

**PARBOROUGH PROPERTIES LIMITED**

**REGISTERED NUMBER 1078002**

**DIRECTORS' REPORT AND ACCOUNTS**

**24 DECEMBER 2000**



**PARBOROUGH PROPERTIES LIMITED**  
**REPORT OF THE DIRECTORS**

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The Directors present their annual report and accounts of the company for the year ended 24 December 2000.

**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.

**Directors and directors' interests:**

The directors during the year were:

R A Knight

A A Preiskel

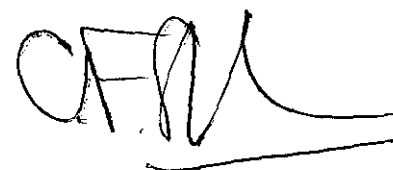
C F Sadler

According to the register of notifications 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:

	<b>24 December 2000</b>	<b>24 December 1999</b>
	<b>Deferred Stock</b>	<b>Deferred Stock</b>
	<b>£</b>	<b>£</b>
R A Knight	41,018	38,177
A A Preiskel	31,823	31,361
C F Sadler	27,726	27,532

During the year R A Knight, A A Preiskel and C F Sadler were granted new options over £93,900, £57,126 and £22,055 nominal of deferred stock respectively and replacement options over £35,694, £10,185 and £4,107 nominal of deferred stock respectively in accordance with the rules of the P&O executive stock option scheme. R A Knight and A A Preiskel exercised options over £1,414 and £879 nominal of deferred stock respectively in accordance with the rules of the P&O save as you earn stock option scheme.

On behalf of the board



C F SADLER  
DIRECTOR

247 Tottenham Court Road  
LONDON, W1T 7HH  
17 October 2001

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

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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.

**AUDITORS' REPORT TO THE MEMBERS OF  
PARBOROUGH PROPERTIES LIMITED**

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We have audited the accounts on pages 4 to 8.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 audit 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 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London  
17 October 2001

*KPMG Audit Plc*  
**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

**PARBOROUGH PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 24 DECEMBER 2000**

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<u>NOTES</u>	Year ended 24 December 2000 £	Year ended 24 December 1999 £
Property recoveries	-	150,786
2 Profit on ordinary activities before taxation	-	150,786
3 Taxation on profit on ordinary activities	-	(46,000)
Profit on ordinary activities after taxation	-	104,786
BALANCE BROUGHT FORWARD	(9,325,879)	(9,340,665)
BALANCE CARRIED FORWARD	(9,325,879)	(9,235,879)

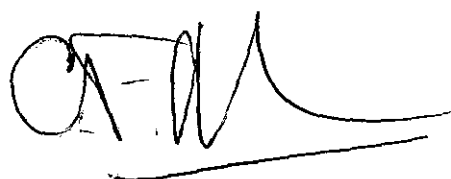
**PARBOROUGH PROPERTIES LIMITED**  
**BALANCE SHEET AT 24 DECEMBER 2000**

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<u>NOTES</u>	24 December 2000		24 December 1999	
	£	£	£	£
<b>CAPITAL AND RESERVES</b>				
4 Called up share capital		100		100
Profit and loss account		(9,235,879)		(9,235,879)
Equity shareholders' deficit		<u>(9,235,779)</u>		<u>(9,235,779)</u>
<b>CREDITORS: amounts falling due within one year:</b>				
Amounts due to group undertakings	9,189,779		9,189,779	
Taxation	46,000		46,000	
	<u>9,235,779</u>		<u>9,235,779</u>	
		<u>-</u>		<u>-</u>

The company was dormant throughout the financial year.

The accounts were approved by the Board of Directors and signed on its behalf by:-



C F SADLER  
 Directors  
 17 October 2001



A A PREISKEL

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year ended 24 December 2000 £	Year ended 24 December 1999 £
Profit for the financial year	-	104,786
Total recognised gains for the financial year	-	104,786

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 24 December 2000 £	Year ended 24 December 1999 £
Total recognised gains for the financial year	-	104,786
Opening shareholders' deficit	(9,235,779)	(9,340,565)
Closing shareholders' deficit	(9,235,779)	(9,235,779)

## **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.

### **Related party transactions**

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions or balances with entities which form part of the group.

### **Cash flow statement**

Under Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

## **2 PROFIT AND LOSS ACCOUNT**

- (a) During the financial year the company received no income and incurred no expenditure. Consequently, during the year the company made neither a profit nor loss.
- (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.

## **3 TAXATION**

	<b>24 December 2000</b>	<b>24 December 1999</b>
	<b>£</b>	<b>£</b>
UK corporation tax at 30% (1999 30.25%)	-	(46,000)
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4 CALLED UP SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid £
At 24 December 2000 and 25 December 1999		
Ordinary shares at £1 each	100	100

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, a company incorporated by Royal Charter and therefore not registered, copies of whose accounts can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.