payable and similar expenses	4	<u>(217,333)</u>	<u>(215,658)</u>
PROFIT BEFORE TAXATION		480,269	1,156,826
Tax on profit		<u>(56,817)</u>	<u>(214,730)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>423,452</u>	<u>942,096</u>

PT Southern Limited (Registered number: 02884661)

**Balance Sheet
31 March 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Investment property	5	15,940,023	15,689,999
CURRENT ASSETS			
Debtors	6	1,345,909	1,133,243
Cash at bank		<u>137,728</u>	<u>244,754</u>
		1,483,637	1,377,997
CREDITORS			
Amounts falling due within one year	7	<u>(422,967)</u>	<u>(440,442)</u>
NET CURRENT ASSETS		<u>1,060,670</u>	<u>937,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,000,693	16,627,554
CREDITORS			
Amounts falling due after more than one year	8	(5,600,000)	(5,600,000)
PROVISIONS FOR LIABILITIES	9	<u>(1,138,267)</u>	<u>(1,188,580)</u>
NET ASSETS		<u>10,262,426</u>	<u>9,838,974</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Non-distributable reserve	10	9,887,807	9,777,807
Retained earnings		<u>374,618</u>	<u>61,166</u>
SHAREHOLDERS' FUNDS		<u>10,262,426</u>	<u>9,838,974</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2020 and were signed on its behalf by:


.....
A K C Cheng - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

PT Southern Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Impact of COVID-19

The directors have considered the impact of the current COVID-19 pandemic on the company's business, with a particular focus on its effect on the valuation of properties, refer to note 5, and the company's tenants, suppliers, directors and employees.

The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing contingency plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis.

Turnover

Turnover is the total amount receivable from rent recognised on a straight line basis over the term of the lease.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and loans to and from related parties.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2019 - NIL).

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	196,418	194,926
Interest payable to group undertakings	<u>20,915</u>	<u>20,732</u>
	<u>217,333</u>	<u>215,658</u>

5. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 April 2019	15,689,999
Additions	140,024
Revaluations	<u>110,000</u>
At 31 March 2020	<u>15,940,023</u>
NET BOOK VALUE	
At 31 March 2020	<u><u>15,940,023</u></u>
At 31 March 2019	<u><u>15,689,999</u></u>

The fair value of each of the Company's investment properties as at 31 March 2020 was determined by independent external valuers, ProMission Limited, at that date ('the valuation date'). The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation - Professional Standards ("The Red Book") and the International Valuation Standards and were arrived at by reference to market transactions for similar properties.

At the valuation date, due to the effects of the COVID-19 pandemic, RICS had issued guidance to its members that the pandemic would affect the work carried out by its members and firms in a variety of ways and that firms and members should consider whether a 'material valuation uncertainty' declaration to be appropriate, using the Red Book Process, in all issued reports.

RICS explained that a 'material valuation uncertainty' declaration did not mean that the valuation could not be relied upon, but that less certainty - and a higher degree of caution - should be attached to a valuation than would normally be the case.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

5. INVESTMENT PROPERTY - continued

In their latest guidance, issued on 8 September 2020, RICS has stated that material valuation uncertainty may no longer be appropriate for all UK real estate, excluding some assets valued with reference to trading potential. In the latter case, for some leisure and hospitality assets in particular, their guidance states that it is too early to properly assess trading potential and hence value with a sufficient degree of certainty. The guidance therefore emphasises that in these cases it is appropriate for a valuer to maintain the use of a material uncertainty declaration, based on individual valuer judgement, applied on a case by case basis.

The directors acknowledge that at the reporting date there was more uncertainty over the valuations than would normally be the case, however the valuation report issued by ProMission Limited on 3 December 2020 ('the issue date') does not include any "material uncertainty" over the valuation of any of the investment properties held by the company.

If the investment properties had not been revalued, they would have been included on the historical cost basis at £6,052,216 (2019: £5,912,192).

Fair value at 31 March 2020 is represented by:

	£
Valuation in 2002	634,470
Valuation in 2005	750,000
Valuation in 2006	125,000
Valuation in 2009	2,000,000
Valuation in 2012	1,110,535
Valuation in 2013	175,000
Valuation in 2016	300,000
Valuation in 2017	3,975,000
Valuation in 2019	707,802
Valuation in 2020	110,000
Cost	<u>6,052,216</u>
	<u><u>15,940,023</u></u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	210,342	48,559
Amounts owed by group undertakings	1,065,062	999,793
Other debtors	<u>70,505</u>	<u>84,891</u>
	<u><u>1,345,909</u></u>	<u><u>1,133,243</u></u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Taxation and social security	88,914	92,503
Other creditors	<u>334,053</u>	<u>347,939</u>
	<u><u>422,967</u></u>	<u><u>440,442</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

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

	2020 £	2019 £
Bank loans	<u>5,600,000</u>	<u>5,600,000</u>

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

Interest is payable on 75% of the loan at 3.5% and on the remaining 25% at 2.65% over 3 month LIBOR. Bank loans maturing in more than 5 years are £nil (2019: £nil). Contingent liabilities regarding this loan are detailed in note 11.

9. **PROVISIONS FOR LIABILITIES**

	2020 £	2019 £
Deferred tax	<u>1,138,267</u>	<u>1,188,580</u>

	Deferred tax £
Balance at 1 April 2019	1,188,580
Provided during year	<u>(50,313)</u>
Balance at 31 March 2020	<u>1,138,267</u>

	2020 £	2019 £
Excess of taxation allowances over depreciation on fixed assets	79,037	163,318
Revaluation gains	<u>1,059,230</u>	<u>1,025,262</u>
	<u>1,138,267</u>	<u>1,188,580</u>

10. **RESERVES**

	Non-distributable reserve £
At 1 April 2019	9,777,807
Revaluation	<u>110,000</u>
At 31 March 2020	<u>9,887,807</u>

The non-distributable reserve is used to record increases and decreases in the fair value of investment properties.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

11. CONTINGENT LIABILITIES

A cross guarantee exists between the company, Telford Way Limited, Sternberg Properties Limited and Polmadie Limited, in favour of Lloyds Bank plc. All companies are subsidiaries of PT Holdings Limited.

The total value of the guaranteed loan outstanding at 31 March 2020 was £18,500,000 (2019: £18,500,000) of which £5,600,000 (2019: £5,600,000) is reflected in creditors above.

12. CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2020 or 31 March 2019.

13. ULTIMATE CONTROLLING PARTY

A K C Cheng is the company's ultimate controlling related party by virtue of his ownership of Throgmorton International Holdings Limited which in turn owns 95.89% of PT Holdings Limited.

PT Holdings Limited was 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 whose registered office is Clarendon House, Church Street, Hamilton, Bermuda.

The smallest group of undertakings for which group accounts, which include the company, have been drawn up is headed by The Property Trust Plc. The Property Trust Plc has the same registered office as the company.

As a wholly owned subsidiary of PT Holdings Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by PT Holdings Limited.