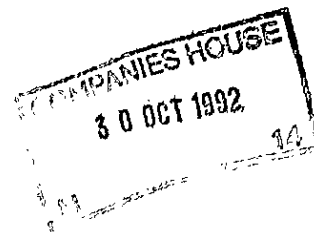


FOLKESTONE PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December, 1991



FOLKESTONE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December, 1991. The comparative figures relate to the period from 29 November, 1989 to 31 December, 1990.

1. ACTIVITIES

Folkestone Properties Limited owns the seaport and inner harbour at Folkestone. The port was operated by Stena Line (UK) Limited for the year. On 31 December, 1991 Stena Line (UK) Limited withdrew from operation of the port. Folkestone Properties Limited receives rental income from the port and harbour operations.

2. REVIEW OF DEVELOPMENTS

Profits of £1,319,000 (1990: £1,354,000) 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, will commence. 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:

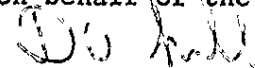
J.W. Wood  
D.J. O'Sullivan  
W.P. Rann  
M.J.L. Stracey

None of the directors had any notifiable interest 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

22 October 1992

FOLKESTONE PROPERTIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 7 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December, 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co.*

TOUCHE ROSS & CO.,  
Chartered Accountants and Registered Auditor  
Hill House  
1 Little New Street  
London EC4A 3TR

*22 October* 1992

FOLKESTONE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December, 1991

|  |      | Period ended<br>31 December |              |
|--|------|-----------------------------|--------------|
|  | Note | 1991<br>£000                | 1990<br>£000 |
| Turnover   | 1(b) | 2,950                       | 1,562        |
| Administrative expenses                          |      | (1,631)                     | (208)        |
| Profit on ordinary activities<br>before taxation | 4    | 1,319                       | 1,354        |
| Tax on profit on ordinary activities             | 5    | -                           | -            |
| Profit on ordinary activities after<br>taxation  |      | 1,319                       | 1,354        |
| Retained profit brought forward                  |      | 1,354                       | -            |
| Retained profit carried forward                  |      | <u>2,673</u>                | <u>1,354</u> |

FOLKESTONE PROPERTIES LIMITED

BALANCE SHEET

As at 31 December, 1991

|  | Note | 1991<br>£000      | 1990<br>£000    |
|--|------|-------------------|-----------------|
| <b>FIXED ASSETS</b>  |      |                   |                 |
| Tangible assets  | 6    | 6,275             | 6,000           |
| <b>CURRENT ASSETS</b>  |      |                   |                 |
| Trade debtors  |      | 2,404             | 976             |
| Other debtors  |      | 1                 | 1               |
| <b>CREDITORS: Amounts falling due within one year</b>          |      | <u>2,405</u><br>4 | <u>977</u><br>- |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>2,401</u>      | <u>977</u>      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 8,676             | 6,977           |
| <b>CREDITORS: Amounts falling due after more than one year</b> |      |                   |                 |
| Amounts owed to group companies                                |      | 6,003             | 5,623           |
|  |      | <u>2,673</u>      | <u>1,354</u>    |
| <b>CAPITAL AND RESERVES</b>                                    |      |                   |                 |
| Called up share capital  | 7    | -                 | -               |
| Profit and loss account  |      | 2,673             | 1,354           |
|  |      | <u>2,673</u>      | <u>1,354</u>    |

These financial statements were approved at a meeting of the Board of Directors held on 22 October 1992.

Signed on behalf of the Board of Directors

Director

D.J. O'SULLIVAN

FOLKESTONE PROPERTIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31 December, 1991

|   | 1991<br>£000 | 1990<br>£000 |
|---|--------------|--------------|
| SOURCE OF FUNDS   |              |              |
| Profit on ordinary activities<br>before taxation              | 1,319        | 1,354        |
| FUNDS FROM OTHER SOURCES                                      |              | .            |
| Increase in amount due from<br>parent and fellow subsidiaries | 380          | 5,623        |
| APPLICATION OF FUNDS  |              |              |
| Purchase of fixed assets                                      | (275)        | (6,000)      |
|   | <u>1,424</u> | <u>977</u>   |
| INCREASE/(DECREASE) IN WORKING CAPITAL                        |              |              |
| Increase in debtors   | 1,428        | 977          |
| Increase in creditors   | (4)          | -            |
|   | <u>1,424</u> | <u>977</u>   |

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1991

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 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 immediate parent company for which consolidated financial statements are prepared is Ferry and Port Holdings Limited, a company registered in England and Wales. Copies of its accounts can be obtained from its registered office at 20 Upper Ground, London, SE1 9PF.

The ultimate parent company is Sea Containers Ltd., a company incorporated in Bermuda. Copies of its accounts can be obtained from its registered office at 41 Cedar Avenue, PO Box 1179, Hamilton, Bermuda.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No payments were made to any of the directors from this company for the year ended 31 December, 1991 (1990 : £nil).

The company had no employees during the year (1990 : £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, 1991

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. There are no timing differences on which deferred tax should be provided.

6. TANGIBLE FIXED ASSETS

|  | Long Leasehold<br>Land and Buildings<br>£000 |
|--|--|
| Cost at 1 January, 1991  | 6,000  |
| Additions  | 275  |
| Cost at 31 December, 1991  | <u>6,275</u>                                 |
| Accumulated Depreciation at<br>1 January, 1991 and 31 December, 1991 | <u>-</u>                                     |
| Net book value at 31 December, 1991                                  | <u>6,275</u>                                 |
| Net book value at 31 December, 1990                                  | <u>6,000</u>                                 |

7. CALLED UP SHARE CAPITAL

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

8. CAPITAL COMMITMENTS

The company had no capital commitments outstanding at 31 December, 1991 (1990: £nil).

9. 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.