

# **POETS Ship Management Limited**

## **Directors' report and financial statements**

**31 December 1995**

Registered number 971533



# POETS Ship Management Limited

## Directors' report and financial statements

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# POETS Ship Management Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

### Principal activities

The principal activity of the company is the provision of ship management services.

### Business review

In its first full year of trading the company provided a satisfactory result.

The management of MV Ibex was added during the year.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend.

The profit for the year retained in the company is £1,000.

### Directors and directors' interests

The directors of the company who were in office at the end of the year and their interests (all of which are beneficial) in the share capital of the company's ultimate parent company, The Peninsular and Oriental Steam Navigation Company, are set out below. None of the directors had any interests in the share capital of the company.

	Deferred ordinary shares of £1 each		Executive options		Executive options	
	1995	1994	Granted	Exercised	Granted	Exercised
J Bradshaw	1,522	1,809	7,500	-	-	-
JH Kearsley	4,305	3,321	5,800	7,603	857	521
JH Paton	8,174	8,579	18,300	-	928	758

The options are generally exercisable not later than December 2004 at prices between 305p and 717p.

In addition AJB Crean and D Munt resigned as directors of the company on 31 May 1995 and 10 July 1995 respectively.

### Liability insurance

During the year the company maintained liability insurance for its officers.

# POETS Ship Management Limited

## Directors' report

### Auditors

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

By order of the board

  
**CG Smith**  
Secretary

Ship Management Building  
Dock Street  
Fleetwood  
Lancashire  
FY7 6HP

31 May 1996

# POETS Ship Management Limited

## Statement of directors' responsibilities

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 and of the profit or loss 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the company and detect fraud and other irregularities.



Edward VII Quay  
Navigation Way  
Ashton-on-Ribble  
PRESTON  
Lancashire PR2 2YF

## Auditors' report to the members of POETS Ship Management Limited

We have audited the financial statements on pages 5 to 13.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of 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 as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
Chartered Accountants  
Registered Auditors

31 May 1996



# POETS Ship Management Limited

## Profit and loss account

for the year ended 31 December 1995

	Note	1995 £000	8 months ended 1994 £000
<b>Turnover - continuing operations</b>	2	845	399
Cost of sales		(811)	(374)
<b>Gross profit - continuing operations</b>		<u>34</u>	<u>25</u>
Interest payable and similar charges	6	(27)	(8)
<b>Profit on ordinary activities before taxation</b>	3-5	<u>7</u>	<u>17</u>
Tax on profit on ordinary activities	7	(6)	(6)
<b>Profit on ordinary activities after taxation retained for the financial year</b>	13	<u>1</u>	<u>11</u>
Retained profit brought forward		11	-
Retained profit carried forward		<u>12</u>	<u>11</u>

## Statement of total recognised gains and losses

for the year ended 31 December 1995

The profit as shown in the profit and loss account is the only gain or loss recognised in these financial statements.

## Note of historical cost profits and losses

for the year ended 31 December 1995

There was no difference between the reported profits and the historical cost profits of the company.

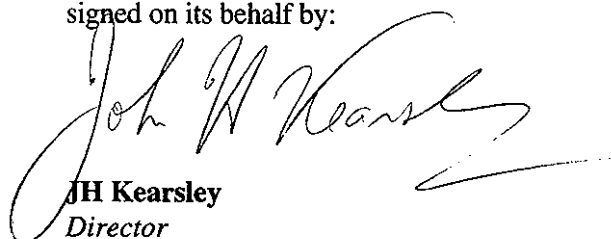
# POETS Ship Management Limited

## Balance sheet

at 31 December 1995

	Note	1995 £000	1994 £000
<b>Fixed assets</b>			
Tangible assets	8	35	56
<b>Current assets</b>			
Debtors	9	832	290
<b>Creditors: amounts falling due within one year</b>	10	(855)	(334)
Net current liabilities		(23)	(44)
<b>Total assets less current liabilities</b>		12	12
Provision for liabilities and charges	11	-	(1)
		12	11
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	12	11
<b>Equity shareholder's funds</b>		12	11

These financial statements were approved by the board of directors on 31 May 1996 and were signed on its behalf by:

  
**JH Kearsley**  
 Director



# POETS Ship Management Limited

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Peninsular and Oriental Steam Navigation Company, and its cash flows are included within the consolidated cash flow statement of that company.

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives up to 20 years.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the year end exchange rates. The exchange differences are taken to the profit and loss account.

#### ***Pensions and other post-retirement benefits***

The company participates in the P&O Pension Scheme ("the Scheme") operated by the Group of which it is a member. This is the main scheme for the provision of pensions and related benefits to the Group's employees in the UK. Membership of the Scheme is voluntary. Benefits are based on final salary, and the amounts of pensions in payment and deferred pensions are reviewed every year. The date from which a pension is payable is normally a member's 63rd birthday for both male and female members. Members contribute to the Scheme, but the balance of the cost of providing the benefits to members is borne by the participating employers who pay contributions at rates determined by independent actuaries in the light of regular valuations. The assets of the Scheme, which are completely separate from the Group's finances, are managed on behalf of the trustee by independent fund managers under arrangements which include provisions for custody.

#### ***Deferred taxation***

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

# POETS Ship Management Limited

Notes (continued)

## 2 Turnover

Turnover, all of which arises wholly within the UK, represents the amounts (excluding VAT) derived from the provision of services to third parties.

## 3 Profit on ordinary activities before taxation

	8 months ended	
	1995	1994
	£000	£000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	1	1
Depreciation and other amounts written off tangible fixed assets:	17	13
	<hr/>	<hr/>

## 4 Remuneration of directors

None of the directors received any remuneration in either year.

Details of the directors' shareholdings and options granted and exercised in the company's ultimate parent company are set out in the directors' report on page 1.

## 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	8 months ended	
	1995	1994
Administrative	7	10
Others	12	4
	<hr/>	<hr/>
	19	14
	<hr/>	<hr/>

# POETS Ship Management Limited

## Notes (continued)

### 5 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	8 month period	
	1995	1994
	£000	£000
Wages and salaries	605	249
Social security costs	51	21
Other pension costs (see note 15)	36	16
	<u>692</u>	<u>286</u>

### 6 Interest payable and similar charges

	8 month period	
	1995	1994
	£000	£000
On bank loans, overdrafts and other loans wholly repayable within five years	27	8
	<u>27</u>	<u>8</u>

### 7 Taxation

	8 month period	
	1995	1994
	£000	£000
UK corporation tax at 33% on the profit for the year on ordinary activities	7	5
Deferred taxation (see note 11)	(1)	1
	<u>6</u>	<u>6</u>

# POETS Ship Management Limited

Notes (*continued*)

## 8 Tangible fixed assets

	Plant and equipment £000
<i>Cost</i>	
At beginning of year	83
Intra group transfers	(11)
At end of year	<u>72</u>
<i>Depreciation</i>	
At beginning of year	27
Charge for year	17
Intra group transfers	(7)
At end of year	<u>37</u>
<i>Net book value</i>	
At 31 December 1995	<u>35</u>
At 31 December 1994	<u>56</u>

## 9 Debtors

	1995 £000	1994 £000
Trade debtors	-	5
Amounts owed by parent and fellow subsidiary undertakings	825	283
Prepayments and accrued income	7	2
	<u>832</u>	<u>290</u>

# POETS Ship Management Limited

## Notes (continued)

### 10 Creditors: amounts falling due within one year

	1995		1994	
	£000	£000	£000	£000
Bank loans and overdrafts		547		156
Trade creditors		108		73
Other creditors including taxation and social security:				
Corporation tax	7		5	
Other taxes and social security	157		89	
Taxation and social security		164		94
Accruals and deferred income		36		11
		855		334

### 11 Provisions for liabilities and charges

	1995	1994
	£000	£000
<i>Taxation including deferred taxation</i>		
At beginning of year	1	-
(Credit)/charge for the year in the profit and loss account	(1)	1
At end of year	-	1

The amounts provided for deferred taxation are wholly in respect of the difference between accumulated depreciation and capital allowances.

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1995		1994	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and amortisation and capital allowances	-	-	1	-
Other timing differences	-	(5)	-	-
	-	(5)	1	-

# POETS Ship Management Limited

## Notes (continued)

### 12 Called up share capital

	1995 Number	1994 Number
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100

### 13 Reconciliation of movements in shareholder's funds

	1995 £000	1994 £000
<b>Addition to shareholders funds:</b>		
profit for the financial year	1	11
Opening shareholders' funds	11	-
<b>Closing shareholders' funds</b>	<b>12</b>	<b>11</b>

### 14 Commitments

There were no capital commitments at the end of the financial year for which no provision has been made.

### 15 Pension scheme

As explained in the accounting policies set out on page 7, the Group of which the company is a member operates a number of pension schemes. For UK employees, the Group operates a defined benefit pension scheme (The P&O Pension Scheme) and makes contributions to the industrywide merchant navy pension schemes; each of these schemes has assets managed on behalf of the trustees by independent fund managers.

The pension charge for the year was:

	1995 £000	1994 £000
The P&O Pension Scheme	9	5
Merchant Navy pension scheme	27	11
	<b>36</b>	<b>16</b>

# POETS Ship Management Limited

## Notes (*continued*)

### 15 **Pension scheme** (*continued*)

Formal actuarial valuations of The P&O Pension Scheme are carried out triennially by R Watson & Sons, consulting actuaries, using the projected unit method, the latest being at 1 April 1994. Particulars of the latest actuarial valuation are contained within the accounts of the Peninsular and Oriental Steam Navigation Company.

The merchant navy pension schemes are defined benefit schemes. These schemes' actuaries have advised that the actuarial value of the schemes' assets represent approximately 105 per cent of the value of the benefits accrued to members allowing for future increases in earnings. The latest valuations were at 31 March 1993. Contributions to overseas schemes are assessed in accordance with the advice of independent actuaries.

### 16 **Ultimate parent company and parent undertaking of larger group**

The company is a subsidiary undertaking of Peninsular and Oriental European Transport Services Limited, a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by the company's ultimate parent company The Peninsular and Oriental Steam Navigation Company incorporated Great Britain and registered in England and Wales, the consolidated accounts of which are available to the public and may be obtained from:

The Registrar of Companies  
Companies House  
Crown Way  
Maindy  
Cardiff  
CF4 3HZ