

COMPANIES HOUSE

26 AUG 1992

FOETS FLEET MANAGEMENT LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1991

Company Registration No: 161443

KPMG PEAT MARWICK  
7 Tib Lane, Manchester M2 6DS.

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POETS FLEET MANAGEMENT LIMITEDDIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31 December 1991.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company ceased trading on 31 December 1990.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were:

A D Barrett  
A J B Crean  
D Munt  
J H Paton

The interests (all of which are beneficial) of persons who were directors of the company at 31 December 1991, as recorded in the register of directors' interests were:-

<u>The Peninsular &amp; Oriental Steam Navigation Company ("P&amp;O")</u>					
	<u>£1 Deferred Ordinary Shares</u>		<u>Subscription Warrants</u>		<u>Deferred Stock under Option granted during the year</u>
	<u>31/12/91</u>	<u>31/12/90</u> <u>Or date of appointment</u>	<u>31/12/91</u>	<u>31/12/90</u> <u>Or date of appointment</u>	
A D Barrett	4,544	4,324	224	224	10,228
A J B Crean	9,908	8,825	367	367	332
D Munt	1,944	6,418	126	126	-
J H Paton	10,980	8,248	234	234	-

The subscription warrants were allocated on 6th April 1987 and carry the right to subscribe for new deferred shares of P&O in each of the years 1988 to 1993 at a price of 750 pence for each £1 nominal of deferred shares.

During the year the following directors exercised options over deferred stock in accordance with the rules of the P&O executive share options scheme and save as you earn stock options scheme:

	<u>Executive Share Options</u>	<u>Save As You Earn Share Options</u>
	<u>No. exercised</u>	<u>No. exercised</u>
A D Barrett	-	224
J H Paton	7,800	-

DIVIDENDS

The company paid a dividend in the year of £Nil (1990: £175,000).

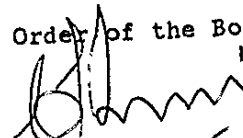
POETS FLEET MANAGEMENT LIMITED

DIRECTORS' REPORT  
(continued)

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board




C G Smith  
Secretary

REPORT OF THE AUDITORS, KPMG PEAT MARWICK,  
TO THE MEMBERS OF  
POETS FLEET MANAGEMENT LIMITED

We have audited the accounts on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1991 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The company has not prepared a statement of source and application of funds which is required by Statement of Standard Accounting Practice No.10.

  
KPMG Peat Marwick  
Chartered Accountants  
Registered Auditor

Manchester  
23 March 1992

POETS FLEET MANAGEMENT LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1991

	<u>Note</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
TURNOVER	1(b)	-	15,229,534
Cost of sales		-	(11,189,652)
GROSS PROFIT		-	4,039,682
Administrative expenses		3,177	(62,635)
OPERATING PROFIT		3,177	3,977,047
Interest receivable from group companies		9,525	280,821
Interest payable and similar charges	6	(23,254)	(587,537)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(10,552)	3,670,331
Taxation on profit on ordinary activities	7	4,000	(304,000)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(6,552)	3,366,331
Extraordinary item	8	-	(16,811,356)
LOSS AFTER TAXATION AND EXTRAORDINARY ITEM		(6,552)	(13,445,025)
Dividends paid		-	(175,000)
RETAINED LOSS FOR THE YEAR	15	(6,552)	(13,620,025)

The notes on pages 6 to 10 form part of these accounts.

POETS FLEET MANAGEMENT LIMITEDBALANCE SHEET AT 31 DECEMBER 1991

	<u>Note</u>	<u>£</u>	<u>1991</u>	<u>£</u>	<u>£</u>	<u>1990</u>	<u>£</u>
CURRENT ASSETS							
Debtors	10	<u>728,470</u>			<u>5,062,362</u>		
		728,470			5,062,362		
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(586)</u>			<u>(2,978,326)</u>		
NET CURRENT ASSETS				727,884			2,084,036
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		<u>(11,500,000)</u>			<u>(12,849,600)</u>	
NET LIABILITIES			<u>(10,772,116)</u>			<u>(10,765,564)</u>	
CAPITAL AND RESERVES							
Called-up share capital	13		78,415			78,415	
Share premium	14		29,207			29,207	
Profit and loss account	15		<u>(10,879,738)</u>			<u>(10,873,186)</u>	
			<u>(10,772,116)</u>			<u>(10,765,564)</u>	

These accounts were approved by the Board of Directors on 23 March 1992 and signed on its behalf by:

J H Paton            )  
                          ) Directors  
A D Barrett        )

The notes on pages 6 to 10 form part of these accounts.

POETS FLEET MANAGEMENT LIMITEDNOTES TO THE ACCOUNTS1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts:

(a) Basis of accounting

The accounts have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents the amounts invoiced, excluding Valued Added Tax, during the year.

(c) Foreign exchange

Assets and liabilities in foreign currencies have been stated in sterling at rates ruling at the balance sheet date. Exchange differences arising in the ordinary course of trading are included in operating profit.

(d) Deferred taxation

Deferred taxation is provided on income and expenditure dealt with for taxation purposes in periods different from those for accounting purposes, to the extent that the reduction in the tax charge cannot be expected with reasonable probability to continue for the foreseeable future.

(e) Pensions

Pension scheme contributions are calculated as a percentage, agreed on actuarial advice, of the pensionable salaries of employees. The cost of providing pensions is charged to the profit and loss account over the period benefiting from the services of employees.

P&O FLEET MANAGEMENT LIMITEDNOTES TO THE ACCOUNTS  
(continued)2. TURNOVER

Turnover arises wholly within the United Kingdom. In the opinion of the directors the company operates a single business for the purposes of analysing turnover by activity.

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

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
(Loss)/profit before taxation is stated after charging:		
Depreciation on tangible fixed assets	-	2,069,328
Hire of plant and equipment	-	298,451
Auditors' remuneration	-	2,500
	<u>-</u>	<u>2,369,279</u>

4. DIRECTORS' EMOLUMENTS

None of the directors received emoluments from the company during the year. All directors were paid by P&O European Transport Services Limited, another company in the P&O Group, without specific recharge. Accordingly, the emoluments of these directors are disclosed in the accounts of P&O European Transport Services Limited.

5. STAFF NUMBERS AND COSTS

The average number of persons (including directors) employed by the company during the year was:

	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>
Sea-going staff	-	194
Administration	-	21
	<u>-</u>	<u>215</u>

The aggregate payroll costs of these persons were as follows:-

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Wages and salaries	-	4,953,658
Social security costs	-	385,601
Pension costs	-	282,646
	<u>-</u>	<u>5,621,905</u>



POFTS FLEET MANAGEMENT LIMITEDNOTES TO THE ACCOUNTS  
(continued)5. STAFF NUMBERS AND COSTS (continued)

The company participates in the main P&O pension scheme, which is of the defined benefit type with assets held in a separate trustee administered fund.

Formal actuarial valuations of the main P&O scheme are carried out triennially by R Watson & Sons, consulting actuaries, the latest completed valuation being as at 1 April 1991. Particulars of the latest actuarial valuation are contained in the accounts of The Peninsular and Oriental Steam Navigation Company.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
To group companies	<u>23,254</u>	<u>461,400</u>
Other	<u>23,254</u>	<u>587,537</u>

7. TAXATION

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Corporation tax at 33.25% based on the (loss)/profit for the year	<u>4,000</u>	<u>32,000</u>
Deferred tax - current year	<u>4,000</u>	<u>(336,000)</u>
	<u>4,000</u>	<u>(304,000)</u>

8. EXTRAORDINARY ITEM

The extraordinary item arose as a result of the transfer of ships to other group companies and is analysed as follows:

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Loss on transfer of ships	<u>-</u>	<u>(23,236,356)</u>
Deferred tax release	<u>-</u>	<u>6,425,000</u>
Extraordinary loss after taxation	<u>-</u>	<u>(16,811,356)</u>

9. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1991 (1990: £Nil).

FOETS FLEET MANAGEMENT LIMITEDNOTES TO THE ACCOUNTS  
(continued)10. DEBTORS

	<u>1991</u> £	<u>1990</u> £
Trade debtors	-	923
Amounts owed by group companies	724,470	4,443,947
Prepayments	-	585,492
Corporation tax recoverable	<u>4,000</u>	<u>32,000</u>
	<u>728,470</u>	<u>5,062,362</u>

11. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	<u>1991</u> £	<u>1990</u> £
Bank loans and overdrafts	-	1,316,063
Trade creditors	-	391,524
Amounts owed to group companies	-	830,400
Other creditors including taxation and social security	-	72,555
Accruals and deferred income	<u>586</u>	<u>367,784</u>
	<u>586</u>	<u>2,978,326</u>

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

	<u>1991</u> £	<u>1990</u> £
Amounts owed to group companies	<u>11,500,000</u>	<u>12,849,600</u>

13. CALLED-UP SHARE CAPITAL

	<u>1991</u> £	<u>1990</u> £
Authorised: 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called-up and fully paid: 78,415 ordinary shares of £1 each	<u>78,415</u>	<u>78,415</u>

POETS FLEET MANAGEMENT LIMITEDNOTES TO THE ACCOUNTS  
(continued)14. SHARE PREMIUM ACCOUNT

£

As at 1 January 1991  
and 31 December 1991

29,207

15. PROFIT AND LOSS ACCOUNT

£

As at 1 January 1991  
Loss for the year(10,872,186)  
(6,552)

As at 31 December 1991

(10,879,738)

16. CONTINGENT LIABILITIESThe company had no contingent liabilities at 31 December 1991 (1990 :  
NIL).17. ULTIMATE HOLDING COMPANYThe company's ultimate holding company is The Peninsular and Oriental  
Steam Navigation Company, which is incorporated in Great Britain. Copies  
of the group accounts can be obtained from the following:The Registrar of Companies  
Companies House  
Crown Way  
CARDIFF  
CF4 3HZ