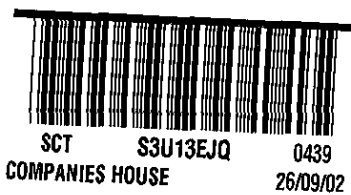


OCEAN TERMINAL DEVELOPMENTS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

Registered Number: SC197892



OCEAN TERMINAL DEVELOPMENTS LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

CONTENTS	PAGE
Directors and Officials	2
Report of the Directors	3
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Accounting Policies	8
Notes to the Accounts	9

OCEAN TERMINAL DEVELOPMENTS LIMITED

DIRECTORS

W.W. Murray
T.P. Smith
P.A. Bradley
G.E. Mitchell

SECRETARY

J.A. Tothill

REGISTERED OFFICE

Tower Place
Leith
EDINBURGH EH6 7DB

REGISTERED NUMBER

SC197892

REGISTERED AUDITORS

PricewaterhouseCoopers
Erskine House
PO Box 90
68-73 Queen Street
EDINBURGH EH2 4NH

OCEAN TERMINAL DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and accounts for the year ended 31st December 2001.

Principal Activities and Business Review

The Company's principal activity is construction of a retail and leisure complex in Leith. During the year, construction of the complex was completed and it was transferred to Ocean Terminal Limited. The Company will continue its involvement with the complex regarding work connected to future lettings.

Results and Dividend

The profit for the period after taxation amounted to £74,294 (2000 – loss £15,000). The Directors propose that no dividend be paid and that the profit for the period be transferred to reserves.

Directors

W.W. Murray
T.P. Smith
P.A. Bradley
G.E. Mitchell

Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which 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.

With the exception of the changes arising from the adoption of new accounting policies, as described on page 8, 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 2001 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 period.


OCEAN TERMINAL DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

Auditors

In accordance with Section 384 of the Companies Act, a resolution to reappoint the auditors, PricewaterhouseCoopers, will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'J.A. Tothill', with a long horizontal stroke extending to the left.

J.A. Tothill
SECRETARY

15th March 2002

OCEAN TERMINAL DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN TERMINAL DEVELOPMENTS 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.

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.

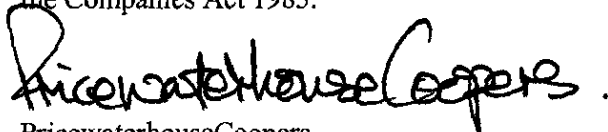
Basis of Audit Opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
EDINBURGH

15th March 2002

OCEAN TERMINAL DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001	7.7.99 to 31.12.00 £
Turnover		92,320,311	-
Cost of sales		<u>92,136,329</u>	<u>-</u>
Gross profit		183,982	-
Administrative expenses		<u>1,746</u>	<u>1,579</u>
Profit/(loss) on ordinary activities before interest		182,236	(1,579)
Interest receivable		14,454	32,880
Interest payable		<u>(107,487)</u>	<u>(48,636)</u>
Profit/(loss) on ordinary activities before taxation	1	89,203	(17,335)
Tax on profit/(loss) on ordinary activities	3	<u>(14,909)</u>	<u>2,335</u>
Retained profit/(loss) for the period	8	<u>74,294</u>	<u>(15,000)</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 DEVELOPMENTS LIMITED

BALANCE SHEET AT 31ST DECEMBER 2001

	Notes	2001 £	2000 £
Current assets			
Project work in progress	4	-	53,335,750
Debtors	5	107,861,777	8,450,872
Cash at bank		<u>234,398</u>	<u>-</u>
		108,096,175	61,786,622
Creditors: amounts due within one year	6	<u>107,936,881</u>	<u>61,701,622</u>
Net current assets		<u>159,294</u>	<u>85,000</u>
 Capital and reserves			
Called up share capital	7	100,000	100,000
Profit and loss account	8	<u>59,294</u>	<u>(15,000)</u>
Equity shareholders' funds	9	<u>159,294</u>	<u>85,000</u>


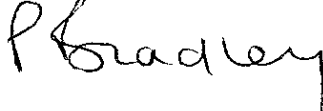
The accounts on pages 6 to 12 were approved by the Board of Directors on 15th March 2002 and signed on its behalf by

W. W. Murray

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P.A. Bradley

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OCEAN TERMINAL DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

As required by FRS18 ("Accounting Policies"), the Company has reviewed its Accounting Policies to ensure that they are the most appropriate for its particular circumstances. Accounting policies for turnover, project work in progress and borrowings have been clarified. In December 2000, the Accounting Standards Board issued FRS19 "Deferred Tax". The Company has adopted FRS19 in the accounts although there is no effect from this change in accounting policy.

Subject to the foregoing, 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 property development. Turnover excludes value added tax.

Project Work in Progress

Expenditure on property development projects and land held for resale and project work in progress is included at cost less amounts written off which are deemed to be irrecoverable. Cost includes all direct expenditure and associated indirect costs and related costs of finance. On completion, such assets are transferred to heritable investment properties or sold to third parties.

Borrowings

Borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are written off to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding. Where such borrowings relate to the construction of an asset, such costs are capitalised during the construction phase.

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 DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2001

1. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities is stated after charging:

	2001	7.7.99 to 31.12.00
	£	£
Auditors' remuneration - audit fee	<u>1,575</u>	<u>1,500</u>

2. Directors and employees

The Directors received no emoluments from the Company in respect of the period ended 31st December 2001.
There are no direct employees of the Company.

3. Taxation

	2001	7.7.99 to 31.12.00
	£	£
UK corporation tax at 20%		
- on profit for year	(14,909)	-
- group relief recoverable	<u>-</u>	<u>2,335</u>
	<u>(14,909)</u>	<u>2,335</u>

4. Project work in progress

	2001	2000
	£	£
At period commencement	53,335,750	-
Additions in the period	38,800,579	53,335,750
Transferred to Ocean Terminal Limited	<u>(92,136,329)</u>	<u>-</u>
At 31st December	<u>-</u>	<u>53,335,750</u>

5. Debtors

	2001	2000
	£	£
Amounts falling due within one year:		
Trade debtors	34,518	-
Due from Ocean Terminal Ltd	<u>107,827,259</u>	<u>8,450,872</u>
	<u>107,861,777</u>	<u>8,450,872</u>

OCEAN TERMINAL DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

6. Creditors: amounts falling due within one year:

	2001	2000
	£	£
Interest on loans	-	7,169
Bank overdraft	-	2,248,923
Accruals	1,236,881	4,045,530
Amount due to Forth Properties Ltd	2,000,000	1,000,000
Amount due to Ocean Terminal Limited re loan notes	<u>104,700,000</u>	<u>54,400,000</u>
	<u>107,936,881</u>	<u>61,701,622</u>

The loan notes are repayable on demand. Interest is payable on the loan notes from the later of the date of completion of the development or the loan note issue date.

There is a bond and floating charge over all sums due.

7. Called up equity share capital

	2001	2000
	£	£
Authorised		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

OCEAN TERMINAL DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

8. Profit and loss account

	£
Balance at 1st January 2001	(15,000)
Profit for the period	<u>74,294</u>
Balance at 31st December 2001	<u>59,294</u>

9. Reconciliation of movements in equity shareholders' funds

	2001 £	7.7.99 to 31.12.00 £
Shares issued in the period	-	100,000
Profit/(loss) for the period	74,294	(15,000)
Opening equity shareholders' funds	<u>85,000</u>	<u>-</u>
Closing equity shareholders' funds	<u>159,294</u>	<u>85,000</u>

10. Related party transactions

The Company is owned by Ocean Terminal Limited, which is jointly owned by Forth Ports PLC and Ubertior Investments plc.

During the period, the company entered into transactions with related parties, in addition to related party transactions in respect of loan notes disclosed in Note 6, as follows:-

Nature of Transactions and Related Party	Nature of Relationship	Value of Transactions 2001	Value of Transactions 7.7.99 -31.12.00	Amounts (Payable)/ Receivable at 31.12.01	Amounts (Payable)/ Receivable at 31.12.00
Management charges		<u>1,000,000</u>	<u>2,500,000</u>	<u>(2,000,000)</u>	<u>(1,000,000)</u>
Forth Properties Ltd	Associated company				
Project work in progress transfers in		<u>-</u>	<u>10,470,315</u>	<u>-</u>	<u>-</u>
Forth Properties Ltd	Associated company				
Project work in progress transfers out		<u>92,320,311</u>	<u>-</u>	<u>92,320,311</u>	<u>-</u>
Transfer net of sales		<u>92,136,329</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ocean Terminal Ltd	Parent company				

OCEAN TERMINAL DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS (continued)

11. Capital Commitments

Capital commitments, including the value of work still to be carried out on contracts placed but not provided, were nil (2000 - £34,550,000).