
PT HOLDINGS LIMITED



REPORT AND ACCOUNTS 2014

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DIRECTORS AND ADVISERS

DIRECTORS

Anthony K.C. Cheng

Mona M.N. Cheng

SECRETARIES

Nelson Chan

Codan Services Limited

REGISTERED OFFICE

Clarendon House, Church Street, Hamilton, Bermuda

COMPANY NUMBER

EC19685

SOLICITORS

Wragge Lawrence Graham & Co LLP

4 More London Riverside, London SE1 2AU

AUDITORS

Grant Thornton UK LLP, Registered Auditor and Chartered Accountants

30 Finsbury Square, London EC2P 2YU

BANKERS & PRINCIPAL LENDERS

Barclays Bank plc

Santander UK plc

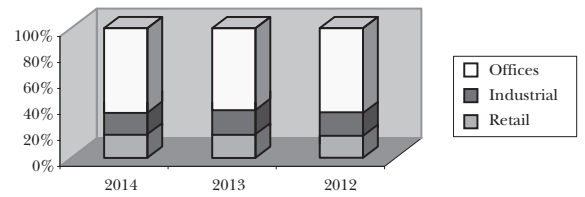
Lloyds Bank plc

PORTFOLIO ANALYSIS

PORTFOLIO VALUATION AT 31 MARCH 2014

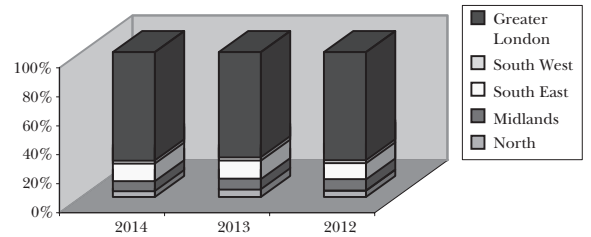
By Type:

Offices	65%
Industrial	18%
Retail	17%
	<hr/>
	100%



By Location:

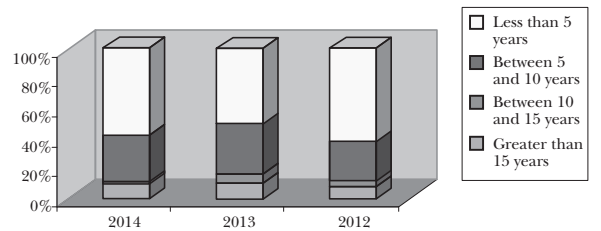
Greater London	75%
South West	2%
South East	12%
Midlands	7%
North	4%
	<hr/>
	100%



RENTROLL AT 31 MARCH 2014

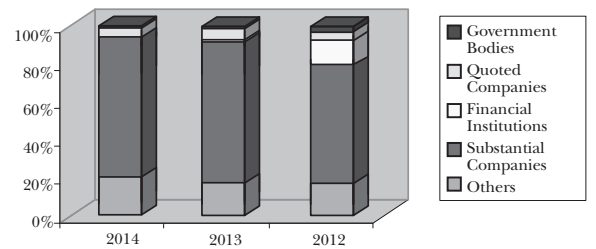
By Unexpired Term:

Less than 5 years	58%
Between 5 and 10 years	31%
Between 10 and 15 years	1%
Greater than 15 years	10%
	<hr/>
	100%



By Tenants:

Government Bodies	1%
Quoted Companies	5%
Financial Institutions	0%
Substantial Companies	74%
Others	20%
	<hr/>
	100%



STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 March 2014.

REVIEW OF THE BUSINESS

The Company is a holding company registered in Bermuda and, together with its subsidiaries, carries on the business of property investment, trading and development.

The Group's main objective is to maximise growth in assets from increases in investment property values and from retained earnings from property rental.

During the year the group has refinanced loans of £16m that were previously held with Bank of Ireland to Lloyds Bank plc.

RESULTS AND PERFORMANCE

The retained profit of the Group for the financial year was £4,253,000 (2013: £3,968,000).

The Directors consider the performance of the Group to be satisfactory considering the continued difficult market conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group uses a mixture of financial instruments including loans, cash, and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

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

LIQUIDITY RISK

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group 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. Short-term flexibility is achieved by the use of overdraft facilities. Liquid resources are deemed to be cash and overdraft facilities.

INTEREST RATE RISK

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

CREDIT RISK

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

The principal credit risk arises from trade debtors. In order to manage credit risk the Directors perform credit checks on potential tenants prior to granting a lease. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

FUTURE DEVELOPMENTS

The Group intends to continue to maximise growth by acquiring property with the potential to increase in value and provide an adequate rental income stream using reserves and loan finance.

By order of the Board of Directors, on 7 November 2014.

NELSON CHAN

Secretary

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31 March 2014.

DIVIDENDS

The Directors believe that the interests of shareholders are best served by retention of the Group's resources. Accordingly, the Directors do not recommend the payment of a dividend (2013: £nil).

DIRECTORS

The Directors who served during the year ended 31 March 2014, are set out below:

A.K.C. Cheng

M.M.N. Cheng

A.K.B. Cheng (non-executive) (until 10 November 2013).

In accordance with The Bermuda Companies Act 1981 all Directors will retire at the forthcoming Annual General Meeting, all being eligible, offer themselves for re-election.

No Director has a service contract of more than one year's duration.

A.K.C. Cheng is interested in the provision of a loan facility to the Company of up to HK\$40,000,000 for use in connection with the development in Guangzhou, China.

The balance of this facility as at the year end was HK\$15,771,282 (2013: HK\$16,100,097).

AUDITORS

In accordance with Section 89 of the Bermuda Companies Act 1981, a resolution for the re-appointment of Grant Thornton UK LLP as auditors of the Company will be proposed at the Annual General Meeting.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and accounting standards. The Directors have chosen to prepare the accounts in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

REPORT OF THE DIRECTORS

In so far as the Directors are aware:

- there is no relevant audit information of which the Group'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.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Company. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Directors, on 7 November 2014.

NELSON CHAN
Secretary

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF PT HOLDINGS LIMITED

We have audited the financial statements of PT Holdings Limited for the year ended 31 March 2014 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profit and losses, the consolidated and Company balance sheets, the consolidated cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's members, as a body, in accordance with Section 90(2) of the Bermuda Companies Act 1981. 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 AUDITORS

As explained more fully in the Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements which 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 Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 31 March 2014 and of the Group's and parent company's profit for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice

Grant Thornton UK LLP
Statutory Auditor
London
7 November 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT
year ended 31 March 2014

	Note	2014 £'000	2013 £'000
TURNOVER	2	7,876	8,598
Cost of sales		(1,565)	(1,441)
GROSS PROFIT		6,311	7,157
Other income		276	320
Administrative expenses		(501)	(610)
OPERATING PROFIT		6,086	6,867
Profit on disposal of fixed assets		-	66
Interest receivable and similar income	4	53	48
Interest payable and similar charges	5	(2,467)	(2,807)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	3,672	4,174
Taxation on profit on ordinary activities	7	632	(381)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,304	3,793
Minority interest	17	(51)	175
PROFIT FOR THE FINANCIAL YEAR			
TRANSFERRED TO RESERVES	17	4,253	3,968

All of the activities of the Group are classified as continuing.

**CONSOLIDATED STATEMENT OF
TOTAL RECOGNISED GAINS AND LOSSES**
year ended 31 March 2014

	2014 £'000	2013 £'000
Profit for the financial year	4,253	3,968
Unrealised foreign exchange differences	(1,463)	1,663
Revaluation in year	4,756	(3,337)
TOTAL RECOGNISED GAINS AND LOSSES SINCE LAST FINANCIAL REPORT	7,546	2,294

**CONSOLIDATED NOTE OF HISTORICAL
COST PROFIT AND LOSSES**
year ended 31 March 2014

	2014 £'000	2013 £'000
Profit for the financial year	4,253	3,968
Realisation of revaluation losses of previous years	(8)	2,479
Historical cost profit on ordinary activities before taxation ..	4,245	6,447
Taxation on profit on ordinary activities	632	(381)
Minority interest	(51)	175
TOTAL RECOGNISED GAINS AND LOSSES SINCE LAST FINANCIAL REPORT	4,826	6,241

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

BALANCE SHEETS
as at 31 March 2014

	Note	GROUP		COMPANY	
		2014 £'000	2013 £'000	2014 £'000	2013 £'000
FIXED ASSETS					
Tangible assets	8	128,353	116,548	–	–
Intangible assets	9	(130)	(130)	–	–
Investments	10	8,368	9,522	17,700	18,854
		136,591	125,940	17,700	18,854
CURRENT ASSETS					
Stocks	11	200	200	–	–
Debtors	12	2,129	2,777	45,491	40,741
Cash at bank and in hand ..		3,322	7,150	183	1,334
		5,651	10,127	45,674	42,075
CREDITORS: amounts falling due					
within one year	13	(26,221)	(43,878)	(1,777)	(1,846)
NET CURRENT (LIABILITIES)/ASSETS ..		(20,570)	(33,751)	43,897	40,229
TOTAL ASSETS					
LESS CURRENT LIABILITIES.		116,021	92,189	61,597	59,083
CREDITORS: amounts falling due					
after more than one year	14	(37,187)	(20,006)	–	–
PROVISIONS	15	(1,305)	(2,259)	–	–
		77,529	69,924	61,597	59,083
CAPITAL AND RESERVES					
Called up share capital	16	9,383	9,383	9,383	9,383
Share premium account	17	6,846	6,846	6,846	6,846
Revaluation reserve	17	(6,594)	(9,868)	–	–
Capital reserve	17	1,248	1,248	955	955
Profit and loss account	17	63,321	60,531	44,413	41,899
EQUITY SHAREHOLDERS' FUNDS	18	74,204	68,140	61,597	59,083
MINORITY INTEREST	17	3,325	1,784	–	–
		77,529	69,924	61,597	59,083

Approved and signed on behalf of the Board of Directors on 7 November 2014.

Anthony Cheng
Director

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

CONSOLIDATED CASH FLOW STATEMENT
year ended 31 March 2014

Note	2014 £'000	2013 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES19a	11,110	8,593
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE19b	(2,414)	(2,759)
TAXATION	(439)	(498)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT19b	(7,469)	25,186
FINANCING		
New bank loans	16,000	14,000
Bank loans repaid	(20,616)	(41,403)
	(4,616)	(27,403)
(DECREASE)/INCREASE IN CASH19c	(3,828)	3,119

**RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET DEBT**

	2014 £'000	2013 £'000
INCREASE/(DECREASE) IN CASH IN THE YEAR	(3,828)	3,119
Cash outflow from movement in debt	4,616	27,403
MOVEMENT IN NET DEBT IN THE YEAR	788	30,522
NET DEBT AT 1 APRIL 2013	(36,148)	(66,670)
NET DEBT AT 31 MARCH 2014.19c	(35,360)	(36,148)

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

1. ACCOUNTING POLICIES

The principal accounting policies which are set out below have remained unchanged from the previous year and have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

(A) ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with The Bermuda Companies Act 1981 and applicable United Kingdom Generally Accepted Accounting Practice and under the historical cost convention except that freehold and leasehold investment properties are shown at their revalued amount.

(B) BASIS OF CONSOLIDATION

The Group accounts consolidate the accounts of the Company and all subsidiary undertakings, on an acquisition basis.

Where acquisition accounting principles apply, the fair values of the assets and liabilities of subsidiaries at the date of acquisition are determined, and these values are incorporated into the consolidated accounts. Any difference between the cost of investment and the fair value of these subsidiaries is capitalised as goodwill and amortised over its economic life.

Where subsidiary companies have been formed in connection with the acquisition of properties and the accounting periods are less than six months statutory accounts are not prepared. Under these circumstances the consolidated accounts incorporate the unaudited financial statements for the appropriate period.

The Group has considerable financial resources and as a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis accounting in preparing the annual financial statements.

(C) TURNOVER

Turnover is the total amount receivable from rent recognised on a straight line basis over the term of the lease. This includes the effect of significant lease incentives to tenants, which are normally in the form of rent free periods.

(D) TANGIBLE FIXED ASSETS

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 Group's properties held for long-term investment are included in the balance sheet at their open market value. 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. 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

(D) TANGIBLE FIXED ASSETS – CONTINUED

prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified and quantified.

Other fixed assets are normally depreciated over their estimated useful lives as follows:

Fixtures, fittings and equipment	10% – 25% per annum
Motor vehicles	20% per annum

(E) INTANGIBLE FIXED ASSETS

Negative goodwill is recognised on the balance sheet in accordance with Financial Reporting Standard No. 10. Negative goodwill is recognised in the profit and loss account in the periods in which the assets are recovered.

(F) INVESTMENTS

(i) GROUP UNDERTAKINGS

These are valued at the lower of cost and the net asset value shown in their financial statements at the accounting date.

(ii) FIXED ASSET INVESTMENTS

These are stated at cost less provision for diminution in value.

(G) STOCKS

Properties in the course of development or held for future development are valued at the lower of cost and net realisable value. Cost includes attributable interest, overhead expenses and project management costs. Net realisable value of development sites and properties in the course of development takes into account the price ultimately expected to be realised and the anticipated costs to completion, and assumes that the necessary planning consents will be obtained

(H) DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the Group 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.

(I) RECOGNITION OF INCOME ARISING ON SALE OF PROPERTIES

Income from the sale of properties is brought into account on the date of completion.

(J) FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences arise from the translation of foreign currency borrowings raised to acquire foreign assets (including equity investments) they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

(K) 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.

In respect of fixed term loans, exchange differences reflected in the parent company's individual accounts follow through to the consolidated profit and loss account.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES – CONTINUED

(K) FINANCIAL INSTRUMENTS – CONTINUED

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.

2. TURNOVER	2014 £'000	2013 £'000
Rents receivable	7,876	8,598

All income was derived from within the United Kingdom. The Directors consider that the Group has a single activity of investing in and developing property and does not require segmental analysis.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Employee costs, including Directors, during the year	2014 £'000	2013 £'000
Wages and salaries	198	203
Social security costs	40	39
	238	242

The average number of employees, including Directors, during the year was as follows:

	NUMBER	NUMBER
Management and administration	15	14

4. INTEREST RECEIVABLE AND SIMILAR INCOME	2014 £'000	2013 £'000
Short term deposits and sundry interest	53	48

5. INTEREST PAYABLE AND SIMILAR CHARGES	2014 £'000	2013 £'000
On bank loans and overdrafts.	2,467	2,807

NOTES TO THE ACCOUNTS

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 £'000	2013 £'000
The profit on ordinary activities before taxation is stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	5	5
Fees payable to the Company's auditor for other services to the Group		
– audit of the Company's subsidiaries	69	66
– taxation services	28	28
	28	28

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2014 £'000	2013 £'000
The tax charge represents:		
United Kingdom tax at 20% (2013: 20%)	319	517
Adjustment in respect of prior year	3	–
Total current tax	322	517
Deferred tax – origination and reversal of timing differences	(954)	(136)
Tax on profit on ordinary activities	(632)	381

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than the standard rate of income tax in the UK at 20% (2013: 20%) as payable under the UK's non resident landlord scheme.

The differences are explained as follows:	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	3,672	4,174
Profit on ordinary activities multiplied by standard rate of income tax in the UK at 20% (2013: 20%)	734	835
Effect of:		
Income not chargeable for tax purposes	(544)	(398)
Capital allowances for the period in excess of depreciation.	(127)	(77)
Tax losses utilised	(30)	(66)
Difference in tax rates	19	27
Tax losses created	267	196
Adjustments to tax charge in respect of previous periods	3	–
Current tax charge for year	322	517

NOTES TO THE ACCOUNTS

8. TANGIBLE FIXED ASSETS

GROUP	INVESTMENT PROPERTIES		FIXTURES FITTINGS AND EQUIPMENT £'000	MOTOR VEHICLES £'000	TOTAL £'000
	FREEHOLD £'000	LONG LEASEHOLD £'000			
COST OR VALUATION					
At 1 April 2013	115,848	700	312	244	117,104
Additions	7,889	–	–	–	7,889
Disposals	(840)	–	–	–	(840)
Revaluation in the year	4,756	–	–	–	4,756
At 31 March 2014	127,653	700	312	244	128,909
DEPRECIATION					
At 1 April 2013 and at 31 March 2014	–	–	312	244	556
NET BOOK VALUE					
At 31 March 2014	127,653	700	–	–	128,353
At 31 March 2013	115,848	700	–	–	116,548
COMPANY					
					MOTOR VEHICLES £'000
COST					
At 1 April 2013 and at 31 March 2014					244
DEPRECIATION					
At 1 April 2013 and at 31 March 2014					244
NET BOOK VALUE					
At 31 March 2014					–
At 31 March 2013					–

On 25 July 2013 a property in Nottingham was sold for £840,000 and on 31 July 2013 a property in Liverpool Road, London was acquired for £5.6m. During the year refurbishments were carried out at 12 Carthusian Street, London, Lincoln House, Hammersmith and 5/10 Bury Street, London totalling £2.3m.

Full independent valuations of various investment properties were carried out in accordance with RICS Valuation Standards by Colliers International, an independent firm of professional valuers on 12 November 2012 and 11 February 2013.

Valuations of the remaining investment properties as at 31 March 2014 were carried out in accordance with the RICS Valuation Standards by the Directors, who have been advised by external valuers.

The primary source of evidence for valuations is recent, comparable market transactions on arms length terms.

NOTES TO THE ACCOUNTS

8. TANGIBLE FIXED ASSETS – CONTINUED

If investment properties had not been revalued they would have been stated at a cost of:

	2014 £'000	2013 £'000
Freehold	134,193	125,662
Long leasehold	754	754

9. INTANGIBLE FIXED ASSETS

GROUP

The negative goodwill amounting to £130,000 (2013: £130,000) is shown as a negative balance on the balance sheet within fixed assets.

The amount arose on acquisition on 31 August 2004 of Ikon House Limited. The negative goodwill is not amortised and will only be released to the profit and loss account on the eventual sale of the properties acquired with the Company.

10. INVESTMENTS

(A) GROUP

Fixed asset investments

	COST £'000	LOANS AND INTEREST CAPITALISED £'000	PROVISIONS £'000	TOTAL £'000
At 1 April 2013	12,123	5,935	(8,536)	9,522
Advance in the year	–	420	–	420
Foreign exchange retranslation	(1,056)	(518)	–	(1,574)
At 31 March 2014	11,067	5,837	(8,536)	8,368

Silver Gain Developments Limited (“Silver Gain”) is a 33.3% owned company incorporated in Hong Kong. Silver Gain owns Guangzhou Garden Plaza Development Company Limited (“Garden Plaza”), a company incorporated in the People’s Republic of China (“PRC”) for the purposes of undertaking a property development in Guangzhou, in the PRC. The business licence held by Garden Plaza that expired in March 2013 has been renewed until March 2023.

The loan to Silver Gain, which is denominated in Hong Kong dollars, is repayable on the agreement of the joint venture parties.

In view of the nature of Silver Gain’s activities the Directors consider that, in line with the Group’s normal policy of capitalising interest on properties in the course of development, interest charged on a loan to finance the investment acquisition will be added to the cost.

It is anticipated any profits will only be distributed by Silver Gain once the development is completed.

The voting rights in Silver Gain are split equally amongst the three investors. The Directors of the Company are of the opinion that they cannot exercise significant influence over strategic and operating policies of Silver Gain. As a result the investment in Silver Gain is accounted for as a trade investment recorded at cost less provision for diminution in value.

At 31 December 2013, which is the date that the latest accounts for Silver Gain were drawn up to, the aggregate surplus on reserves was HK\$4,631,769, £358,496 (2012: HK\$1,162,836, £92,329) and the surplus for the year ended on that date was HK\$3,468,933, £268,493 (2012: HK\$171,790,001, £13,640,126).

NOTES TO THE ACCOUNTS

10. INVESTMENTS – CONTINUED

(B) COMPANY

	GROUP UNDERTAKINGS £'000
COST OR VALUATION	
At 1 April 2013	18,854
Advance in the year	420
Foreign exchange retranslation	(1,574)
At 31 March 2014	17,700

(C) GROUP UNDERTAKINGS

The list below shows the main operating subsidiary undertakings as at 31 March 2014.

All the companies are included in the consolidation and, unless otherwise stated, are registered in England and Wales, are 100% owned, and are principally engaged in the activities of property investment, trading and development in the United Kingdom.

The Property Trust Plc

*Hailhill Limited

*Lune Industrial Estate Limited

*Noak Limited

*Property Trust Management Services Limited

*PT Investments Limited

*PT Northern Limited

*PT Southern Limited

*PT South West Limited

*PT Store Investments Limited

Property Trust China Investments Limited (incorporated in the British Virgin Islands)
an intermediate investment company

PTH (Jersey) Limited (incorporated in Jersey)

PTH (Holborn) Limited (incorporated in Jersey)

Daggons Holdings Limited (incorporated in British Virgin Islands)

PTH Hammersmith Limited (incorporated in Jersey)

Bury Street Limited (incorporated in British Virgin Islands)

Sternberg Properties Limited (incorporated in British Virgin Islands)

Polmadie Limited (incorporated in British Virgin Islands)

Telford Way Limited (incorporated in British Virgin Islands)

Barlborough Links Limited (incorporated in Gibraltar)

Minories Limited (incorporated in British Virgin Islands)

Carter Lane Limited (incorporated in British Virgin Islands)

Godliman Limited (incorporated in British Virgin Islands)

Nivess Holdings Limited (incorporated in British Virgin Islands)

Carthusian Properties Limited (incorporated in the British Virgin Islands)

**Hewett Street Limited (incorporated in British Virgin Islands)

**Ikon House Limited (incorporated in British Virgin Islands)

*Held through The Property Trust Plc

**owned 50% by PT Holdings Limited and 50% by A.K.C. Cheng

NOTES TO THE ACCOUNTS

11. STOCKS

GROUP

The stock of land held for development and/or resale valued at £200,000 (2013: £200,000) is carried at the lower of cost and net realisable value.

12. DEBTORS

	GROUP		COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Trade debtors	600	862	-	-
Amounts owed by subsidiary undertakings ..	-	-	45,487	39,987
UK taxation	70	79	-	-
Other taxes and social security	23	144	-	-
Other debtors	1,315	1,692	4	754
Prepayments and accrued income	121	-	-	-
	2,129	2,777	45,491	40,741

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Bank loans (secured)	1,495	23,292	-	-
Short term loans (unsecured).	17,936	14,611	1,227	1,373
UK taxation	334	461	-	-
Other taxes and social security	471	399	-	-
Other creditors.	3,137	2,538	550	473
Accruals and deferred income	2,848	2,577	-	-
	26,221	43,878	1,777	1,846

The short term loans are due to A.K.C. Cheng, see note 22.

NOTES TO THE ACCOUNTS

14. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP	
	2014 £'000	2013 £'000
Secured loans repayable by:		
*2013 – Interest at 1.10% over LIBOR	–	4,025
*2013 – Interest at 1.15% over LIBOR	–	11,510
*2013 – Interest fixed until May 2013 at 6.14%	–	6,625
2015 – Interest capped at 4.15%	2,925	–
2015 – Interest at 3.35% over LIBOR	12,619	13,700
2016 – Interest at 2.41% over LIBOR	7,388	7,438
2017 – Interest fixed at 4.45%	15,750	–
	38,682	43,298
Current portion of loans (note 13)	(1,495)	(23,292)
	37,187	20,006

Bank loans repayable within 1 year are £1,495,000 (2013: £23,292,000), amounts maturing in more than 5 years are £nil (2013: £nil).

The Group has entered into two interest rate swap agreements with Santander UK plc the first to pay interest of 1.51% against 3 month LIBOR on £5.6m reducing by £8,750 per quarter until 27 October 2014 and the second to pay interest of 0.9275% against 3 month LIBOR on £14m reducing by amounts equal to the quarterly loan repayments until 27 November 2015.

During the year the Group has entered into an interest rate swap agreement with Lloyds Bank plc to pay interest of 1.345% against 3 month LIBOR on £11.9m reducing by £93,750 per quarter until 28 June 2017.

During the year the Group has entered into an interest rate cap agreement with Santander UK plc to limit 3 month LIBOR to 1% on £3m reducing by amounts equal to the quarterly loan repayments until 27 November 2015.

The secured loans are secured by charges over some of the Group's investment properties.

*These loans are also guaranteed by The Property Trust Plc.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	GROUP DEFERRED TAXATION £'000
Accelerated capital allowances as at 1 April 2013	2,259
Provided during the year	(954)
Accelerated capital allowances as at 31 March 2014	1,305

NOTES TO THE ACCOUNTS

16. CALLED UP SHARE CAPITAL

	AUTHORISED		ISSUED, ALLOTTED AND CALLED UP	
	NUMBER	£'000	NUMBER	£'000
Common shares of 50p each:				
At 1 April 2013 and 31 March 2014	30,000,000	15,000	18,766,875	9,383

17. RESERVES AND MINORITY INTEREST

GROUP	SHARE PREMIUM ACCOUNT £'000	REVALUATION RESERVE ACCOUNT £'000	CAPITAL RESERVE ACCOUNT £'000	PROFIT & LOSS ACCOUNT £'000	MINORITY INTEREST £'000	TOTAL £'000
At 1 April 2013	6,846	(9,868)	1,248	60,531	1,784	60,541
Profit for financial year	-	-	-	4,253	51	4,304
Revaluation in year	-	3,266	-	-	1,490	4,756
Realisation on disposal	-	8	-	(8)	-	-
Unrealised foreign exchange loss	-	-	-	(1,455)	-	(1,455)
At 31 March 2014	6,846	(6,594)	1,248	63,321	3,325	68,146

COMPANY	SHARE PREMIUM ACCOUNT £'000	CAPITAL RESERVE ACCOUNT £'000	PROFIT & LOSS ACCOUNT £'000	TOTAL £'000
At 1 April 2013	6,846	955	41,899	49,700
Profit for financial year	-	-	3,969	3,969
Unrealised foreign exchange loss	-	-	(1,455)	(1,455)
At 31 March 2014	6,846	955	44,413	52,214

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
GROUP		
Profit for the year	4,253	3,968
Revaluation in year	3,266	(3,337)
Unrealised foreign exchange loss	(1,455)	802
Net addition to shareholders' funds	6,064	1,433
Opening shareholders' funds	68,140	66,707
Closing shareholders' funds	74,204	68,140

NOTES TO THE ACCOUNTS

19. (A) RECONCILIATION OF OPERATING PROFIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Operating profit	6,086	6,867
Movement in debtors	640	(1,148)
Movement in creditors	4,267	2,979
Foreign exchange	117	(105)
	11,110	8,593

19. (B) ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED
IN THE CASH FLOW STATEMENT

	2014 £'000	2013 £'000
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	53	48
Interest paid	(2,467)	(2,807)
	(2,414)	(2,759)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		
Sale of investment properties	840	25,775
Purchase of investment properties	(7,889)	(589)
Advance of loan to investment	(420)	–
	(7,469)	25,186

19. (C) ANALYSIS OF NET DEBT

	AT 1 APRIL 2013 £'000	CASH FLOW £'000	NON CASH MOVEMENTS £'000	AT 31 MARCH 2014 £'000
Cash at bank	7,150	(3,828)	–	3,322
	7,150	(3,828)	–	3,322
Debt due within one year	(23,292)	21,797	–	(1,495)
Debt due after more than one year	(20,006)	(17,181)	–	(37,187)
Total	(36,148)	788	–	(35,360)

NOTES TO THE ACCOUNTS

20. CAPITAL COMMITMENTS

There were no material capital commitments either contracted or authorised at 31 March 2014 or 31 March 2013.

21. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2014 or 31 March 2013.

22. RELATED PARTY TRANSACTIONS

Included in short term loans are balances owed to A.K.C. Cheng, a Director of the Company, amounting to £17,935,793 (2013: £14,610,863) interest is charged on this balance at 6%. The movement in the year was due to foreign exchange retranslation, accrued interest and advances during the year.

23. CONTROLLING RELATED PARTY

Throgmorton International Holdings Limited is the Company's controlling related party by virtue of its 17,896,200 shares held, 95.36% shareholding, in the Company. A.K.C. Cheng, a Director of the Company, is the sole shareholder of Throgmorton International Holdings Limited.
