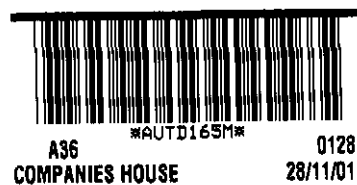


**P&O SWIRE CONTAINERS LIMITED**  
**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2000**

(Company No: 971548)



# P&O SWIRE CONTAINERS LIMITED

## DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

1. The Directors present herewith their annual report and the audited consolidated financial statements of P&O Swire Containers Limited and its subsidiaries ("the Group") for the year ended 31 December 2000.

2. **Group Results**

The consolidated profit and loss account for the year is set out on page 5.

3. **Dividends**

The directors proposed and paid a final dividend of US\$250.51 per "A" Ordinary share (1999: US\$ nil per share) on 31 December 2000.

Aldgate Shipping Ltd. final dividend of \$3,381.91 per share totalling \$338,191 in respect of 1999 financial year has been received in October 2000.

P&O Swire Containers (Australia) Ltd. final dividend of \$935.06 per share totalling \$1,870,123.00 in respect of 2000 financial year has been received on 31 December 2000.

P&O Swire Containers (New Zealand) Ltd. final dividend of \$15.20 per share totalling \$3,800,131.00 in respect of 2000 financial year has been received on 31 December 2000.

Whitechapel Shipping Ltd. final dividend of \$207.35 per share totalling \$2,073,528.00 in respect of 2000 financial year has been received on 31 May 2000.

4. **Creditor Payment Policy**

It is not the Group's policy to follow any published code or standard on payment practice in respect of its suppliers. P&O Swire Containers Limited ("the Company") has a policy to pay all suppliers for approved purchases according to credit terms agreed with individual suppliers.

5. **Principal Activities of the Group and Review of the Year**

The principal activity of the Group is the operation of container through transport shipping container services between Australia, New Zealand and the Far East

6. **Directors**

The Directors of the Company at any time during or since the end of the year were:

Sir Adrian Swire (resigned 31 December 2000)  
T.C. Harris (resigned 09 May 2000)  
J.W.J. Hughes-Hallett  
J.D. Roberts  
B.N. Swire  
R.B. Woods  
G Cundle (appointed 22 January 2001)  
A.J. Mason (appointed 22 January 2001)  
P.A. Walker (appointed 22 January 2001)

7. **Directors' Interests**

According to the register of directors' interests kept under section 325 of the Companies Act 1985, no directors had disclosable interests in either the shares of the Company or of any other Group company at the end of the year.

BY ORDER OF THE BOARD

G. R. CHEESEMAM  
Secretary

Registered Office  
Beagle House  
Braham Street  
London E1 8EP

  
26 NOVEMBER 2001

# P&O SWIRE CONTAINERS LIMITED

## Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITORS REPORT**  
**TO THE MEMBERS OF**  
**P&O SWIRE CONTAINERS LIMITED**

We have audited the financial statements on pages 5 to 21.

**Respective Responsibilities of Directors and Auditors**

The directors are responsible for preparing the director's report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit of those statements and to report our opinion to you.

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

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditors

PO Box 695  
8 Salisbury Square  
London EC4Y 8BB

*27 November* 2001

# P&O SWIRE CONTAINERS LIMITED

## Consolidated Profit and Loss Account For The Year Ended 31 December 2000

	<u>Notes</u>	<u>2000</u> USD'000	<u>1999</u> USD'000
Turnover	2	97,032	95,777
Cost of sales		<u>(91,160)</u>	<u>(93,388)</u>
Gross profit		5,872	2,389
Administrative expenses		<u>(4,193)</u>	<u>(4,341)</u>
Operating profit/(loss)	3	1,679	(1,952)
Other operating (expense)/income	6	<u>(64)</u>	<u>90</u>
Profit/(loss) on ordinary activities before taxation		1,615	(1,862)
Tax on profit/(loss) on ordinary activities	7	<u>12,843</u>	<u>820</u>
Profit/(loss) on ordinary activities after taxation and for the financial year	16	14,458	(1,042)
Retained reserves at 1 January 2000		<u>59,324</u>	<u>60,366</u>
Total available for appropriation		73,782	59,324
Dividends proposed and paid	17	<u>(13,389)</u>	<u>-</u>
Retained reserves at 31 December 2000		<u><u>60,393</u></u>	<u><u>59,324</u></u>

There are no gains or losses other than those recognised above.

All turnover and profit on ordinary activities is derived from continuing operations.

The notes on pages 8 to 21 form part of these financial statements.

# P&O SWIRE CONTAINERS LIMITED

Consolidated Balance Sheets as at 31 December 2000

	<u>Notes</u>	<u>Group</u> <u>2000</u> USD'000	<u>Group</u> <u>1999</u> USD'000	<u>Company</u> <u>2000</u> USD'000	<u>Company</u> <u>1999</u> USD'000
<b>FIXED ASSETS</b>					
Tangible assets	8	57,007	62,024	57,007	62,024
Investments	9	-	-	1,694	1,694
		<u>57,007</u>	<u>62,024</u>	<u>58,701</u>	<u>63,718</u>
<b>CURRENT ASSETS</b>					
Stocks	10	3,133	3,585	3,133	3,585
Debtors	11	11,458	22,475	11,458	22,475
Cash at bank and on hand	20	1	26	1	26
		<u>14,592</u>	<u>26,086</u>	<u>14,592</u>	<u>26,086</u>
<b>CREDITORS</b>					
- amounts falling due within one year	12	(10,261)	(14,740)	(10,261)	(14,718)
		<u>4,331</u>	<u>11,346</u>	<u>4,331</u>	<u>11,368</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>61,338</u>	<u>73,370</u>	<u>63,032</u>	<u>75,086</u>
<b>CREDITORS</b>					
- amounts falling due after more than one year	13	-	-	(1,694)	(9,797)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
	14(b)	-	(13,101)	-	(13,101)
<b>NET ASSETS</b>					
		<u>61,338</u>	<u>60,269</u>	<u>61,338</u>	<u>52,188</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15,16	96	96	96	96
Share premium account	16	849	849	849	849
Profit and loss account	16	60,393	59,324	60,393	51,243
Equity shareholders' funds	16	<u>61,338</u>	<u>60,269</u>	<u>61,338</u>	<u>52,188</u>

These financial statements were approved by the Board of Directors on 26 NOVEMBER 2001

and signed on its behalf by J. D. Roberts **J. D. ROBERTS**, Director.

The notes on pages 8 to 21 form part of these financial statements.

# P&O SWIRE CONTAINERS LIMITED

## Consolidated Cash Flow Statement For The Year Ended 31 December 2000

	<u>Notes</u>	<u>2000</u> USD'000	<u>1999</u> USD'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	19	1,375	222
Overseas tax (paid)/received		(22)	30
UK tax (paid)		(3,553)	(1,005)
<b>TAX PAID</b>		(3,575)	(975)
Purchase of tangible fixed assets		(469)	-
Sale of tangible fixed assets		2,319	759
<b>NET CASH INFLOW FROM INVESTING ACTIVITIES</b>		1,850	759
Dividends paid		(13,389)	-
<b>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		(13,739)	6
<b>FINANCING</b>			
Repayment of loans issued by Group to shareholders	21	13,714	-
<b>NET CASH OUTFLOW FROM FINANCING</b>		13,714	-
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	20	(25)	6

The notes on pages 8 to 21 form part of these financial statements.



# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES

#### (a) Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention and are in accordance with applicable accounting standards.

The consolidated financial statements for the year ended 31 December 2000 include the financial results to that date of the parent company and of all subsidiary undertakings.

The financial statements include the proportional consolidation of the group's share of a non-corporate joint arrangement in which the group holds a 56.67% share (1999 - 56.67%). The Group's share of the results, assets and liabilities have been included in the consolidated financial statements on a line-by-line basis. Summarised financial statements of the group's share in respect of this non-corporate joint arrangement are shown in note 18.

#### (b) Turnover

Turnover represents the amounts, excluding VAT, invoiced to customers in respect of shipping and transport operations completed during the accounting period.

#### (c) Operating Profit

Operating profit includes the results of all shipping and transport operations completed during the period. Revenue and costs in respect of such operations which were not completed at the end of the period are carried forward as "Deferred revenue" and within "Stocks" respectively.

The Group participates in certain operating arrangements with other lines. The results thereof are accounted for on an accruals basis, estimates being used to the extent that final information is not available.

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### (d) Foreign Currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction or at the rate specified in any related forward exchange contract. Profits and losses of subsidiaries, branches and associates which have currencies of operation other than US dollars are translated into US dollars at average rates of exchange except for material exceptional items which are translated at the rate ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates.

Exchange differences arising from the translation of the opening net assets of subsidiaries, branches and associates, which have currencies or operations other than US dollars, and any related loans, are taken to reserves together with the differences arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end. Other exchange differences are taken to the profit and loss account.

### (e) Depreciation

Depreciation of fixed assets is calculated on a straight line basis so as to write off their cost less their estimated residual value over their expected lives which are normally:

- |      |                          |   |             |
|------|--------------------------|---|-------------|
| (i)  | Container ships          | : | 25-30 years |
| (ii) | Containers and trailers: |   | 10-15 years |

### (f) Ship Dry Dock Expenditure

An element of the cost of an acquired ship is attributed at acquisition to its service potential reflecting its maintenance condition. This cost is amortised over the period to the next dry docking or the remaining life of the ship. Costs incurred on subsequent dry docking of ships are capitalised and expensed over the period to the next dry docking. Following the adoption of FRS 15, these costs which were previously shown as prepayments, are now shown as part of tangible fixed assets. The comparative figures for 1999 have been restated accordingly.

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### (g) Pensions

The company participates in a defined contribution pension scheme for its employees. Contributions, based on a fixed percentage of employees' salaries, are determined by both the Australian government and unions. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to \$279,652 (1999: \$120,549).

### (h) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation, using the "Partial Provision Method" which is applied to the extent that a probable liability will crystallise in the foreseeable future.

### (i) Investments in Subsidiaries

The investments in subsidiaries are stated at the lower of cost and the underlying net asset value of the relevant subsidiary undertakings.

### (j) Goodwill

Goodwill arising on consolidation in respect of acquisitions before 1 January 1998, when FRS 10 was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs, the profit or loss on sale includes attributable goodwill.

Goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised and written off in equal annual instalments over its estimated useful life (assessed at the date of each acquisition). When a subsequent disposal occurs, the profit or loss on sale is calculated after taking account of the unamortised amount of any related goodwill.

### (k) Interest on Progress Payments

Interest incurred in respect of payments on account of vessels under construction up to the date of delivery is capitalised to the cost of the vessel concerned in the consolidated accounts.

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### (l) Stocks

Stocks are valued at the lower of cost and net realisable value.

### (m) Profit of the Company

No separate profit and loss account is presented for the company as provided by S228(7) of the Companies Act 1985. The profit of the company for the year is shown in note 16.

## 2. GEOGRAPHICAL ANALYSIS OF TURNOVER

	Group 2000 USD'000	Group 1999 USD'000
Australia & Pacific	48,940	46,294
Far East	48,092	48,897
Other Areas	-	586
	<hr/> 97,032	<hr/> 95,777

## 3. PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit/loss on ordinary activities before taxation is stated after charging / (crediting)

	Group 2000 USD'000	Group 1999 USD'000
Depreciation	5,580	5,847
Auditor's remuneration for audit services		
: Group	36	41
: Parent	36	41
Loss/(profit) on sale of containers	275	4
(Profit)/loss on sale of ship	(1,566)	-
	<hr/>	<hr/>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STAFF NUMBERS AND COSTS

	2000 <u>Nos</u>	1999 <u>Nos</u>
Overseas staff - Seafarers	41	46
	<hr/>	<hr/>
	Group 2000 USD'000	Group 1999 USD'000
Salaries and wages paid to company employees	2,002	2,135
Contributions to pension fund	280	121
	<hr/>	<hr/>
	2,282	2,256
	<hr/>	<hr/>

The employees of the company are members of independently managed Australian pension funds. The company does not operate an internally managed scheme on behalf of its employees.

### 5. DIRECTORS' EMOLUMENTS

No remuneration was paid or is payable for duties performed, (1999: US\$ nil).

### 6. OTHER OPERATING INCOME / (EXPENDITURE)

	Group 2000 USD'000	Group 1999 USD'000
Realised foreign exchange (loss)/gain	(64)	90
	<hr/>	<hr/>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group 2000 USD'000	Group 1999 USD'000
UK Corporation tax charge at 30% (1999: 31%)		
- Prior Year Credit / (Charge)	35	-
- Current Year Credit / (Charge)	(293)	839
Deferred taxation (note 14)		
- Prior Year Credit / (Charge)	13,101	243
- Current Year Charge	-	(262)
<b>Current Year Credit / (Charge)</b>	<b>12,843</b>	<b>820</b>

The company has entered into the Tonnage Tax regime with effect from 1 January 2001 and therefore in the opinion of the directors the Potential Deferred Tax Liability will no longer crystallise and therefore has been released to profit and loss.

### 8. FIXED ASSETS: TANGIBLE ASSETS

Group and Company	Ships Owned USD'000	Plant & Equipment Owned USD'000	Total USD'000
<b><u>Cost</u></b>			
At 1 January 2000	119,957	42,779	162,736
Additions	1,592	-	1,592
Disposals	(12,865)	(3,107)	(15,972)
At 31 December 2000	108,684	39,672	148,356
<b><u>Depreciation</u></b>			
At 1 January 2000	72,891	27,821	100,712
Charge for the year	4,258	1,322	5,580
Disposals	(12,288)	(2,655)	(14,943)
At 31 December 2000	64,861	26,488	91,349
<b><u>Net Book Value as at 31 December 2000</u></b>	<b>43,823</b>	<b>13,184</b>	<b>57,007</b>
<b><u>Net Book Value as at 31 December 1999</u></b>	<b>47,066</b>	<b>14,958</b>	<b>62,024</b>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. FIXED ASSET : INVESTMENTS

Company: Investments in subsidiary undertakings	<u>2000</u> USD'000
At 1 January 2000 and 31 December 2000	1,694

### SUBSIDIARY UNDERTAKINGS

The following information is given in respect of all subsidiary undertakings:

	<u>Country of Incorporation</u>	<u>Class of Issued Capital</u>	<u>Proportion Applicable to P&amp;O Swire Containers Ltd.</u>
Aldgate Shipping Limited (Non-trading Company)	England	Ordinary £1 each	100.0%
Whitechapel Shipping Limited (Non-trading Company)	England	Ordinary £1 each	100.0%
P&O Swire Containers (Aust) Limited (Non-trading Company)	England	Ordinary £1 each Deferred £1 each	100.0% 96.7%
P&O Swire Containers (NZ) Limited (Non-trading Company)	England	Ordinary £1 each	100.0%
Eastern & Australian Steamship Company Limited (Dormant)	England	Ordinary £1 each	100.0%

### 10. STOCKS

	<u>2000 Group USD'000</u>	<u>1999 Group USD'000</u>	<u>2000 Company USD'000</u>	<u>1999 Company USD'000</u>
Fuel stocks and consumables	1,997	2,120	1,997	2,120
Work in progress	1,136	1,465	1,136	1,465
	<u>3,133</u>	<u>3,585</u>	<u>3,133</u>	<u>3,585</u>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. DEBTORS

	<u>2000</u> <u>Group</u> USD'000	<u>1999</u> <u>Group</u> USD'000	<u>2000</u> <u>Company</u> USD'000	<u>1999</u> <u>Company</u> USD'000
Amounts receivable within one year:				
Trade debtors	8,023	5,902	8,023	5,902
Other debtors	3,103	2,784	3,103	2,784
Prepayments and accrued income	332	75	332	75
	<hr/>	<hr/>	<hr/>	<hr/>
	11,458	8,761	11,458	8,761
Amounts receivable after more than one year:				
Loans to third parties	-	3,481	-	3,481
Loans to parent undertaking	-	10,233	-	10,233
	<hr/>	<hr/>	<hr/>	<hr/>
	11,458	22,475	11,458	22,475
	<hr/>	<hr/>	<hr/>	<hr/>

#### The Group and Company:

All loans are unsecured and interest free, and are repayable on demand in whole or part within 2-5 years.

### 12. CREDITORS: Amounts falling due within one year

	<u>2000</u> <u>Group</u> USD'000	<u>1999</u> <u>Group</u> USD'000	<u>2000</u> <u>Company</u> USD'000	<u>1999</u> <u>Company</u> USD'000
Trade creditors and accruals	4,307	6,023	4,307	6,001
Other creditors:				
UK Corporation tax	4,952	8,271	4,952	8,271
Deferred revenue	1,002	446	1,002	446
	<hr/>	<hr/>	<hr/>	<hr/>
	10,261	14,740	10,261	14,718
	<hr/>	<hr/>	<hr/>	<hr/>



# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. CREDITORS: Amounts falling due after more than one year

	<u>2000</u> <u>Group</u> USD'000	<u>1999</u> <u>Group</u> USD'000	<u>2000</u> <u>Company</u> USD'000	<u>1999</u> <u>Company</u> USD'000
Amounts owing to subsidiaries	-	-	(1,694)	(9,797)
	<u>-</u>	<u>-</u>	<u>(1,694)</u>	<u>(9,797)</u>

#### The Group and Company:

All loans are unsecured and interest free, and are repayable on demand in whole or part within 2-5 years.

### 14. DEFERRED TAXATION

#### (a) Analysis of Provision made at Full Potential Liability

	<u>2000</u> <u>Group</u> USD'000	<u>1999</u> <u>Group</u> USD'000	<u>2000</u> <u>Company</u> USD'000	<u>1999</u> <u>Company</u> USD'000
Accelerated tax allowance on capital expenditure	13,446	13,238	13,446	13,238
Short term timing differences	(128)	(137)	(128)	(137)
	<u>13,318</u>	<u>13,101</u>	<u>13,318</u>	<u>13,101</u>

#### (b) Movement in Deferred Taxation Provision

	<u>2000</u> <u>Group</u> USD'000	<u>1999</u> <u>Group</u> USD'000	<u>2000</u> <u>Company</u> USD'000	<u>1999</u> <u>Company</u> USD'000
Balance at beginning of the year	13,101	13,082	13,101	13,082
Release to the profit and loss account (note 7) - current year	-	262	-	262
- Prior year	(13,101)	(243)	(13,101)	(243)
	<u>-</u>	<u>13,101</u>	<u>-</u>	<u>13,101</u>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15. SHARE CAPITAL

At 31 December 1999 and 31 December 2000	<u>Authorised</u> £'000	<u>Allotted, Called up and fully paid</u> £'000
Ordinary shares of £1 each	100	56

### 16. RECONCILIATION OF THE MOVEMENT IN SHAREHOLDERS' FUNDS

#### Group:

	<u>Share Capital</u> USD'000	<u>Share Premium</u> USD'000	<u>Profit &amp; Loss</u> USD'000	<u>2000 Total Shareholders' Funds</u> USD'000	<u>1999 Total Shareholders' Funds</u> USD'000
At beginning of year	96	849	59,324	60,269	61,311
Profit/(loss) for the year after tax	-	-	14,458	14,458	(1,042)
Dividends	-	-	(13,389)	(13,389)	-
At end of Year	<u>96</u>	<u>849</u>	<u>60,393</u>	<u>61,338</u>	<u>60,269</u>

#### Company:

	<u>Share Capital</u> USD'000	<u>Share Premium</u> USD'000	<u>Profit &amp; Loss Account</u> USD'000	<u>2000 Total Shareholders' Funds</u> USD'000	<u>1999 Total Shareholders' Funds</u> USD'000
At beginning of year	96	849	51,243	52,188	53,202
Profit/(loss) for the year after tax	-	-	22,539	22,539	(1,014)
Dividends	-	-	(13,389)	(13,389)	-
At end of Year	<u>96</u>	<u>849</u>	<u>60,393</u>	<u>61,338</u>	<u>52,188</u>

### 17. DIVIDENDS

	<u>2000</u> US\$'000	<u>1999</u> US\$'000
Ordinary shares		
Final dividends paid – US\$250.51 per share (1999: US\$Nil)	13,389	-

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. JOINT ARRANGEMENT

New Zealand Unit Express is an non-corporate joint arrangement between P&O Swire Containers Limited 56.67% (1999:56.67%), Nippon Yusen Kaisha Line 15.00% (1999:15.00%) and Mitsui O.S.K Lines 28.33% (1999: 28.33%).

#### Profit & Loss Account:

	<u>2000</u> USD'000	<u>1999</u> USD'000
Turnover	8,364	8,564
Other income	(23)	8
Cost of sales	(8,736)	(9,106)
Administration expenses	(381)	(407)
(Loss) for the financial year	<u>(776)</u>	<u>(941)</u>

	<u>2000</u> USD'000	<u>1999</u> USD'000
<b><u>Balance Sheet:</u></b>		
Current assets:		
Stock/WIP	71	96
Debtors	7,370	8,280
Creditors:		
Amounts falling due within one year	(1,064)	(1,223)
Net Assets	<u>6,377</u>	<u>7,153</u>
Reserves	<u>6,377</u>	<u>7,153</u>

The part of the Group's reserves attributed to its interest in the joint venture amounts to \$6,377,187 (1999: \$7,153,459) which relates to its share of retained profits.

#### **Cash Flow Statement for the Year Ended 31 December 2000**

	<u>2000</u> USD'000	<u>1999</u> USD'000
Net cash outflow from operating activities	-	-
Net movement in cash or cash equivalents	<u>-</u>	<u>-</u>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2000</u> <u>Group</u> USD'000	<u>1999</u> <u>Group</u> USD'000
Operating Profit	1,679	(1,952)
Foreign Exchange	(64)	90
Depreciation Charges	5,580	5,847
Loss/(profit) on Sale of Tangible Assets	(1,291)	4
Decrease/(Increase) in Stocks	452	(1,423)
Increase in Debtors	(3,347)	(1,970)
Decrease in Creditors	(1,634)	(374)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<hr/> 1,375 <hr/>	<hr/> 222 <hr/>

### 20. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>Cash at bank</u> <u>and in hand</u> <u>2000</u> <u>Group</u> USD'000	<u>Cash at bank</u> <u>and in hand</u> <u>1999</u> <u>Group</u> USD'000
Balance at the beginning of the year	26	20
Net cash inflow/(outflow)	(25)	6
<b>Balance at the end of the year</b>	<hr/> 1 <hr/>	<hr/> 26 <hr/>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. CASH FLOW STATEMENT - ANALYSIS OF CHANGES IN FINANCING

	Loans to third parties due after more than one year	Loans to group undertakings due after more than one year	Total	Total
	<u>2000</u> USD'000	<u>2000</u> USD'000	<u>2000</u> USD'000	<u>1999</u> USD'000
Balance at the beginning of the year	3,481	10,233	13,714	13,714
Repayment of amounts borrowed	3,481	10,233	13,714	-
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,714</u>

### 22. CASH FLOW STATEMENT - ANALYSIS OF NET FUNDS/DEBT

	<u>At 1</u> <u>January</u> <u>2000</u> USD'000	<u>Cashflow</u> USD'000	<u>At 31</u> <u>December</u> <u>2000</u> USD'000
Cash at bank and in hand	26	(25)	1
Loans receivable after one year	13,714	(13,714)	-
	<u>13,740</u>	<u>(13,739)</u>	<u>1</u>

### 23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT

	<u>2000</u> USD'000	<u>1999</u> USD'000
(Decrease)/Increase in cash in the period	(25)	6
Repayment of loans	(13,714)	-
Movement in net debt	<u>(13,739)</u>	<u>6</u>
Net debt at 1 January	13,740	13,734
Net debt at 31 December	<u>1</u>	<u>13,740</u>

# P&O SWIRE CONTAINERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 24. RELATED PARTY TRANSACTIONS

Under the provision of Financial Reporting Standard 8, all material transactions between the company and its related parties must be separately disclosed. P&O Swire Containers Limited is dependant upon the P&O Nedlloyd Container Line Limited group for the provision and administration of a significant proportion of the company's operating and administration expenditure. Transactions between the company and its related parties are conducted on an arms length basis.

This note contains an analysis of these transactions by related party, by major cost type, in the year to 31 December 2000 and outstanding balances at 31 December 2000.

<u>Charges to / (from) the company in the year to 31 December 2000</u>	<u>2000</u> USD'000	<u>1999</u> USD'000
<u>P&amp;O Nedlloyd Limited</u>		
Charges for container provision	11,257	12,972
Charges for commission and administration	14,409	15,633

<u>Balance due to / (from) the company at 31 December 2000</u>	<u>2000</u> USD'000	<u>1999</u> USD'000
<u>P&amp;O Nedlloyd Limited</u>		
Group loans	-	10,233
Other group non interest bearing balances	-	-
<u>The China Navigation Company Limited</u>		
Third party loans	-	3,481

### 25. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking and controlling party is P&O Nedlloyd Container Line Limited incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements of P&O Nedlloyd Container Line Limited are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3HZ.