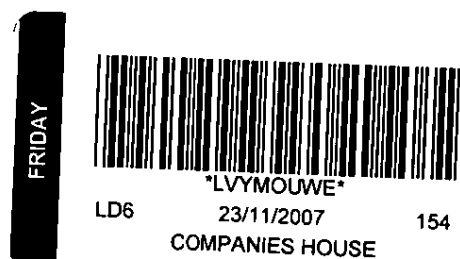


**Registered number**  
**2269195**

**SEA CONTAINERS PROPERTY SERVICES LIMITED**

**Report and Financial Statements**

**31 December 2005**



# **SEA CONTAINERS PROPERTY SERVICES LIMITED**

## **Report and financial statements**

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**SEA CONTAINERS PROPERTY SERVICES LIMITED**

**Registered number**  
**2269195**

**Directors**  
M Williams

**Company Secretary**  
KA Crossan

**Auditors**  
Deloitte & Touche LLP  
London

**Registered Office**  
Sea Containers House  
20 Upper Ground  
London  
SE1 9PF

## **SEA CONTAINERS PROPERTY SERVICES LIMITED**

### **Directors' Report**

The directors present their report and audited financial statements for the year ended 31 December 2005

#### **1 ACTIVITIES**

The business of the Company is property development and investment

On 4 October 2005 the Company sold its freehold land asset and stock to a group Company, Ferry & Port Holdings Limited for consideration of £4,000,000, resulting in a gain on disposal of £1,662,000. The effective transfer date was 16 December 2005, and as such, the Company is no longer trading.

Further information is included in note 1 to the financial statements.

#### **2 REVIEW OF DEVELOPMENTS**

The Company made a profit after tax in the current year of £1,048,000 (2004 - £1,801,000 loss).

The directors do not recommend a dividend (2004 - £nil).

Further information on the Company's prospects is included in note 1.

#### **3 EVENTS SINCE THE BALANCE SHEET DATE**

On 15 October 2006, Sea Containers Ltd ("SCL"), the Company's ultimate parent and certain of SCL's subsidiaries each filed for Chapter 11 protection under the US federal bankruptcy laws.

On 18 June 2007, the Pensions Regulator published Determination Notices indicating the intention to issue a Financial Support Directive ("FSD"), on SCL that demands that SCL put in place financial support for its Sea Containers 1983 pension scheme and Sea Containers 1990 pension scheme. The FSD was to be issued 28 days from the date of the determination notice.

On 25 June 2007, Sea Containers Ltd was granted an extension of 7 days on the original notice issued on 18 June 2007, against the decision by the Pensions Regulator to issue the FSD. On 24 July 2007 Sea Containers Ltd announced it had lodged an appeal in respect of the FSD issued by the Pension Regulator. The appeal contests the panel's decision that FSD's should be issued against Sea Containers Ltd under section 43 of the Pensions Act 2004 in respect of the two pensions schemes. Further information is included within note 1 and note 15.

Prior to the claims bar date on 16 July 2007, the shareholders of Sea Containers Ltd, the Company's ultimate parent and other parties, filed proof of claims in the bankruptcy cases referred to above. The Directors of SCL are currently in the process of evaluating these proofs of claim and the clauses asserted therein, accordingly these financial statements do not reflect any analysis of, nor incorporate such proofs of claim or the claims asserted therein.

#### **4 DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and thereafter and their interests in the share capital of the Company were as follows:

D G Carpenter	(Resigned 31 December 2006)
WP Rann	(Resigned 30 June 2006)
NGN Wagstaff	(Appointed 31 December 2005, resigned 17 August 2006)
M Williams	(Appointed 30 June 2006)

None of the directors had any notifiable interests in the shares of the Company or of other group companies during the year or at the year end (2004 - none).

**SEA CONTAINERS PROPERTY SERVICES LIMITED**  
**Directors' Report**

**5 AUDITORS**

Deloitte & Touche LLP will be re-appointed as the Company's auditors in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985

By order of the board



21/11/07

M Williams  
Director  
Sea Containers House  
20 Upper Ground  
London SE1 9PF

## **SEA CONTAINERS PROPERTY SERVICES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP")

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view in accordance with UK GAAP of the state of the affairs of the company and of the profit or loss of the company for that period, and comply with UK GAAP and the Companies Act 1985. 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,
- state whether applicable accounting standards have been followed, and
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and of the company and to enable them to ensure that the financial statements 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEA CONTAINERS PROPERTY SERVICES LIMITED**

We have audited the financial statements of Sea Containers Property Services Limited ("the Company") for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared on a basis other than that of going concern.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 of auditing (UK and Ireland).

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 with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on auditing issued by the Auditing Practices Board except that the scope of our work was limited as explained below. 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 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. However, the evidence available to us was limited because, as described in note 1, the Company's ultimate parent, Sea Containers Ltd ("SCL") and two of its subsidiaries have sought protection from their creditors under Chapter 11 of Title 11 of the US Bankruptcy Code. Under the protection of Chapter 11, SCL and two of its subsidiaries are currently in discussions with their creditors regarding repayment with an intention to agree a restructuring of its financial obligations and to emerge from Chapter 11 protection under the US federal bankruptcy laws in due course.

As the future of the SCL group is dependent on third parties, and limited information was available to the directors of SCL group companies about the possible outcome of the ongoing negotiations with those third parties, the companies in the group have been unable to prepare detailed profit and cash flow forecasts. As a result, the directors of the Company have not been able to assess the recoverability of inter-company debtors and the extent to which inter-company creditors will be called. In addition, the Pensions Regulator published Determination Notices to issue a Financial Support Directive ("FSD") to SCL. Although an appeal against this decision has been launched, the directors have not been able to assess the extent to which the Company may be required to contribute to any resulting requirements for SCL to fund the pension deficit.

Further, the shareholders of SCL have filed proof of claims in the bankruptcy cases referred to above. The directors have not been able to determine what impact, financially or otherwise, this may have on the Company.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEA CONTAINERS PROPERTY

### Basis of audit opinion (continued)

As the outcome of the Determination Notices issued by the Pension Regulator and the shareholders claims and the negotiations with group creditors are all ongoing, we have been unable to obtain sufficient appropriate audit evidence over intra-group balances and pension liabilities. Given the significance of these items, we have been unable to form a view on the financial statements.

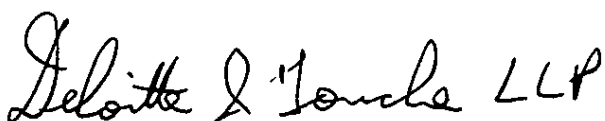
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Company's affairs as at 31 December 2005, and the profit for the year then ended, and whether they have been properly prepared in accordance with the Companies Act 1985.

In respect of the limitation of our work referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- We were unable to determine whether proper accounting records have been kept.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London





**SEA CONTAINERS PROPERTY SERVICES LIMITED**  
**Profit and Loss Account**  
**for the year ended 31 December 2005**

	Notes	2005 £'000	2004 £'000
Turnover	1	-	1,417
Cost of sales		-	(3,526)
<b>Gross loss</b>		<u>-</u>	<u>(2,109)</u>
Distribution costs		-	-
Administrative expenses		<u>(652)</u>	<u>(558)</u>
<b>Operating loss</b>	4	(652)	(2,667)
Gain on sale of land and buildings		1,662	-
<b>Profit/(loss) on ordinary activities before finance charges</b>		<u>1,010</u>	<u>(2,667)</u>
Interest receivable	5	38	9
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>1,048</u>	<u>(2,658)</u>
Taxation	6	-	857
<b>Profit/(loss) for the financial year</b>	15	<u>1,048</u>	<u>(1,801)</u>

**Statement of Total Recognised Gains and Losses**

The Company has no recognised gains or losses other than those reflected in the profit and loss account for the years ended 31 December 2005 and 31 December 2004

# SEA CONTAINERS PROPERTY SERVICES LIMITED

## Balance Sheet

as at 31 December 2005

	Notes	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Tangible assets	7	-	1,835
<b>Current assets</b>			
Stock	8	-	417
Debtors	9	4,946	1,857
Cash at bank and in hand		86	89
		<u>5,032</u>	<u>2,363</u>
<b>Creditors: amounts falling due within one year</b>	10	(7,631)	(7,845)
		<u>(2,599)</u>	<u>(5,482)</u>
<b>Total assets less current liabilities</b>		<u>(2,599)</u>	<u>(3,647)</u>
<b>Net assets</b>		<u>(2,599)</u>	<u>(3,647)</u>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	(2,599)	(3,647)
<b>Shareholders' funds</b>		<u>(2,599)</u>	<u>(3,647)</u>

These financial statements were approved at a meeting of the Board of Directors held on 21 November 2007

Signed on behalf of the Board of Directors



M Williams  
Director

# SEA CONTAINERS PROPERTY SERVICES LIMITED

## Notes to the financial statements for the year ended 31 December 2005

### 1 Accounting policies

#### *Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The financial statements of the subsidiary companies have not been consolidated with those of the Company as it is exempt under Section 228 of the Companies Act 1985 as the Company is a wholly owned subsidiary of a company incorporated in Great Britain which prepares consolidated financial statements. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group. The accounting policies adopted have been applied consistently in both the current and prior year.

#### *Going concern*

The Company is a member of the Sea Containers Ltd ("SCL") group of companies and is reliant on SCL for financial and other support.

On 3 October 2006 the common shares of SCL (ticker symbol SCRA and SCRB) and its senior notes were suspended from trading on the NYSE and the NYSE Arca. On 15 October 2006, SCL and two of its subsidiaries, Sea Containers Services Ltd and Sea Containers Caribbean Inc, voluntarily filed for protection under Chapter 11 of Title 11 of the United States Bankruptcy Code with the US Bankruptcy Court for the District of Delaware. Filing for Chapter 11 is an action by SCL in the United States to seek protection from its creditors and was undertaken principally because of a maturing \$115m public note obligation on 15 October 2006 which SCL was unable to pay. Under Chapter 11, the directors are left in place to manage SCL under US Court supervision.

SCL has not generated positive cash flows from operations for the six months ended 30 June 2006 and the year ended 31 December 2005 and has suffered from material asset impairments. In addition to the public note payment default, SCL is in default under many of its secured credit facilities due to breaches of certain financial covenants and other requirements contained in these facilities. Since filing for Chapter 11, SCL has been in discussions generally with its creditors regarding repayment and a Committee of creditors has formed to represent the creditor's interests, with the intention that SCL agrees a restructuring of its financial obligations and emerges from Chapter 11 in due course.

As part of SCL's restructuring plan the Company sold its operations and has ceased to trade. Accordingly, as required by FRS 18 (as amended by FRS 21) the Company directors have adopted a basis other than that of a going concern in drawing up these financial statements.

As the future of the SCL group is dependent on third parties, and limited information was available to the directors of SCL group companies about the potential outcome of the ongoing negotiations with those third parties, the companies in the group have been unable to prepare detailed profit and cash flow forecasts. As they were unable to prepare such forecasts, the directors of the Company have not been able to assess the recoverability of inter-company debtors and the extent to which inter-company creditors will be called.

In addition, on 18 June 2007, the Pensions Regulator published Determination Notices indicating the intention to issue a Financial Support Directive "FSD", on SCL that demands that SCL put in place financial support for its Sea Containers 1983 pension scheme and Sea Containers 1990 pension scheme. Although an appeal against the decision to issue a FSD to SCL has been launched, the directors have not been able to assess the extent to which the Company may be required to contribute to any resulting requirements for SCL to fund the pension deficits.

Prior to the claims bar date on 16 July 2007, the shareholders of SCL have filed proof of claims in the bankruptcy cases referred to above. The directors have not been able to determine what impact, financially or otherwise, this may have on the Company.

# SEA CONTAINERS PROPERTY SERVICES LIMITED

## Notes to the financial statements

for the year ended 31 December 2005

### 1 Accounting policies (continued)

#### *Turnover*

Turnover principally comprises mooring fees receivable and is all derived from the United Kingdom

#### *Tangible fixed assets*

Tangible fixed assets are included in the balance sheet at historical cost net of depreciation. Cost includes capitalisation of internal labour costs.

Depreciation is not provided on the cost of the freehold land.

#### *Taxation*

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying differences can be deducted. Deferred tax assets and liabilities are not discounted.

#### *Cash flow statement*

The Company has taken advantage of the exemption under FRS 1 (revised) not to prepare a cash flow statement as the Company's ultimate parent undertaking, Sea Containers Ltd, publishes a consolidated cash flow statement.

### 2 Ultimate parent company and controlling party

The immediate parent company is Sea Containers British Isles Limited.

The smallest group for which consolidated financial statements are prepared is Sea Containers U.K. Limited. Copies of its accounts can be obtained from the company's registered office at 20 Upper Ground, London SE1 9PF.

The largest group for which consolidated financial statements are prepared is the ultimate parent and controlling company is Sea Containers Ltd, a company incorporated in Bermuda. Copies of its accounts can be obtained from its registered office at 22 Victoria Street, Hamilton, Bermuda.

### 3 Information regarding Directors and Employees

The directors were employed by other group companies and it is not practicable to apportion their emoluments as regards their services to the Company.

The Company had no employees during the year (2004: none).

# SEA CONTAINERS PROPERTY SERVICES LIMITED

## Notes to the financial statements for the year ended 31 December 2005

### 4 Profit/(loss) on ordinary activities

	2005 £'000	2004 £'000
This is stated after crediting		
Gain on sale of assets	(1,662)	-

The auditors' remuneration is paid by Sea Containers UK Limited

### 5 Interest receivable

	2005 £'000	2004 £'000
Interest due from group companies	38	9

### 6 Taxation

#### (a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows

	2005 £'000	2004 £'000
<b>Current tax credit:</b>		
Current tax on income for the year	-	(799)
Adjustments in respect of prior periods	-	(58)
	-	(857)

#### Deferred tax:

Origination and reversal of timing differences  
Adjustments in respect of prior periods

	-	-
	-	-
	-	-

#### Total tax credit on profit/(loss) on ordinary activities

	-	(857)
--	---	-------

#### (b) Factors affecting current tax credit

The difference between the effective statutory rate and the actual current tax charge is reconciled as follows

	2005 £'000	2004 £'000
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>1,048</b>	<b>(2,658)</b>
Profit/(loss) on ordinary activities multiplied by the applicable statutory rate 30% (2004 - 30%)	314	(797)
Non taxable income	(499)	-
Unrelieved tax losses	185	-
Prior period adjustment	-	(58)
Other items	-	(2)
<b>Total current tax charge</b>	<b>-</b>	<b>(857)</b>

# SEA CONTAINERS PROPERTY SERVICES LIMITED

## Notes to the financial statements for the year ended 31 December 2005

### 6 Taxation (continued)

#### (c) Factors that may affect future tax charges

There are no significant factors which may affect future tax charges

### 7 Tangible fixed assets

	Freehold land & buildings £'000	Total £'000
<b>Cost</b>		
At 1 January 2005	1,835	1,835
Disposals	(1,835)	(1,835)
	<hr/>	<hr/>
At 31 December 2005	-	-
<b>Depreciation</b>		
At 1 January 2005	-	-
Charge for the year	-	-
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2005	-	-
<b>Net book value</b>		
At 31 December 2005	-	-
At 31 December 2004	1,835	1,835

On 4 October 2005 the Company sold its freehold land asset and stock to a group company, Ferry & Port Holdings Limited for a consideration of £4 million. The effective transfer date of the assets was 16 December 2005.

### 8 Stock

	2005 £'000	2004 £'000
Raw materials and work in progress	-	417

### 9 Debtors

	2005 £'000	2004 £'000
Amounts due from group undertakings	4,880	838
Other debtors	66	203
Prepayments and accrued income	-	17
Corporation tax	-	799
	<hr/>	<hr/>
	4,946	1,857

**SEA CONTAINERS PROPERTY SERVICES LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2005**

**10 Creditors, amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	8	20
Amounts due to parent and group undertakings	7,488	7,638
Other creditors	-	179
Accruals and deferred income	135	8
	<u>7,631</u>	<u>7,845</u>

**11 Contingent Liabilities**

The Company is jointly and severally liable under the terms of a guarantee given in relation to a facility extended to the Company's parent company, Sea Containers British Isles Limited. At the balance sheet date the facility had US\$ nil drawn and US\$45 million undrawn (2004 US\$20 million drawn and US\$100 million undrawn)

**12 Share capital**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Authorised		
100 ordinary shares of £1	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1	<u>2</u>	<u>2</u>

**13 Profit and loss account**

	<b>2005</b>
	<b>£'000</b>
At 1 January 2004	(3,647)
Profit for the year	1,048
	<u>(2,599)</u>
At 31 December 2005	

**14 Related parties**

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as it is a subsidiary undertaking which is at least 90% controlled by the ultimate parent undertaking

## **SEA CONTAINERS PROPERTY SERVICES LIMITED**

### **Notes to the financial statements**

**for the year ended 31 December 2005**

#### **15 Events since the balance sheet date**

On 15 October 2006, Sea Containers Ltd, the Company's ultimate parent and certain of Sea Containers Ltd's subsidiaries each filed for Chapter 11 protection under the US federal bankruptcy laws

On 18 June 2007, the Pensions Regulator published Determination Notices indicating the intention to issue a Financial Support Directive ("FSD"), on SCL that demands that SCL put in place financial support for its Sea Containers 1983 pension scheme and Sea Containers 1990 pension scheme. The FSD was to be issued 28 days from the date of the determination notice.

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Prior to the claims bar date on 16 July 2007, the shareholders of Sea Containers Ltd, the Company's ultimate parent and other parties, filed proof of claims in the bankruptcy cases. The Directors of SCL are currently in the process of evaluating these proofs of claim and the clauses asserted therein, accordingly these financial statements do not reflect any analysis of, nor incorporate such proofs of claim or the claims asserted therein.