

PARBOROUGH PROPERTIES LIMITED

REGISTERED NUMBER 1078002

DIRECTORS' REPORT AND ACCOUNTS  
24 DECEMBER 1996  
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**PARBOROUGH PROPERTIES LIMITED****REPORT OF THE DIRECTORS**

The directors present their annual report and accounts of the company for the year ended 24 December 1996.

**Principal activity and review of business:**

The company's principal activity is property investment, although the company held no property at the balance sheet date.

The company's accounts for the year summarise the property and other income, and property movements.

**Directors and directors' interests:**

The directors during the year were R G Ferguson, R A Knight and A A Preiskel.

According to the register of notification received by the company relating to interests in the share capital and debentures of group undertakings, the following directors had interests in The Peninsular and Oriental Steam Navigation Company, the company's ultimate parent undertaking, as set out below:

	24 December 1996	24 December 1995
	Deferred	Deferred
	Stock	Stock
	£	£
A A Preiskel	19,495	18,621
R G Ferguson	23,230	22,806
R A Knight	44,096	34,882

During the year both A A Preiskel and R G Ferguson exercised options over £4,348 nominal of deferred stock in accordance with the rules of the P&O executive stock option scheme. R A Knight exercised options over £12,317 nominal of deferred stock in accordance with the rules of the P&O executive stock option scheme and was granted options over £685 nominal of deferred stock in accordance with the rules of the P&O save as you earn stock option scheme.

On behalf of the Board

247 Tottenham Court Road  
London, W1P 0HH

1 July 1997



A A PREISKEL  
Director

**PARBOROUGH PROPERTIES LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year. In preparing those accounts, the directors are required to select appropriate accounting policies, make judgements and estimates that are reasonable and prudent and state whether all accounting standards which they consider to be applicable have been followed. The directors are also required to use a going concern basis in preparing the accounts unless this is inappropriate.

The directors have responsibility for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company and enable them to ensure that the accounts 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 company and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**PARBOROUGH PROPERTIES LIMITED**

We have audited the accounts on pages 4 to 8.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

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

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 24 December 1996 and of its profit 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

London

1 July 1997

**PARBOROUGH PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 24 DECEMBER 1996**

NOTES	<u>Year ended</u> <u>24 December 1996</u> £	<u>Year ended</u> <u>24 December 1995</u> £
Interest received		
Third party	209	-
	<hr/>	<hr/>
2 Profit after interest before taxation	209	-
	<hr/>	<hr/>
3 Taxation on profit on ordinary activities	2,172	(8,006)
	<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation	2,381	(8,006)
	<hr/>	<hr/>
BALANCE BROUGHT FORWARD	(9,344,247)	(9,336,241)
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BALANCE CARRIED FORWARD	(9,341,866)	(9,344,247)
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All turnover and operating profits are attributable to continuing operations.

There is no difference between the profits on ordinary activities before taxation and the retained profits for the year stated above, and their historical cost equivalents.

PARBOROUGH PROPERTIES LIMITEDBALANCE SHEET AT 24 DECEMBER 1996NOTES24 December 1996

£                      £

24 December 1995

£                      £

**CAPITAL AND RESERVES**

4	Called up share capital	100	100
	Profit and loss account	(9,341,866)	(9,344,247)
		<hr/>	<hr/>
	Equity shareholders' funds	(9,341,766)	(9,344,147)

**CREDITORS - amounts falling  
due within one year**

Amount owed to group undertakings	9,190,980	9,193,361
Accruals and deferred income	150,786	150,786
	<hr/>	<hr/>
	9,341,766	9,344,147
	<hr/>	<hr/>
	-	-
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These accounts were approved by the Board of directors and signed on its behalf by;



A A PREISKEL  
Directors



R A KNIGHT

1 July 1997

PARBOROUGH PROPERTIES LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year ended <u>24 December 1996</u> £	Year ended <u>24 December 1995</u> £
Profit/(Loss) for the financial year	2,381	(8,006)
Total recognised gains and losses relating to the financial year	<u>2,381</u>	<u>(8,006)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended <u>24 December 1996</u> £	Year ended <u>24 December 1995</u> £
Total recognised gains and losses for the financial year	2,381	(8,006)
Opening shareholders' funds	<u>(9,344,147)</u>	<u>(9,336,141)</u>
Closing shareholders' funds	<u>(9,341,766)</u>	<u>(9,344,147)</u>

**PARBOROUGH PROPERTIES LIMITED****NOTES TO THE ACCOUNTS AT 24 DECEMBER 1996****1. ACCOUNTING POLICIES**

The principal accounting policies that have been adopted in the preparation of these accounts are given below.

**Basis of preparation of accounts**

The accounts have been prepared in accordance with applicable United Kingdom accounting standards, and under historical cost accounting rules.

The company has net liabilities. The parent undertaking P&O Property Holdings Limited has given a written undertaking that it will continue to support the company and its present activities.

**Cash Flow Statement**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

**2. PROFIT AND LOSS ACCOUNT**

- (a) The company's business is organised in the United Kingdom.
- (b) The basis of charging intra-group interest is agreed between the parties from time to time.
- (c) The directors do not receive any remuneration for their services to the company; their emoluments for work within the group are paid by other group undertakings and are dealt with in the accounts of those undertakings.
- (d) Auditors' remuneration is dealt with on a group basis and no amount has been specifically recharged to this company.
- (e) Details of staff numbers and staff costs are included in the accounts of the parent undertaking.

**3. TAXATION**

	<u>24 December 1996</u>	<u>24 December 1995</u>
	£	£
Corporation tax @ 33% (1995: 33%)		
on profit for year	-	-
Prior year adjustments	2,172	(8,006)
	<u>2,172</u>	<u>(8,006)</u>



PARBOROUGH PROPERTIES LIMITEDNOTES TO THE ACCOUNTS AT 24 DECEMBER 1996

(Continued)

4. **CALLED UP SHARE CAPITAL**

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
At 24 December 1996 and 25 December 1995		
Ordinary Shares of £1 each	£ 100	£ 100
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5. **PARENT UNDERTAKINGS**

The results of the company are included in the consolidated accounts of The Peninsular and Oriental Steam Navigation Company, its ultimate parent undertaking, and P&O Property Holdings Limited, its intermediate parent undertaking, companies registered in England, copies of the accounts of which can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.