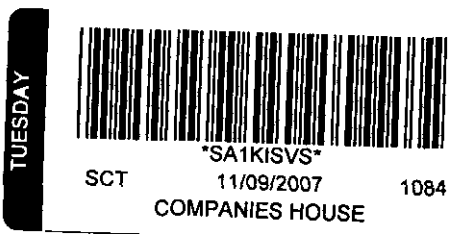


OCEAN TERMINAL SERVICES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2006
Registered Number: SC197891



OCEAN TERMINAL SERVICES LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2006

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OCEAN TERMINAL SERVICES LIMITED

DIRECTORS AND OFFICIALS

DIRECTORS

W W Murray
T P Smith (resigned 3rd May 2006)
G Sellar
N.J. Thompson (appointed 11th May 2006)
D Gateley (appointed 18th May 2006)

SECRETARY

Morag McNeill

REGISTERED OFFICE

1 Prince of Wales Dock
Leith
EDINBURGH EH6 7DX

REGISTERED NUMBER

SC197891

REGISTERED AUDITORS

PricewaterhouseCoopers LLP
Erskine House
68 73 Queen Street
EDINBURGH EH2 4NH

OCEAN TERMINAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts for the year ended 31st December 2006

Principal Activities and Business Review

The Company was incorporated in Scotland and is a limited company domiciled in Scotland. The Company's principal activity is the administration and operation of a retail and leisure complex in Leith, which is expected to continue for the foreseeable future

Results and Dividend

The profit for the year after taxation amounted to £49,487 (2005 £43,111) No dividend was paid during the year (2005 £nil) The Directors propose that the profit for the year be transferred to reserves

Directors

W W Murray
T P Smith (resigned 3rd May 2006)
G Sellar
N.J Thompson (appointed 11th May 2006)
D Gateley (appointed 18th May 2006)

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year that 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 accounts the Directors are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State that the accounts comply with IFRS
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the accounts.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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

Directors' Interests

No Director held any interest in the share capital of the Company during the year

OCEAN TERMINAL SERVICES LIMITED

REPORT OF THE DIRECTORS (continued)

Auditors and Disclosure of Information to Auditors

Each Director, as at the date of this report, has confirmed that, insofar as they are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next Annual General Meeting of the Company

BY ORDER OF THE BOARD



Morag McNeill
SECRETARY

19th March 2007

OCEAN TERMINAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN TERMINAL SERVICES LIMITED

We have audited the financial statements of Ocean Terminal Services Limited for the year ended 31st December 2006 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.


OCEAN TERMINAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN TERMINAL SERVICES LIMITED (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31st December 2006 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

A large, stylized handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh

19th March 2007

OCEAN TERMINAL SERVICES LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006 £	2005 £
Revenue		2,096,414	2,086,174
Cost of sales		(2,037,895)	(2,034,596)
Gross profit		58,519	51,578
Administrative expenses		(10,732)	(13,565)
Operating profit	1	47,787	38,013
Finance income	2	1,700	2,216
Profit before tax		49,487	40,229
Taxation	4		2,882
Profit for the year attributable to equity shareholders	11	49,487	43,111

Results for the year are attributable solely to continuing operations


The Company has no recognised income or expense other than those included in the Income Statement above and therefore no separate Statement of Recognised Income and Expense has been presented.


OCEAN TERMINAL SERVICES LIMITED

BALANCE SHEET AT 31ST DECEMBER 2006

	Notes	2006 £	2005 £
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,676	45,158
		3,676	45,158
Current assets			
Trade and other receivables	6	574,722	534,174
Cash and cash equivalents	7	42,312	53,687
		617,034	587,861
Total assets		620,710	633,019
LIABILITIES			
Current liabilities			
Trade and other payables	8	(400,196)	(461,992)
		(400,196)	(461,992)
Non current liabilities			
Deferred tax liabilities	9		
Total liabilities		(400,196)	(461,992)
Total assets less total liabilities		220,514	171,027
SHAREHOLDERS' EQUITY			
Ordinary shares	10	1,000	1,000
Retained earnings	11	219,514	170,027
Total shareholders' equity	11	220,514	171,027

The accounts on pages 7 to 17 were authorised and approved for issue by the Board of Directors on 19th March 2007 and signed on its behalf by


W W Murray


G Sellar

OCEAN TERMINAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006 £	2005 £
Cash flows used in operating activities			
Cash used in operations	12	(13,075)	(14,608)
Interest received		1,700	2,216
Net cash used in operating activities		(11,375)	(12,392)
Change in cash and cash equivalents		(11,375)	(12,392)
Cash and cash equivalents at start of year		53,687	66,079
Cash and cash equivalents at end of year	7	42,312	53,687

OCEAN TERMINAL SERVICES LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2006

The principal accounting policies adopted in the preparation of these accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These accounts have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The accounts have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year, if applicable.

The preparation of accounts in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Revenue Recognition

Revenue represents the income earned from the provision of services at the Ocean Terminal development and management charges receivable. Such revenue is recorded once the service has been provided. Revenue excludes value added tax.

Property, Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchase costs where appropriate.

Plant and equipment in the course of construction is recorded as capital work in progress until such time as it is brought into use by the Company. Capital work in progress includes all direct expenditure and may include capitalised interest in accordance with the accounting policy on that subject. On completion, such assets are transferred to the appropriate asset category.

Depreciation is charged to write off the cost or revalued amount less any residual value of the asset over the estimated useful lives as follows,

Plant and equipment	3-5 years
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Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of assets are included in operating profit.

Repairs and maintenance are charged to the Income Statement during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining life of the related asset.

OCEAN TERMINAL SERVICES LIMITED

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2006 (continued)

Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

Share Capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than in connection with business combinations, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Current tax rates in the relevant jurisdiction are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2006

1. Operating profit

The following items have been included in arriving at operating profit

	2006 £	2005 £
Depreciation of plant and equipment owned assets	<u>41,482</u>	<u>48,423</u>

Services provided by the Company's auditor

During the year the Company obtained the following services from the Company's auditor at costs as detailed below

	2006 £	2005 £
Audit services statutory audit	9,500	10,000
tax advisory services	<u>1,200</u>	<u>1,100</u>
	<u>10,700</u>	<u>11,100</u>

2. Finance income

	2006 £	2005 £
Bank interest receivable	<u>1,700</u>	<u>2,216</u>

3. Directors and employees

The Directors received no emoluments from the Company in respect of the year ended 31st December 2006 (2005 £nil) There are no accrued pension costs There are no direct employees of the Company

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

4. Taxation

	2006	2005
	£	£
Analysis of tax credit for the year		
Deferred taxation – credit for the year (Note 9)	<u>==</u>	<u>(2,882)</u>

The tax for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are explained below

	2006	2005
		£
Profit before tax	<u>49,487</u>	<u>40,229</u>
Profit multiplied by rate of corporation tax in the UK of 30% (2005 30%)	14,846	12,069
Effects of:		
Group relief not paid	(22,567)	(20,298)
Deferred tax not recognised	<u>7,721</u>	<u>5,347</u>
Tax credit for the year	<u>==</u>	<u>(2,882)</u>

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

5. Property, plant and equipment

	Plant and Equipment £
Cost	
At 1 st January 2006 and 31 st December 2006	<u>306,928</u>
Accumulated depreciation	
At 1 st January 2006	261,770
Charge for year	<u>41,482</u>
At 31 st December 2006	<u>303,252</u>
Net book amount at 31st December 2006	<u>3,676</u>

	Plant and Equipment £
Cost	
At 1 st January 2005 and 31 st December 2005	<u>306,928</u>
Accumulated depreciation	
At 1 st January 2005	213,347
Charge for year	<u>48,423</u>
At 31 st December 2005	<u>261,770</u>
Net book amount at 31st December 2005	<u>45,158</u>

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

6. Trade and other receivables - current

	2006 £	2005 £
Trade receivables	23,192	80,495
Other receivables	12,256	42,323
Accrued income	81,524	14,449
Amount due from Ocean Terminal Limited	<u>457,750</u>	<u>396,907</u>
	<u>574,722</u>	<u>534,174</u>

The amount due from Ocean Terminal Limited is receivable on demand but is not expected to be fully received during the next twelve months

7. Cash and cash equivalents

	2006 £	2005 £
Cash at bank and in hand	<u>42,312</u>	<u>53,687</u>

8. Trade and other payables - current

	2006 £	2005 £
Accruals	130,820	177,220
Deferred income	<u>269,376</u>	<u>284,772</u>
	<u>400,196</u>	<u>461,992</u>

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

9. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 30% (2005 – 30%)

	2006 £	2005 £
Deferred taxation		
Capital allowances	=====	=====
Deferred tax liabilities – reconciliation		
At 1st January		2,882
Amount credited to Income Statement (Note 4)	=====	<u>(2,882)</u>
At 31 st December	=====	=====

10. Called up equity share capital

	2006 £	2005 £
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

There is only one class of ordinary shares which carries no right to fixed income

11. Statement of changes in shareholders' equity

	Ordinary Shares £	Retained Earnings £	Total Equity £
Balance at 1 st January 2005	1,000	126,916	127,916
Profit for the year	=====	<u>43,111</u>	<u>43,111</u>
Balance at 31 st December 2005	1,000	170,027	171,027
Profit for the year	=====	<u>49,487</u>	<u>49,487</u>
Balance at 31st December 2006	<u>1,000</u>	<u>219,514</u>	<u>220,514</u>

All retained earnings are distributable

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

12. Cash flow used in operating activities

Reconciliation of profit before tax to net cash outflow from operating activities

Cash used in operations

	2006 £	2005 £
Profit before tax	49,487	40,229
Adjustments for		
finance income	(1,700)	(2,216)
depreciation of plant and equipment	41,482	48,423
Movements in working capital		
Increase in receivables	(18,002)	(89,149)
Decrease in payables	<u>(84,342)</u>	<u>(11,895)</u>
Cash used in operations	<u>(13,075)</u>	<u>(14,608)</u>

13. Related party transactions

Key management compensation is disclosed in Note 3

The Company is owned by Ocean Terminal Limited, which is jointly owned by Forth Ports PLC and Uberior Ventures Limited

A management fee of £100,000 (2005 £100,000) was charged by Ocean Terminal Services Limited to Ocean Terminal Limited, with this amount being outstanding at 31st December 2006 (2005 £100,000 outstanding)

Service charges for vacant units were charged to Ocean Terminal Limited to the value of £306,532 (2005 £254,671) At the year end, service charges had been charged beyond the year end to the extent of £40,362 (2005 £39,613) The amount due from Ocean Terminal Limited at the year end was £457,750 (2005 £396,907)