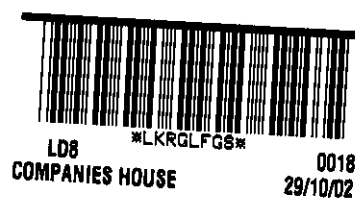


SILSUB LTD

REGISTERED NUMBER : 3963373

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2001



## **REPORT OF THE DIRECTORS**

The directors present their first report and accounts of the Company for the period since incorporation, on 29 March 2000, to 31 March 2001.

### **Results:**

The company did not trade during the period under review.

### **Principal activity and review of business:**

The company was incorporated on 29 March 2000 and the directors consider the reporting currency of the Company is the deutschmark as the majority of its assets are denominated in that currency and therefore these accounts are denominated in deutschmarks.

On 7 April 2000 the Company acquired 50% of the share capital of Verwaltungsgesellschaft MS "Arkona" GmbH for DM25,000 from The Peninsular and Oriental Steam Navigation Company.

The company's ultimate holding company was The Peninsular and Oriental Steam Navigation Company until 23 October 2000 when it demerged its cruises business. Since that date the company's ultimate parent has been P&O Princess Cruises plc, which is incorporated in England and Wales.

### **Directors and directors' interests:**

The directors during the period were:

R M Gradon	appointed 29 March 2000	Resigned 20 October 2000
N L Luff	appointed 29 March 2000	
P G Ratcliffe	appointed 29 March 2000	
Lord Sterling of Plaistow	appointed 29 March 2000	

R M Gradon was appointed company secretary on 29 March 2000 and resigned on 20 October 2000. S M Pearce was appointed company secretary on 28<sup>th</sup> November 2000.

As at 31 March 2001 the three directors of the company, N L Luff, P G Ratcliffe and Lord Sterling of Plaistow, were also members of the board of directors of the ultimate holding company P&O Princess Cruises plc, of which this company is a wholly owned subsidiary. Their interests in shares and debentures of group companies are disclosed in the directors' report of that Company.

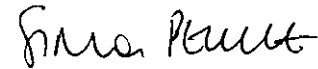
## REPORT OF THE DIRECTORS (CONT'D)

### **Auditors:**

KPMG Audit Plc were appointed first auditors of the Company by the directors. Under section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

77 New Oxford Street  
London  
WC1A 1PP

On behalf of the Board



Simon Pearce  
Secretary

28 October 2002

## **DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE ACCOUNTS**

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF SILSUB  
LIMITED**

We have audited the accounts on pages 5 to 9.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Directors' report, and as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 and transactions with the Group is not disclosed.

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 March 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
London

*28 October 2002*

**Profit and loss account**  
**Period ended 31 March 2001**

The company did not trade during the period, and therefore there were no recognised gains or losses relating to the period.

**Balance sheet**  
**As at 31 March 2001**

	Note	DM'000
<b>Fixed assets</b>		
Tangible assets		
Investments	4	25
<b>Current assets</b>		
Creditors		
Amounts owed to parent undertaking	5	(25)
<b>Net assets</b>		<hr/> -
		<hr/>
<b>Capital and reserves</b>		
Share capital	6	-
<b>Shareholders' funds</b>		<hr/> -
		<hr/>

Approved by the Board of Directors on **28** October 2002 and signed on its behalf by:



Nick Luff  
Director

**Reconciliation of movements in shareholders' funds**  
**Period ended 31 March 2001**

	Total
	DM'000
Shares issued on incorporation	-
Profit for the period	-
Shareholders' funds at end of period	<hr/> - <hr/>

## 1 Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The functional currency of the Company is the deutschmark as the majority of its assets are denominated in that currency and therefore these accounts are presented in deutschmarks.

## 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to SILSUB Ltd.

Under Financial Reporting Standard 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard

### *Investments*

Investments are held at cost less provision for impairment in value.

### *Deferred taxation*

Provision is made for deferred taxation using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

### *Related party transactions*

The Company is a wholly owned subsidiary of P&O Princess Cruises plc and as such, it has taken advantage of the exemption available under Financial Reporting Standard 8, not to disclose transactions with other group companies.

## 3 Profit on ordinary activities before taxation:

The audit fee is borne by the parent undertaking.

## 4 Investments

	DM'000
Cost	
Additions	25
<b>Cost at 31 March 2001 and net book value</b>	<b>25</b>

On 7 April 2000 the Company acquired 50% of the share capital of Verwaltungsgesellschaft MS "Arkona" GmbH for DM25,000 from The Peninsular and Oriental Steam Navigation Company.

## 5 Creditors

DM'000

Amounts owed to parent undertaking	25
	<hr/>
	25
	<hr/>

## 6 Share capital

The authorised, allotted, called up and fully paid share capital is as follows:

	<i>Authorised</i>	<i>Allotted, called up And fully paid</i>
<i>Ordinary shares</i>	DM'000	DM'000
As at 29 March 2000 and 31 March 2001	<u>100,000</u>	<u>—</u>

The companies allotted, called up and fully paid share capital is denominated in UK Pounds Sterling and comprises one ordinary share of £1 each, issued on incorporation at par.

## 7 Acquisitions

On 7 April 2000 the Company acquired 50% of the share capital of Verwaltungsgesellschaft MS "Arkona" GmbH for 25,000DEM from The Peninsular and Oriental Steam Navigation Company. This was funded through an intercompany loan from its parent undertaking.

## 8 Post balance sheet events

On 31 October 2001, the business, assets and liabilities of SILSUB Ltd were transferred to P&O Princess Cruises International Limited (POPCIL) at book value.

## 9 Ultimate holding company

The company's ultimate holding company is P&O Princess Cruises plc, which is incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by P&O Princess Cruises plc. The smallest group in which they are consolidated is that headed by P&O Princess Cruises International Limited, incorporated in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from:

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF4 3UZ