

SEA CONTAINERS FERRIES SCOTLAND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December, 1995



SEA CONTAINERS FERRIES SCOTLAND LIMITED

REPORT AND FINANCIAL STATEMENTS 1995

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6

SEA CONTAINERS FERRIES SCOTLAND LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December, 1995.

1. ACTIVITIES

The principal activity of the company is selling agent.

2. REVIEW OF DEVELOPMENTS

A loss of £78,000 (1994 : £186,000 profit) has been transferred from reserves.

The directors do not recommend the payment of a dividend for the year (1994 : £nil).

The directors anticipate that the company's results in the forthcoming year will be similar to 1995.

3. FIXED ASSETS

Changes in fixed assets are shown in note 7 to the accounts.

4. DIRECTORS

The directors who served during the year were as follows:

D. Benson
P. A. Calvert
D. J. O'Sullivan
H. A. C. Ross
M. V. Scawn

All directors served to the date of these accounts.


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

5. AUDITORS

On 1 February, 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name.

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to 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
28 October, 1996

SEA CONTAINERS FERRIES SCOTLAND 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 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;
- prepare the financial statements on a 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.

SEA CONTAINERS FERRIES SCOTLAND LIMITED

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

We have audited the financial statements on pages 4 to 9 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, 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte + Touche

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London
EC4A 4TR

28 October, 1996

SEA CONTAINERS FERRIES SCOTLAND LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December, 1995

	Note	1995 £000	1994 £000
Turnover	1(b)	396	380
Operating costs		(333)	(34)
Profit on operations		63	346
Interest payable	4	(141)	(160)
(Loss)/profit on ordinary activities before taxation	5	(78)	186
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit on ordinary activities after taxation		(78)	186
Retained loss brought forward		(461)	(647)
Retained loss carried forward		(539)	(461)

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

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

All activities derive from continuing operations.

SEA CONTAINERS FERRIES SCOTLAND LIMITED

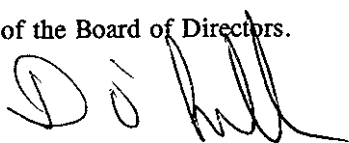
BALANCE SHEET

As at 31 December, 1995

			1995	1994
	Note	£000	£000	£000
FIXED ASSETS				
Tangible assets	7		2,980	3,128
CURRENT ASSETS				
Stocks	8	490		329
Debtors	9	814		1,186
Cash at bank and in hand		50		74
		<u>1,354</u>	<u>1,589</u>	
CREDITORS: Amounts falling due within one year	10	(1,781)	(1,579)	
		<u>(1,781)</u>	<u>(1,579)</u>	
NET CURRENT (LIABILITIES)/ASSETS			(427)	10
			<u>(427)</u>	<u>10</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,553	3,138
CREDITORS: Amounts falling due after more than one year	11		(3,092)	(3,599)
			<u>(3,092)</u>	<u>(3,599)</u>
			(539)	(461)
			<u>(539)</u>	<u>(461)</u>
CAPITAL AND RESERVES				
Called up share capital	12		-	-
Profit and loss account			(539)	(461)
			<u>(539)</u>	<u>(461)</u>
Equity shareholders' funds			<u>(539)</u>	<u>(461)</u>

These financial statements were approved at a meeting of the Board of Directors held on 28 October 1996.

Signed on behalf of the Board of Directors.



D. J. O'SULLIVAN Director

SEA CONTAINERS FERRIES SCOTLAND LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December, 1995

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 are prepared under the historical cost convention.

(b) Turnover

Turnover principally comprises commissions in respect of ticket sales and management fees in respect of administrative duties carried out.

(c) Tangible Fixed Assets

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

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

Freehold buildings	4% - 10%
Short leasehold land	over the life of the lease
Plant and office machinery	10% - 20%

(d) Stocks

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

(e) 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.

(f) Foreign Currency

Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date.

Exchange gains or losses on the above translations, and conversion of foreign currency transactions arising in the ordinary course of trading, are included in the profit and loss account before interest and taxation. Where they arise on translations relating to the group's financing activities they are shown in the profit and loss account after interest.

SEA CONTAINERS FERRIES SCOTLAND LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December, 1995

2. ULTIMATE PARENT COMPANY

The parent company of the largest United Kingdom group which includes the company and for which group accounts are prepared is Sea Containers U.K. 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. On 24 May, 1995 Norlantic sold its interest in Ferry and Port Holdings Limited, to Sea Containers U.K. Limited. From 24 May, 1995 the parent company of the largest United Kingdom group which includes the company and for which group accounts will be prepared is Sea Containers U.K. Limited. Copies of the group accounts for both Sea Containers U.K. Limited and Ferry and Port Holdings Limited can be obtained from their 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 the company's 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 period ended 31 December, 1995 (1994 : £nil).

The company had no employees during the year (1994 : nil).

4. INTEREST PAYABLE

	1995 £000	1994 £000
Loans repayable wholly or in part within five years	<u>141</u>	<u>160</u>
	<u>141</u>	<u>160</u>

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is after charging:

Depreciation and other amounts written off tangible fixed assets

	1995 £000	1994 £000
Owned assets	<u>333</u>	<u>34</u>

The audit fee is borne by another group company.

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The loss for the year will be carried forward.

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

SEA CONTAINERS FERRIES SCOTLAND LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December, 1995

7. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Office machinery	Total
	£000	£000	£000	£000	£000
Cost at 1 January, 1995	-	3,174	221	185	3,580
Additions	<u>5</u>	<u>94</u>	<u>48</u>	<u>38</u>	<u>185</u>
Cost at 31 December, 1995	<u>5</u>	<u>3,268</u>	<u>269</u>	<u>223</u>	<u>3,765</u>
Accumulated depreciation at 1 January, 1995	-	338	62	52	452
Charge for year	<u>-</u>	<u>273</u>	<u>33</u>	<u>27</u>	<u>333</u>
Accumulated depreciation at 31 December, 1995	<u>-</u>	<u>611</u>	<u>95</u>	<u>79</u>	<u>785</u>
Net book value at 31 December, 1995	<u>5</u>	<u>2,657</u>	<u>174</u>	<u>144</u>	<u>2,980</u>
Net book value at 31 December, 1994	<u>-</u>	<u>2,836</u>	<u>159</u>	<u>133</u>	<u>3,128</u>

8. STOCKS

	1995 £000	1994 £000
Materials and consumables	<u>490</u>	<u>329</u>

9. DEBTORS

	1995 £000	1994 £000
Trade debtors	11	32
Other debtors	233	20
Prepayments and accrued income	<u>570</u>	<u>1,134</u>
	<u>814</u>	<u>1,186</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £000	1994 £000
Current instalment due on bank loan	300	600
Trade creditors	608	437
Accruals and deferred income	818	491
Other taxation and social security	<u>55</u>	<u>51</u>
	<u>1,781</u>	<u>1,579</u>

SEA CONTAINERS FERRIES SCOTLAND LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December, 1995

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £000	1994 £000
Bank loan	1,200	1,500
Amounts owed to parent and fellow subsidiaries	<u>1,892</u>	<u>2,099</u>
	<u>3,092</u>	<u>3,599</u>

The bank loan is secured by a first fixed charge on the assets of the company and is repayable as follows:

	£000
Within one year	300
one to two years	<u>1,200</u>
	<u>1,500</u>

Secured loans bear interest at floating rates of 1.5% over the bank base rate.

12. CALLED UP SHARE CAPITAL

	1995	1994
Authorised 10,000 ordinary shares of £1 each	£ <u>10,000</u>	£ <u>10,000</u>
Allotted and fully paid 2 ordinary shares of £1 each	£ <u>2</u>	£ <u>2</u>

13. CAPITAL COMMITMENTS

The company had no capital commitments outstanding at the end of the year (1994 : £nil).