

Company no : SC137325

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 December 2002**



# **SEA CONTAINERS FERRIES SCOTLAND LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

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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 2002.

### 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 £91,000 (2001 : £82,000 loss) has been made by the company during the year.

The directors do not recommend a dividend for the year (2001 : £nil).

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

### 3. DIRECTORS

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

D J O'Sullivan	(resigned 1 April 2003)
D G Benson	
M V Scawn	(resigned 30 April 2002)
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 (2001 : none).

### 4. AUDITORS

On 1 August 2003 Deloitte & Touche, the company's auditors, transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to reappoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board



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

Date : 1 October 2003

## **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; and
- 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 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 2002 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' deficit, the statement of total recognised gains and losses and the related notes 1 to 14. 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 2002 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

Date: 1 October 2003

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**

**PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 2002**

		<b>2002</b>	<b>2001</b>
	<b>Note</b>	<b>£000</b>	<b>restated (see note 13) £000</b>
Turnover	1(b)	309	357
Administrative expenses		<u>(430)</u>	<u>(265)</u>
Operating (loss)/profit	4	(121)	92
Finance lease interest payable and similar charges		<u>(29)</u>	<u>(42)</u>
(Loss)/Profit on ordinary activities before taxation		(150)	50
Tax credit/(charge) on (loss)/profit on ordinary activities	5	<u>59</u>	<u>(50)</u>
Loss on ordinary activities after taxation and for the financial year		(91)	-
Retained loss brought forward		<u>(22)</u>	<u>(22)</u>
Retained loss carried forward		<u><u>(113)</u></u>	<u><u>(22)</u></u>

*All activities derive from continuing operations.*

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

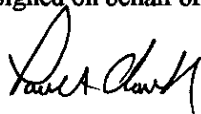
## BALANCE SHEET

As at 31 December 2002

	Note	£000	2002 £000	2001 restated (see note 13) £000
<b>FIXED ASSETS</b>				
Tangible assets	6		2,689	2,634
<b>CURRENT ASSETS</b>				
Stocks	7	679		691
Debtors	8	313		1,077
Cash at bank and in hand		166		400
		<u>1,158</u>		<u>2,168</u>
<b>CREDITORS : Amounts falling due within one year</b>				
	9	<u>(2,398)</u>		<u>(2,177)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(1,240)</u>	<u>(9)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,449	2,625
<b>CREDITORS : Amounts falling due after more than one year</b>				
	10		<u>(1,562)</u>	<u>(2,647)</u>
<b>TOTAL NET LIABILITIES</b>			<u><u>(113)</u></u>	<u><u>(22)</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		-	-
Profit and loss account			<u>(113)</u>	<u>(22)</u>
Equity Shareholders' deficit			<u><u>(113)</u></u>	<u><u>(22)</u></u>

These financial statements were approved at a meeting of the Board of Directors held on 1 October 2003.

Signed on behalf of the Board of Directors



P A CLARK

Director

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

Year ended 31 December 2002

	Note	2002 £000	2001 restated (see note 13) £000
Opening shareholders' deficit as previously stated		(94)	(144)
Prior year adjustment – adoption of FRS 19	13	<u>72</u>	<u>122</u>
Opening shareholders' deficit as restated		(22)	(22)
Loss for the year		<u>(91)</u>	<u>-</u>
Closing shareholders' deficit		<u>(113)</u>	<u>(22)</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	2002 £000	2001 restated (see note 13) £000
Loss for the year		<u>(91)</u>	<u>-</u>
Total losses) recognised relating to the year		(91)	<u>-</u>
Prior year adjustment – adoption of FRS 19	13	<u>72</u>	
Total losses recognised since the last annual report		<u>(19)</u>	



# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 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 20% (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 2002

### 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 UK 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 41 Cedar Avenue, Hamilton, Bermuda.

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No payments were made to the directors for their services to the company for the year (2001 : £nil).

The company has no employees (2001 : none).

### 4. OPERATING (LOSS)/PROFIT

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

	2002	2001
	£000	£000
Depreciation on : owned assets	299	181
leased assets	78	71
Profit on disposal of fixed assets	(8)	(8)

The audit fee in the current year is borne by Sea Containers U.K. Limited. The audit fee in the prior year was borne by Sea Containers Ltd, the ultimate parent company.

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax credit/(charge) comprises :

	2002 £000	2001 restated (see note 13) £000
Current taxation : UK corporation tax 30% (2001 : 30%)		
Current year	53	-
Adjustment in respect of prior years	17	-
	<u>70</u>	<u>-</u>
Deferred tax	(11)	(50)
	<u>59</u>	<u>(50)</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 :

	2002 £000	2001 £000
(Loss)/profit on ordinary activities before taxation	<u>(150)</u>	<u>50</u>
Tax credit/(charge) on (loss)/profit on ordinary activities	45	(15)
Factors affecting the credit/(charge) for the period		
Capital allowances in excess of depreciation	12	38
Other expenses deductible for tax purposes	(4)	(6)
Adjustments to tax credit/(charge) in respect of prior periods	17	-
Loss surrender between group companies for nil consideration	<u>-</u>	<u>(17)</u>
Total amounts of current tax	<u>70</u>	<u>-</u>

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2002**

**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 2002	592	439	620	75	2,448	4,174
Additions	361	71	-	-	-	432
Cost at 31 December 2002	953	510	620	75	2,448	4,606
Accumulated depreciation at 1 January 2002	363	362	71	-	744	1,540
Charge for the year	171	102	78	-	26	377
Accumulated depreciation at 31 December 2002	534	464	149	-	770	1,917
Net book value at 31 December 2002	419	46	471	75	1,678	2,689
Net book value at 31 December 2001	229	77	549	75	1,704	2,634

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 7. STOCKS

	2002	2001
	£000	£000
Materials and consumables	<u>679</u>	<u>691</u>

### 8. DEBTORS

	2002	2001 restated (see note 13)
	£000	£000
Other debtors	56	674
Prepayments and accrued income	196	331
Deferred tax asset	<u>61</u>	<u>72</u>
	<u>313</u>	<u>1,077</u>

Note 11

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

	2002	2001
	£000	£000
Trade creditors	1,512	1,467
Obligations under finance leases	81	75
Accruals and deferred income	<u>805</u>	<u>635</u>
	<u>2,398</u>	<u>2,177</u>

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

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

	2002 £000	2001 £000
Obligations under finance leases	393	475
Amounts owed to immediate parent and fellow subsidiaries	1,169	2,122
Accruals and deferred income	-	50
	<u>1,562</u>	<u>2,647</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 subordinated to other creditors in certain circumstances.

#### (a) Obligations under finance leases

	2002 £000	2001 £000
Total liabilities repayable within :		
One year	115	80
Two to five years	458	396
Over five years	-	110
Total liabilities to end of leasing terms	573	586
Less : interest chargeable to future periods	(99)	(36)
	<u>474</u>	<u>550</u>
Less : amounts repayable within one year (note 9)	(81)	(75)
Amounts repayable after more than one year	<u>393</u>	<u>475</u>

### 11. DEFERRED TAXATION

The amounts of deferred tax provided in the accounts are :

		2002 £000	2001 restated (see note 13) £000
Depreciation in excess of capital allowances b/fwd	Note 8	72	122
Charge for the year	Note 5	(11)	(50)
Depreciation in excess of capital allowances c/fwd	Note 8	<u>61</u>	<u>72</u>

There is no unprovided potential deferred tax liability.

# SEA CONTAINERS FERRIES SCOTLAND LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 12. CALLED UP SHARE CAPITAL

	2002 £	2001 £
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. RESTATEMENT OF COMPARATIVES

The adoption of FRS 19 "Deferred Tax" has required a change in accounting policy for deferred tax and the prior year figures have been restated accordingly as shown below :

#### a) Profit and loss account

	Profit on ordinary activities before taxation £000	Taxation £000	Loss on ordinary activities after taxation £000
As previously reported for the year ended 31 December 2001	50	-	50
Adoption of FRS 19 for the year ended 31 December 2001	<u>-</u>	<u>(50)</u>	<u>-</u>
As restated for the year ended 31 December 2001	<u>50</u>	<u>(50)</u>	<u>-</u>

#### b) Balance sheet

	Debtor – deferred tax asset £000	Profit and loss reserve £000
As previously reported as at 31 December 2001	-	(94)
Adoption of FRS 19 as at 31 December 2001	<u>72</u>	<u>72</u>
As restated as at 31 December 2001	<u>72</u>	<u>(22)</u>

**SEA CONTAINERS FERRIES SCOTLAND LIMITED**

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2002**

**14. 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.