

OCEAN TERMINAL SERVICES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2004
Registered Number: SC197891



OCEAN TERMINAL SERVICES LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

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OCEAN TERMINAL SERVICES LIMITED

DIRECTORS AND OFFICIALS

DIRECTORS

W.W. Murray
T.P. Smith
I.S. Mackintosh

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 2004.

Principal Activities and Business Review

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 £41,120 (2003 - £73,278). The Directors propose that the profit for the year be transferred to reserves.

Directors

W.W. Murray

T.P. Smith

I.S. Mackintosh (appointed 29.6.04)

P.A. Bradley (resigned 25.1.05)

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. The Directors are required to 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 suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the accounts for the year ended 31st December 2004 and that applicable accounting standards have been followed.

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

Auditors

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

BY ORDER OF THE BOARD


Morag McNeill
SECRETARY

18th March 2005

OCEAN TERMINAL SERVICES LIMITED

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 are properly prepared in accordance with the Companies Act 1985. We also report to you 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report.

Basis of Audit 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.

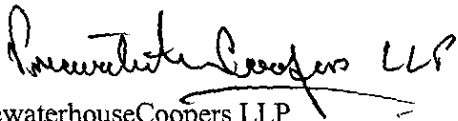
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OCEAN TERMINAL SERVICES LIMITED

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written over a horizontal line.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
EDINBURGH

18th March 2005

OCEAN TERMINAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2004

	Notes	2004 £	2003 £
Turnover		2,132,283	2,582,407
Cost of sales		<u>(2,093,702)</u>	<u>(2,494,871)</u>
Gross profit		38,581	87,536
Administrative expenses		<u>(12,091)</u>	<u>(13,754)</u>
Profit on ordinary activities before interest		26,490	73,782
Bank interest receivable		2,663	1,720
Bank interest payable		<u>-</u>	<u>(11,950)</u>
Profit on ordinary activities before taxation	1	29,153	63,552
Tax on profit on ordinary activities	3	<u>11,967</u>	<u>9,726</u>
Retained profit for the period	9	<u>41,120</u>	<u>73,278</u>

Results for the period are attributable solely to continuing operations.

The Company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

OCEAN TERMINAL SERVICES LIMITED

BALANCE SHEET AT 31ST DECEMBER 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	4	<u>93,581</u>	<u>166,461</u>
Current assets			
Debtors	5	445,025	315,310
Cash at bank		<u>66,079</u>	<u>90,001</u>
		511,104	405,311
Creditors: amounts due within one year	6	<u>(473,887)</u>	<u>(470,127)</u>
Net current liabilities		<u>37,217</u>	<u>(64,816)</u>
Total assets less current liabilities		130,798	101,645
Provisions for liabilities and charges			
Deferred taxation	7	<u>(2,882)</u>	<u>(14,849)</u>
		<u>127,916</u>	<u>86,796</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>126,916</u>	<u>85,796</u>
Equity shareholders' funds	10	<u>127,916</u>	<u>86,796</u>

The accounts on pages 7 to 13 were approved by the Board of Directors on 18th March 2005 and signed on its behalf by

W. W. Murray

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I.S. Mackintosh

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OCEAN TERMINAL SERVICES LIMITED

ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout the periods under review and are in accordance with applicable Accounting Standards in the United Kingdom.

Basis of Preparation

The accounts have been prepared on the historical cost basis.

The Company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirement to publish a cashflow.

Turnover

Turnover represents the income earned from the provision of services at the Ocean Terminal development and management charges receivable. Turnover excludes value added tax.

Tangible Fixed Assets

Tangible fixed assets are recorded at cost or valuation and are depreciated on a straight-line basis over their estimated useful economic lives.

The main depreciation periods used are as follows:

	Years
Plant and equipment	3-5

Taxation

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

Deferred taxation has been recognised as a liability if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2004

1. Profit on ordinary activities before taxation

Profit on ordinary activities is stated after charging:

	2004 £	2003 £
Auditors' remuneration - audit fee	10,350	13,500
Depreciation of owned assets	<u>66,159</u>	<u>73,059</u>

2. Directors and employees

The Directors received no emoluments from the Company in respect of the period ended 31st December 2004. There are no accrued pension costs. There are no direct employees of the Company.

3. Taxation

	2004 £	2003 £
UK corporation tax at 30%		
- deferred taxation (see Note 7)	<u>11,967</u>	<u>9,726</u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2003 - 30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>29,153</u>	<u>63,552</u>
Profit on ordinary activities multiplied by standard rate in the UK 30% (2003 - 30%)	8,746	19,066
Effects of:		
Excess of capital allowances over depreciation	11,967	9,727
Group relief not paid for	<u>(20,713)</u>	<u>(28,793)</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

4. Fixed assets

	Plant and Equipment £
Cost	
At 1st January 2004	323,058
Disposal	<u>(16,130)</u>
At 31st December 2004	<u>306,928</u>
Depreciation	
At 1st January 2004	156,597
Charge for year	66,159
Disposals	<u>(9,409)</u>
At 31st December 2004	<u>213,347</u>
Net book value at 31st December 2004	<u>93,581</u>
Net book value at 31st December 2003	<u>166,461</u>

5. Debtors

	2004 £	2003 £
Amounts falling due within one year:		
Trade debtors	78,706	63,957
Other debtors and prepayments	115,346	119,558
Accrued income	-	120,148
Due from Ocean Terminal Limited	<u>250,973</u>	<u>11,647</u>
	<u>445,025</u>	<u>315,310</u>

6. Creditors: amounts falling due within one year:

	2004 £	2003 £
Accruals	138,422	172,535
Deferred service charge income	<u>335,465</u>	<u>297,592</u>
	<u>473,887</u>	<u>470,127</u>

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

7. Provision for liabilities and charges

	2004 £	2003 £
Provision has been made in full for deferred taxation arising from:		
Capital allowances		
At 1st January	14,849	24,575
Released in the year	<u>(11,967)</u>	<u>(9,726)</u>
At 31st December	<u>2,882</u>	<u>14,849</u>

8. Called up equity share capital

	2004 £	2003 £
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>

9. Profit and loss account

	£
Balance at 1st January 2004	85,796
Profit for the period	<u>41,120</u>
Balance at 31st December 2004	<u>126,916</u>

10. Reconciliation of movements in equity shareholders' funds

	2004 £	2003 £
Profit for the period	41,120	73,278
Opening equity shareholders' funds	<u>86,796</u>	<u>13,518</u>
Closing equity shareholders' funds	<u>127,916</u>	<u>86,796</u>

OCEAN TERMINAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

11. Related party transactions

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

The related party transactions with Ocean Terminal Limited are disclosed within note 5 to the accounts. In addition, a management fee of £100,000 (2003 - £450,000) was charged by Ocean Terminal Services Limited to Ocean Terminal Limited, with this amount being outstanding at 31st December 2004.

There were other transactions with Ocean Terminal Limited to the value of £531,296 (2003 - £719,725).