

Company No. SC137325

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

**31 December, 2003**



# **SEA CONTAINERS FERRIES SCOTLAND LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2003**

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# **SEA CONTAINERS FERRIES SCOTLAND LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 2003.

### **1. ACTIVITIES**

The principal activity of the company is acting as a selling agent on behalf of Hoverspeed (1981) Limited.

### **2. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

A loss of £149,000 (2002 : £91,000 loss) has been made by the company during the year.

The directors do not recommend a dividend for the year (2002 : £nil).

The directors anticipate that the company will continue its activity in the future.

### **3. DIRECTORS**

The directors who served throughout the year and to the date of these accounts were as follows :

D J O'Sullivan	(resigned 1 April 2003)
D G Benson	
P A Calvert	
H A C Ross	(resigned 11 July 2003)
P A Clark	(appointed 11 July 2003)

None of the directors had any notifiable interests in the shares of the company or of other group companies during the year (2002 : none).

### **4. AUDITORS**

A resolution to reappoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

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



P A Clark  
Director  
Seacat Terminal  
Harbour Road  
Troon  
Ayrshire  
KA10 6DX

Date : 29<sup>th</sup> July 2004

## **SEA CONTAINERS FERRIES SCOTLAND LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 as at the end of the financial year 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **SEA CONTAINERS FERRIES SCOTLAND LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEA CONTAINERS FERRIES SCOTLAND LIMITED**

We have audited the financial statements of Sea Containers Ferries Scotland Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the company and other members of the group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*DeLoitte & Touche LLP*

DELOITTE & TOUCHE LLP  
Chartered Accountants and Registered Auditors  
London

29/7/04

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2003

	Note	2003 £000	2002 £000
Turnover	1(b)	340	309
Administrative expenses		<u>(512)</u>	<u>(430)</u>
Operating loss	4	(172)	(121)
Finance lease interest payable and similar charges		<u>(33)</u>	<u>(29)</u>
Loss on ordinary activities before taxation		(205)	(150)
Tax credit on loss on ordinary activities	5	<u>56</u>	<u>59</u>
Loss on ordinary activities after taxation and for the financial year		(149)	(91)
Retained loss brought forward		<u>(113)</u>	<u>(22)</u>
Retained loss carried forward		<u>(262)</u>	<u>(113)</u>

There are no recognised gains and losses in either the current or preceding financial year other than as shown in the profit or loss account, consequently no statement of total recognised gains and losses is presented.

There are no movements in shareholders' funds in either the current or preceding financial year other than as shown in the profit or loss account. Accordingly, no reconciliation of movements on shareholders' funds is provided.

All activities derive from continuing operations.

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

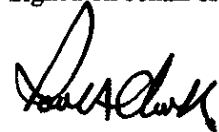
## BALANCE SHEET

As at 31 December 2003

	Note	£000	2003 £000	2002 £000
<b>FIXED ASSETS</b>				
Tangible assets	6		2,205	2,689
<b>CURRENT ASSETS</b>				
Stocks	7	546		679
Debtors	8	824		313
Cash at bank and in hand		669		166
		2,039		1,158
<b>CREDITORS : Amounts falling due within one year</b>				
	9	(2,469)		(2,398)
<b>NET CURRENT LIABILITIES</b>				
			(430)	(1,240)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
			1,775	1,449
<b>CREDITORS : Amounts falling due after more than one year</b>				
	10		(2,037)	(1,562)
<b>TOTAL NET LIABILITIES</b>				
			(262)	(113)
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		-	-
Profit and loss account			(262)	(113)
Equity shareholders' deficit			(262)	(113)

These financial statements were approved at a meeting of the Board of Directors held on 29<sup>th</sup> July 2004

Signed on behalf of the Board of Directors



P A CLARK

Director

# **SEA CONTAINERS FERRIES SCOTLAND LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 31 December 2003**

### **1. ACCOUNTING POLICIES**

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

#### **(a) Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **(b) Turnover**

Turnover principally comprises commissions in respect of ticket sales. All turnover is derived from the United Kingdom.

#### **(c) Tangible fixed assets**

Tangible fixed assets are included in the balance sheet at historical cost. Cost includes own work and where appropriate it is capitalised.

Depreciation is provided on the cost of the assets in use on the straight line method so as to write off the assets over their useful economic lives. The principal rates used are set out below:

Short leasehold buildings	-	over the life of the lease
Plant and office machinery	-	10% to 33½ % (per annum)

Depreciation is not provided on the cost of freehold land.

#### **(d) Stocks**

Stocks are stated at the lower of cost and net realisable value.

#### **(e) Leased assets**

The capital cost of assets leased for substantially the whole of their estimated useful lives (including assets under construction where a leasing agreement has been made) is included in tangible fixed assets with a corresponding liability within loans and leasing liabilities.

The excess of the lease payments over the recorded liability is treated as interest charges, which are amortised to give a constant rate of charge on the remaining balance of the obligation.

#### **(f) Deferred taxation**

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.



# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2003

### 1. ACCOUNTING POLICIES (continued)

#### (g) Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 Cash Flow Statements as the company's ultimate parent undertaking, Sea Containers Ltd, publishes a consolidated cash flow statement.

### 2. ULTIMATE PARENT COMPANY

The immediate parent company is Sea Containers Ferries Limited, a company registered in England and Wales. The smallest group 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 the company's registered office at 20 Upper Ground, London, SE1 9PF.

The parent company of the largest United Kingdom group which includes the company and for which consolidated financial statements are prepared is Sea Containers U.K. Limited. Copies of its accounts can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate parent and controlling company and the largest group for which consolidated financial statements are prepared is Sea Containers Ltd, a company incorporated in Bermuda. Copies of its accounts can be obtained from its registered office at 22 Victoria Street, Hamilton, Bermuda.

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No payments were made to the directors for their services to the company for the year (2002 : £nil).

The company has no employees (2002 : none).

### 4. OPERATING LOSS

The operating loss is stated after charging/(crediting) :

	2003	2002
	£000	£000
Depreciation on : owned assets	294	299
leased assets	107	78
Profit on disposal of fixed assets	<u>(8)</u>	<u>(8)</u>

The audit fee in the current year and in the prior year is borne by Sea Containers U.K. Limited.

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2003

### 5. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit comprises :

	2003 £000	2002 £000
Current taxation : UK corporation tax 30% (2002 : 30%)		
Current year	46	53
Adjustment in respect of prior years	-	17
	<u>46</u>	<u>70</u>
Deferred tax	10	(11)
	<u>56</u>	<u>59</u>

The differences between the current tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows :

	2003 £000	2002 £000
Loss on ordinary activities before taxation	<u>(205)</u>	<u>(150)</u>
Tax credit on loss on ordinary activities	61	45
Factors affecting the credit/(charge for the period)		
Depreciation (in excess of)/less than capital allowances	(11)	12
Other expenses deductible for tax purposes	(4)	(4)
Adjustments to tax credit/(charge) in respect of prior periods	-	17
	<u>-</u>	<u>17</u>
Total amounts of current tax	<u>46</u>	<u>70</u>

SEA CONTAINERS FERRIES SCOTLAND LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2003

6 TANGIBLE FIXED ASSETS

	Office machinery	Plant and machinery Owned	Leased	Freehold	Land and buildings Short Leasehold	Total
	£000	£000	£000	£000	£000	£000
Cost at 1 January 2003	953	510	620	75	2,448	4,606
Additions	258	-	-	-	-	258
Disposals	(598)	-	-	-	-	(598)
Cost at 31 December 2003	613	510	620	75	2,448	4,266
Accumulated depreciation at 1 January 2003	534	464	149	-	770	1,917
Charge for the year	154	26	107	-	114	401
Disposals	(257)	-	-	-	-	(257)
Accumulated depreciation at 31 December 2003	431	490	256	-	884	2,061
Net book value at 31 December 2003	182	20	364	75	1,564	2,205
Net book value at 31 December 2002	419	46	471	75	1,678	2,689

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2003**

**7. STOCKS**

	2003	2002
	£000	£000
Materials and consumables	<u>546</u>	<u>679</u>

**8. DEBTORS**

	2003	2002
	£000	£000
Trade debtors	533	-
Other debtors	73	56
Prepayments and accrued income	147	196
Deferred tax asset (Note 11)	<u>71</u>	<u>61</u>
	<u>824</u>	<u>313</u>

**9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003	2002
	£000	£000
Trade creditors	1,106	1,512
Obligations under finance leases	85	81
Accruals and deferred income	<u>1,278</u>	<u>805</u>
	<u>2,469</u>	<u>2,398</u>

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2003

### 10. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£000	£000
Obligations under finance leases	308	393
Amounts owed to immediate parent and fellow subsidiaries	1,729	1,169
	<u>2,037</u>	<u>1,562</u>

The amounts owed to the parent company and fellow subsidiaries are regarded by all parties concerned as long term with no fixed repayment dates, interest free and are considered by the directors to be subordinated to other creditors in certain circumstances.

#### (a) Obligations under finance leases

	2003	2002
	£000	£000
Total liabilities repayable within :		
One year	112	115
Two to five years	339	458
Over five years	-	-
Total liabilities to end of leasing terms	451	573
Less : interest chargeable to future periods	(58)	(99)
	393	474
Less : amounts repayable within one year (note 9)	(85)	(81)
Amounts repayable after more than one year	<u>308</u>	<u>393</u>

### 11. DEFERRED TAXATION

The amounts of deferred tax provided in the accounts are :

		2003	2002
		£000	£000
Depreciation in excess of capital allowances b/fwd	Note 8	61	72
Credit/(charge) for the year	Note 5	10	(11)
Depreciation in excess of capital allowances c/fwd	Note 8	<u>71</u>	<u>61</u>

There is no unprovided potential deferred tax liability.

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2003**

**12. CALLED UP SHARE CAPITAL**

	2003 £	2002 £
Authorised : 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid : 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13. RELATED PARTY DISCLOSURES**

The company has taken advantage conferred by paragraph 3 (c) of Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with group entities or investees of the group qualifying as related parties.