

Company no : 2447559

FOLKESTONE PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
31 December 2000



FOLKESTONE PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2000

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FOLKESTONE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2000.

1. ACTIVITIES

The company owns the seaport and inner harbour at Folkestone, and receives port dues and rental income from the port and harbour operations.

2. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

A loss of £7,000 (1999 : £26,000 loss) has been made by the company during the year.

The directors do not recommend a dividend for the year (1999 : £nil).

The directors anticipate that the company will continue to trade in the future.

3. DIRECTORS

The directors who served throughout the year were as follows :

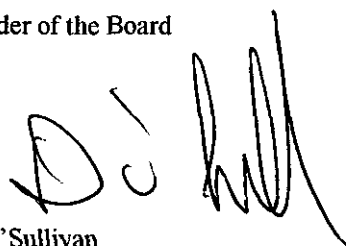
D J O'Sullivan
D G Benson
W P Rann

None of the directors had any notifiable interests in the shares of the company or of other group companies during the year (1999 : none).

4. AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



D.J.O'Sullivan
Secretary
Sea Containers House
20 Upper Ground
London
SE1 9PF

Date : 23-8-01

FOLKESTONE PROPERTIES 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 as at the end of the financial year and of the profit or loss of the company 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; and
- prepare the financial statements on a 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 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.

FOLKESTONE PROPERTIES LIMITED

**AUDITORS' REPORT TO THE MEMBERS OF
FOLKESTONE PROPERTIES LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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 affairs of the company as at 31 December 2000 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DeLoitte & Touche

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

Date : 23-8-01

FOLKESTONE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2000

	Note	2000 £000	1999 £000
Turnover	1(b)	1,515	1,425
Administrative expenses		(1,522)	(1,451)
		<hr/>	<hr/>
Operating loss and loss on ordinary activities before taxation	4	(7)	(26)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(7)	(26)
		<hr/>	<hr/>
Retained profit brought forward		1,440	1,466
		<hr/>	<hr/>
Retained profit carried forward		<u>1,433</u>	<u>1,440</u>

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

There are no movements in shareholders' funds for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly, no reconciliation of movements in shareholders' funds is provided.

All activities derive from continuing operations.

FOLKESTONE PROPERTIES LIMITED

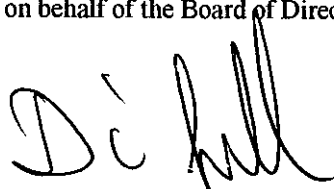
BALANCE SHEET

As at 31 December 2000

	Note	2000 £000	2000 £000	1999 £000	1999 £000
FIXED ASSETS					
Tangible assets	6		6,622		6,618
CURRENT ASSETS					
Trade debtors		394		567	
Other debtors		18		114	
Cash		-		7	
		412		688	
CREDITORS : Amounts falling due within one year	7	(203)		(363)	
NET CURRENT ASSETS			209		325
TOTAL ASSETS LESS CURRENT LIABILITIES			6,831		6,943
CREDITORS : Amounts falling due after more than one year	8		(5,398)		(5,503)
			1,433		1,440
CAPITAL AND RESERVES					
Called up share capital	9	-		-	
Profit and loss account		1,433		1,440	
Equity Shareholders' funds		1,433		1,440	

These financial statements were approved at a meeting of the Board of Directors held on 23-8-01

Signed on behalf of the Board of Directors



D J O'SULLIVAN

Director

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover principally comprises income from rents and port and traffic dues. All turnover is derived from the United Kingdom.

(c) Tangible fixed assets

Tangible fixed assets are included in the balance sheet at historical cost. Expenditure includes own work and where appropriate it is capitalised.

Depreciation is provided on the cost of the assets in use on the straight line method so as to write off the assets over their useful economic lives. The principal rates used (per annum) are set out below:

Vehicles	-	20% to 33.33%
Other plant and equipment	-	14%
Office furniture and machinery	-	10% to 20%
Building and other works	-	3.03%

Depreciation is not provided on the cost of freehold land.

(d) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that a liability or asset will crystallise in the future.

2. ULTIMATE PARENT COMPANY

The immediate parent company for which consolidated financial statements are prepared is Ferry and Port Holdings Limited, a company incorporated in England and Wales. Copies of its accounts can be obtained from the company's registered office at 20 Upper Ground, London, SE1 9PF.

The parent company of the largest United Kingdom group which includes the company and for which group accounts are prepared is Sea Containers UK Limited. Copies of its accounts can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

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 41 Cedar Avenue, Hamilton, Bermuda.

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No payments were made to the directors for their services to the company for the year (1999 : £nil).

Employee costs for the year for the company :

	2000 £000	1999 £000
Wages and salaries	396	348
Social security costs	25	25
Other pension costs	21	20
	<u>442</u>	<u>393</u>
	Number	Number
Average number of employees	<u>14</u>	<u>14</u>

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging :

	2000 £000	1999 £000
Depreciation on owned assets	65	40

The audit fee is borne by the ultimate parent company.

5. TAX ON LOSS ON ORDINARY ACTIVITIES

As in the prior year, there is no UK corporation tax charge in the company because of the availability of losses carried forward from prior years and losses surrendered by other group companies for no payment.

There is no provided or unprovided deferred tax liability in the current and prior years.

FOLKSTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

6. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures & fittings	Transport	Freehold Land and buildings	Total
	£000	£000	£000	£000	£000
Cost at 1 January 2000	46	6	54	7,017	7,123
Additions	-	-	-	69	69
 Cost at 31 December 2000	<u>46</u>	<u>6</u>	<u>54</u>	<u>7,086</u>	<u>7,192</u>
 Accumulated depreciation at 1 January 2000	28	3	54	420	505
Charge for the year	8	1	-	56	65
 Accumulated depreciation at 31 December 2000	<u>36</u>	<u>4</u>	<u>54</u>	<u>476</u>	<u>570</u>
 Net book value at 31 December 2000	<u>10</u>	<u>2</u>	<u>-</u>	<u>6,610</u>	<u>6,622</u>
 Net book value at 31 December 1999	<u>18</u>	<u>3</u>	<u>-</u>	<u>6,597</u>	<u>6,618</u>

Included within land and buildings is land at a cost of £6,275,000 (1999 : £6,275,000) which is not depreciated.

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

7. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £000	1999 £000
Bank overdrafts	21	12
Obligations under finance leases	4	10
Trade creditors	47	267
Accruals and deferred income	<u>131</u>	<u>74</u>
	<u>203</u>	<u>363</u>

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

	2000 £000	1999 £000
Amounts owed to parent and fellow subsidiaries	5,398	5,503
	<u>5,398</u>	<u>5,503</u>

The amounts owed to the parent company and fellow subsidiaries are regarded by all parties concerned as long term with no fixed repayment dates, interest free and are subordinated to other creditors in certain circumstances.

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

9. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised : 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid : 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. CONTINGENT LIABILITIES

A syndicated loan of £18.0 million drawn down by Ferry and Port Holdings Limited is secured by a charge over the assets of two subsidiaries of Ferry and Port Holdings Limited, including those of Folkestone Properties Limited.

11. RELATED PARTY DISCLOSURE

The company has taken advantage conferred by paragraph 3 (c) of Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with group entities or investees of the group qualifying as related parties.