

THAMESPORT (LONDON) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

(Registered number 2191687)

31st December 2002



Thamesport (London) Limited

Report of the directors for the year ended 31st December 2002

The directors submit their report and the audited financial statements for the year ended 31st December 2002.

Principal activities

The principal activity of the company is the management and operation of the major international container terminal, Thamesport, in south east England.

Operating results

The profit and loss account is set out on page 4 and shows the results for the year ended 31st December 2002.

Dividends

The directors propose ordinary dividends of £3,300 (2001: £287,500) per £1 share amounting to £6,600 (2001: £575,000).

Directors and their interests

The directors who held office during the year are shown below.

R C Pearson

Ms E Shih

J S Tsien

C C F Cheng

P Morton

(appointed 11th March 2002)

No director had any interest in any contract with the company during the year.

No director had any interest which required disclosure in accordance with the provisions of Section 324 of the Companies Act 1985.

Supplier payment policy

It is the policy of the company to agree terms and conditions of business transactions with suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

The total company creditors at 31st December 2002, excluding amounts owed to companies in the Hutchison group, represents 53 days worth as a proportion of the total amount invoiced by suppliers during the year ended on that date (2001: 49 days).

Employee involvement

The awareness and involvement of employees in the company's performance is prompted by consultation and by the provision of information on matters of concern through a variety of internal publications and meetings involving employees at all levels. The company seeks to create an environment which encourages employees to express to management their ideas and opinions about the company and its work.

Thamesport (London) Limited

Report of the directors for the year ended 31st December 2002 (continued)

Employment of disabled persons

The company's policy is to give full and fair consideration to any application for employment made by a disabled person, having regard to the applicant's particular aptitudes and abilities and to the essential requirements of the job in question. In the event of an employee being disabled during the period of their employment the company would seek to continue their employment and, if necessary, to provide appropriate training for a more suitable alternative job within the company. The company regards disabled persons as equally eligible with others for training, career development and promotion, subject only to such restriction as the nature of any particular disablement may unavoidably impose.

The company gives every consideration to applications for employment from disabled people where the requirements of the job may be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion identical, as far as possible, with that of other employees.

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 of the profit and loss of the company for that period. The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

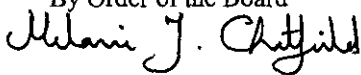
The directors confirm that suitable accounting policies have been used and consistently applied. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31st December 2002 and that applicable accounting standards have been followed.

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 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 18th March 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

Tomline House
The Dock
Felixstowe
Suffolk
IP11 3SY

By Order of the Board

M J Chatfield
Company Secretary

20th March 2003

Thamesport (London) Limited

Independent auditors' report to the shareholders of Thamesport (London) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 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 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 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 the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London WC2N 6NN

20th March 2003

Thamesport (London) Limited

Profit and loss account for the year ended 31st December 2002

	Notes	<u>2002</u> £'000	<u>2001</u> £'000
Turnover	2	16,855	18,484
Cost of sales		(14,209)	(14,887)
Gross profit		<u>2,646</u>	<u>3,597</u>
Administrative expenses		(2,643)	(2,769)
Other operating income and charges		6	-
Operating profit	3	<u>9</u>	<u>828</u>
Taxation	6	(3)	(249)
Profit on ordinary activities after taxation		<u>6</u>	<u>579</u>
Dividends	7	(6)	(575)
Amount transferred to reserves		<u>-</u>	<u>4</u>

The profit and loss account has been prepared on the basis that all operations are continuing.

The company has no gains or losses other than those above and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 6 to 12 form part of these financial statements.

Thamesport (London) Limited

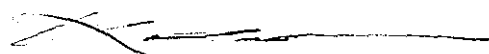
Balance sheet at 31st December 2002

	Notes	<u>2002</u> £'000	<u>2001</u> £'000
Current assets			
Stocks	8	1,514	1,344
Debtors	9	29,304	11,377
Bank & cash		619	-
		<hr/> 31,437	<hr/> 12,721
Creditors			
Amounts falling due within one year	10	(30,946)	(12,230)
		<hr/> 491	<hr/> 491
Net current assets			
		<hr/> 491	<hr/> 491
Total assets less current liabilities		<hr/> 491	<hr/> 491
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	491	491
		<hr/> 491	<hr/> 491
Total equity shareholders' funds	14	<hr/> 491	<hr/> 491

Approved by the Board of Directors on 20th March 2003.



C C F CHENG
Director



R C PEARSON
Director

The notes on pages 6 to 12 form part of these financial statements.

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002

1. Statement of accounting policies

Basis of accounting

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

The principal accounting policies of the company are set out below.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

Stocks, which comprise spare parts and consumable stores, are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred on disposal.

Pensions

Contributions to the pension scheme are calculated as a percentage, based on actuarial advice, of the pensionable salaries of employees. The cost of providing pensions is charged to the profit and loss account over the periods benefiting from the services of employees in accordance with Statement of Standard Accounting Practice no. 24. Additional disclosures under Financial Reporting Standard no. 17 are set out in note 15.

Turnover

Turnover represents the amounts derived from the provision of goods and services in the normal course of business excluding value added tax and arises wholly within the UK.

Cash flow statement and related parties

The company is a wholly owned subsidiary of Hutchison Ports (UK) Limited and is included in the consolidated financial statements of Hutchison Ports (UK) Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Hutchison Ports (UK) Limited group or investees of the group.

2. Analysis of turnover and segment information

All of the company's revenues and profits are generated in the United Kingdom and primarily relate to the provision of services to its parent company Maritime Transport Services Limited. In the opinion of the directors the activities of the company constitute one class of business under the Companies Act 1985.

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002 (continued)

3. <u>Operating profit</u>	<u>2002</u>	<u>2001</u>
	£'000	£'000
Operating profit for the year is stated after charging:		
Operating lease rentals		
plant and equipment	776	887
Hire of equipment	64	41
Auditors' remuneration	3	3
	<hr/>	<hr/>
4. <u>Staff costs</u>	<u>2002</u>	<u>2001</u>
	£'000	£'000
Wages and salaries	8,278	9,066
Social security costs	627	737
Other pension costs	445	388
	<hr/>	<hr/>
	9,350	10,191
	<hr/>	<hr/>
The average number of employees of the company during the year was 287 (2001: 313).		
5. <u>Directors' remuneration</u>		
None of the directors received any remuneration in respect of services to the company.		
6. <u>Taxation</u>	<u>2002</u>	<u>2001</u>
	£'000	£'000
Based on the profit for the year		
UK corporation tax payable at 30% (2001 : 30%)	3	249
under group relief arrangements	<hr/>	<hr/>
7. <u>Dividends</u>	<u>2002</u>	<u>2001</u>
	£'000	£'000
Equity - ordinary		
Ordinary proposed : £3,300 (2001: £287,000) per £1 share	6	575
	<hr/>	<hr/>
8. <u>Stocks</u>		
The following are included in the net book value of stocks:		
	<u>2002</u>	<u>2001</u>
	£'000	£'000
Spare parts and consumables	1,514	1,344
	<hr/>	<hr/>

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002 (continued)

9. <u>Debtors – due within one year</u>	<u>2002</u> £'000	<u>2001</u> £'000
Amounts due from group undertakings - parent companies	28,382	10,934
Prepayments and accrued income	635	333
Other debtors	287	110
	<u>29,304</u>	<u>11,377</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

10. <u>Creditors - amounts falling due within one year</u>	<u>2002</u> £'000	<u>2001</u> £'000
Trade creditors	139	391
Amounts due from group undertakings - parent companies	27,479	9,416
- fellow subsidiaries	1,430	-
Bank overdraft	-	168
Social security and other taxes	251	237
Accruals and deferred income	713	1,132
Current taxation	3	249
Dividends payable	6	575
Other creditors	925	62
	<u>30,946</u>	<u>12,230</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

11. Operating lease commitments

At 31st December the company was committed to making the following payments during the next year in respect of operating leases which expire:

	<u>2002</u> £'000	<u>2001</u> £'000
Non-land and buildings:		
within one year	71	109
between two and five years	386	284
after five years	168	278
	<u>625</u>	<u>671</u>

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002 (continued)

12. Called up share capital

The authorised, allotted, called up and fully paid share capital of the company is as follows:

	<u>2002</u>	<u>2001</u>
	£	£
Authorised ordinary shares		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

13. Reserves

	Profit and loss account £'000
At 1st January 2002	491
Movement in year	-
	<hr/>
At 31st December 2002	491
	<hr/>

14. Reconciliation of movements on shareholders' funds

	<u>2002</u>	<u>2001</u>
	£'000	£'000
Profit for the year attributable to members	6	579
Dividends	(6)	(575)
	<hr/>	<hr/>
	-	4
Opening shareholders' funds	491	487
	<hr/>	<hr/>
Closing shareholders' funds	491	491
	<hr/>	<hr/>

15. Pension arrangements

Statement of Standard Accounting Practice no.24 (SSAP 24)

The group provides pensions to its employees through a defined benefit scheme which is funded by the company and employees. This fund is separately administered by trustees. The pension cost and related provision are assessed in accordance with the advice of a professionally qualified actuary. An actuarial valuation of the scheme was carried out as at 1st January 2002 the conclusion of which was that the market value of the scheme's assets was £3,962,000 and an actuarial deficit of £3,235,000 existed. The following assumptions were used:

Future price inflation	2.6% per annum
Future salary growth	4.6% per annum
Future investment return	7.0% per annum
Allowance for increases to pensions in payment	2.6% per annum

In order to eliminate this deficit employer contributions are paid at the rate of 13.5% of pensionable salary as from 1st January 2003, which is due to increase by 1% to 14.5% from 1 January 2004, and by a further 1% each year thereafter until they reach 16.5% in 2006. The cost of death in service benefits are paid in addition, as are members contributions at the rate of 6% of pensionable salaries.

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002 (continued)

15. Pension arrangements (continued)

Financial Reporting Standard no.17 (FRS 17)

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation undertaken as at 1st January 2002 and updated by an independent qualified actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme as at 31st December 2002. Scheme assets are stated at their market value at 31st December 2002.

The financial assumptions used to calculate the scheme liabilities under FRS 17 are :

	<u>2002</u>	<u>2001</u>
Rate of increase in salaries	3.50%	3.75%
Allowance for increases to pensions in payment	2.00%	2.25%
Discount Rate	6.00%	6.00%
Inflation	2.00%	2.25%
Valuation method	Projected unit	Projected unit

The assets in the scheme and the expected rate of return were:

	<u>2002</u> % p.a.	<u>2001</u> % p.a.	<u>2002</u> £'000	<u>2001</u> £'000
Equities	7.00%	7.00%	2,044	2,660
Bonds	5.50%	n/a	180	-
With Profits Bonds	6.50%	7.00%	923	983
Property	7.00%	n/a	27	-
Cash	5.00%	5.00%	849	474
			<u>4,023</u>	<u>4,117</u>

The following information is for disclosure purposes only and is measured in accordance with the requirements of FRS 17:

	<u>2002</u> £'000	<u>2001</u> £'000
Total market value of assets	4,023	4,117
Present value of scheme liabilities	(6,509)	(7,749)
Deficit in the scheme	<u>(2,486)</u>	<u>(3,632)</u>
Related deferred tax asset	746	1,090
Net pension liability	<u>(1,740)</u>	<u>(2,542)</u>

Components of pension cost for year:

	<u>2002</u> £'000
Current service cost	<u>358</u>

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002 (continued)

15. Pension arrangements (continued)

Analysis of the amount relating to other finance income:

	<u>2002</u> <u>£'000</u>
Expected return on assets	294
Interest cost	(476)
Total charge relating to financing provisions	<u>(182)</u>

Amounts for recognition in statement of total recognised gains and losses:

	<u>2002</u> <u>£'000</u>
Actual return less than expected return	(841)
Experience gains arising on scheme liabilities	1,781
Change in actuarial assumptions underlying the present value of scheme liabilities	313
Actuarial loss for recognition in statement of total recognised gains and losses	<u>1,253</u>

Movement in deficit during year

	<u>2002</u> <u>£'000</u>
Deficit in Plan at 1 January 2002:	(3,632)
Current service cost	(358)
Past service cost	-
Contributions	433
Other finance income	(182)
Actuarial loss	1,253
Deficit in scheme at 31 December 2002	<u>(2,486)</u>

History of experience gains and losses

	<u>2002</u> <u>£'000</u>
Difference between the expected and actual return on scheme assets	(841)
Amount	21%
Percentage of scheme assets	
Experience gains and losses on scheme liabilities	
Amount	1,781
Percentage of the present value of scheme liabilities	27%
Total amount for recognition in statement of total recognized gains and losses	
Amount	1,253
Percentage of present value of scheme liabilities	19%

Thamesport (London) Limited

Notes to the financial statements – 31st December 2002 (continued)

16. Parent company

Hutchison Ports (UK) Limited, whose principal activity is to act as a holding company, is the immediate parent of MTS (Holdings) Limited, of which the company is a subsidiary, and owns 100% of the shares and voting rights.

Hutchison Ports (UK) Limited, a company registered in England and Wales, is the smallest group to consolidate the accounts of the company.

Copies of the group accounts may be obtained from the Company Secretary, Tomline House, The Dock, Felixstowe, Suffolk, IP11 3SY.

Hutchison Whampoa Limited, incorporated in Hong Kong, is the company's ultimate parent company and the largest group to consolidate these accounts.

Copies of the Hutchison Whampoa Limited accounts may be obtained from the Company Secretary, 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong.

17. Related parties

During the year the company received £131,000 (2001: £255,946) in respect of technical service fees provided to BACTSSA (Buenos Aires Container Terminal Services S.A.) and ICAVE (Internacional de Contenedores de Veracruz S.A.).