

FOLKESTONE PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS

31 December, 1992



FOLKESTONE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December, 1992.

1. ACTIVITIES

Folkestone Properties Limited owns the seaport and inner harbour at Folkestone. Folkestone Properties Limited receives rental income from the port and harbour operations.

2. REVIEW OF DEVELOPMENTS

Profits of £310,000 (1991: £1,319,000) have been transferred to reserves. The directors do not recommend a dividend for the year.

3. FUTURE PROSPECTS

During 1992 a SeaCat service, operated by a fellow subsidiary of Folkestone Properties Limited, started operations. This service will operate between Folkestone and Boulogne.

4. FIXED ASSETS

Changes in fixed assets are shown in Note 6 to the accounts.

5. DIRECTORS

The directors during the year and to the date of these accounts were as follows:

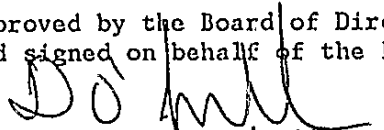
J.W. Wood
D.J. O'Sullivan
W.P. Rann
M.J.L. Stracey

None of the directors had any notifiable interests in the shares of the company or of other group companies during the year.

6. AUDITORS

The auditors, Touche Ross & Co., have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D.J. O'Sullivan
Secretary
Sea Containers House
20 Upper Ground
London SE1 9PF

28 October 1993

FOLKESTONE PROPERTIES 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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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.

FOLKESTONE PROPERTIES LIMITED

AUDITORS REPORT TO THE MEMBERS OF FOLKESTONE PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 as at 31 December 1992 and of its profit for the year then ended and have been properly prepared in accordance with Companies Act 1985.

Touche Ross & Co.

Touche Ross & Co.

Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

28 October 1993

FOLKESTONE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December, 1992

	Note	1992 £000	1991 £000
Turnover	1(b)	1,410	2,950
Administrative expenses		<u>1,330</u>	<u>1,631</u>
Profit on ordinary activities before taxation	4	80	1,319
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		80	1,319
Retained profit brought forward		<u>2,673</u>	<u>1,354</u>
Retained profit carried forward		<u><u>2,753</u></u>	<u><u>2,673</u></u>

FOLKESTONE PROPERTIES LIMITED

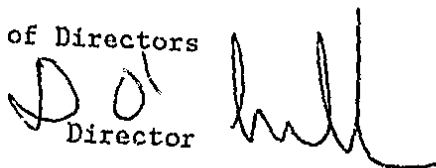
BALANCE SHEET

As at 31 December, 1992

	Note	1992 £000	1991 £000
FIXED ASSETS			
Tangible assets	6	6,734	6,275
CURRENT ASSETS			
Trade debtors		266	2,404
Amounts owed by parent and fellow subsidiaries		157	-
Other debtors		13	1
CREDITORS: Amounts falling due within one year	7	<u>436</u> <u>205</u>	<u>2,405</u> <u>4</u>
NET CURRENT ASSETS		231	2,401
TOTAL ASSETS LESS CURRENT LIABILITIES		6,965	8,676
CREDITORS: Amounts falling due after more than one year		4,212	6,003
Amounts owed to parent and fellow subsidiaries		<u>2,753</u>	<u>2,673</u>
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		2,753	2,673
		<u>2,753</u>	<u>2,673</u>

These financial statements were approved at a meeting of the Board of Directors held on 28 October 1993.

Signed on behalf of the Board of Directors


 Director

D.J. O'SULLIVAN

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1992

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

a) Accounting convention

The financial statements of the company are prepared under the historical cost convention.

b) Turnover

Turnover principally comprises income from rents charged to the company operating the port.

c) Tangible fixed assets

Tangible fixed assets are included in the balance sheet at historical cost. Depreciation is not provided on the cost of freehold land.

d) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

2. ULTIMATE PARENT COMPANY

The ultimate parent company is Sea Containers Ltd, a company incorporated in Bermuda. Copies of its accounts can be obtained from the company's registered office at 41 Cedar Avenue, Hamilton, Bermuda.

The parent company of the largest United Kingdom group which includes the company and for which group accounts are prepared is Norlantic Limited, a company registered in England and Wales. The immediate parent company for which group accounts are prepared is Ferry and Port Holdings Limited, a company registered in England and Wales. Copies of the group accounts for both Norlantic Limited and Ferry and Port Holdings Limited can be obtained from their registered office at 20 Upper Ground, London SE1 9PF.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No payments were made to any of the directors from this company for the year ended 31 December, 1992 (1991 : £nil).

The company had no employees during the year (1991 : £nil).

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee is borne by the ultimate parent company.

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1992

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge has been included in the financial statements due to the availability of loss relief from other group companies.

The amount of deferred tax provided in the financial statements and the potential amount are:-

	PROVIDED		UNPROVIDED	
	1992	1991	1992	1991
	£000	£000	£000	£000
Capital allowances in excess of depreciation	-	-	34	-
	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Buildings £000
Cost at 1 January, 1992	6,275
Additions	472
Cost at 31 December, 1992	<u>6,747</u>
Accumulated depreciation at 1 January, 1991	-
Charge for the year	13
Accumulated depreciation at 31 December, 1992	<u>13</u>
Net book value at 31 December, 1992	<u>6,734</u>
Net book value at 31 December, 1991	<u>6,275</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ON YEAR

	1992	1991
	£000	£000
Bank overdraft	12	-
Trade creditors	159	-
Accruals and deferred income	34	4
	<u>205</u>	<u>4</u>

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1992

8. CALLED UP SHARE CAPITAL

Authorised 100 ordinary shares of £1 each	<u>£100</u>
Allotted and fully paid 2 ordinary shares of £1 each	<u>£ 2</u>

9. CAPITAL COMMITMENTS

The company had no capital commitments outstanding at 31 December, 1992 (1991: £nil).

10. CONTINGENT LIABILITIES

A £94 million syndicated loan drawn down by Ferry and Port Holdings Limited during 1991 is secured by a fixed and floating charge over the assets of the Ferry and Port Holdings Group including those of Folkestone Properties Limited.