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New Sea Limited

Report and Financial Statements

Year Ended

31 January 2007



BDO Stoy Hayward
Chartered Accountants

New Sea Limited

Annual report and financial statements for the year ended 31 January 2007

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

W A McIntosh
T D Woodcock
M C Allen

Secretary and registered office

T D Woodcock, 54 Baker Street, London, W1U 7BU

Company number

4560760

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

New Sea Limited

Report of the directors for the year ended 31 January 2007

The directors present their report together with the audited financial statements for the year ended 31 January 2007

Results and dividends

The profit and loss account is set out on page 5 and shows the result for the year

The directors do not recommend the payment of a dividend

Principal activities, trading review and future developments

The company was set up in order to hold investments on behalf of its parent, Capital Management and Investment Plc. The directors do not anticipate a change in this activity in the future

Charitable and political donations

During the year the company made charitable contributions of £55,000 (2006 - £65,000). These amounts were accrued in the prior year (see note 2). The company made no political contributions

Directors

The directors of the company during the year were

W A McIntosh
T D Woodcock
M C Allen

No director had any beneficial interest in the share capital of the company

W A McIntosh and T D Woodcock are also directors of the ultimate parent company, Capital Management and Investment PLC and their interests in the share capital of that company are shown in its financial statements

New Sea Limited

Report of the directors for the year ended 31 January 2007 (*Continued*)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 of the company for that year. In preparing these 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 explaining 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 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.

Auditors


All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

T D Woodcock



Secretary

Date

24/11/07

New Sea Limited

Report of the independent auditors

To the shareholders of New Sea Limited

We have audited the financial statements of New Sea Limited for the year ended 31 January 2007 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing 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 on 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

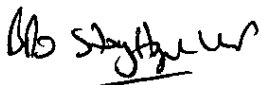
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the independent auditors (*Continued*)

Opinion

In our opinion

- 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 January 2007 and of its profit for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors*
London

Date 28 November 2007

New Sea Limited

Profit and loss account for the year ended 31 January 2007

	Note	2007 £'000	2006 £'000
Turnover		-	-
Operating profit		-	-
		<hr/>	<hr/>
Profit on ordinary activities before and after taxation and retained for the year	2,7	-	-
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The only movements in shareholder's funds is the profit/loss for the year

The notes on pages 7 and 8 form part of these financial statements

New Sea Limited

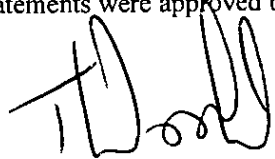
Balance sheet at 31 January 2007

	Note	2007 £'000	2006 £'000
Current assets			
Debtors - due after more than one year	4	14,154	14,209
Creditors: amounts falling due within one year	5	(149)	(204)
		<hr/>	<hr/>
Net assets		14,005	14,005
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	2,801	2,801
Share premium account	7	11,204	11,204
Profit and loss account	7	-	-
		<hr/>	<hr/>
Shareholders' funds - equity		14,005	14,005
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors and authorised for issue on

28/11/07


T D Woodcock
Director

The notes on pages 7 and 8 form part of these financial statements

New Sea Limited

Notes forming part of the financial statements for the year ended 31 January 2007

1 Accounting policies

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

2 Operating profit

On 8 February 2003, the company purchased 2.4m call options over the shares of Six Continents PLC for £1,629,671. On 14 February 2003, the company exercised the share options for a premium of £12,375,453.

The Takeover Panel ruled that the company sell its shareholding in Six Continents PLC and any profits arising should be donated to charity.

The shares were sold on 24 March 2003 for a consideration of £15,495,204, resulting in a profit arising on the sale of £1,490,080. The company accrued £1,490,080 for charitable donations and by 31 January 2007 had paid out £1,341,000 (2006 - £1,286,000).

Remuneration for auditors has been borne by the parent undertaking.

3 Directors

There were no amounts paid in respect of directors' remuneration for the year.

4 Debtors

	2007 £'000	2006 £'000
Amounts receivable after more than one year		
Amounts due from parent undertaking	14,154	14,209

5 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Accruals	149	204

New Sea Limited

Notes forming part of the financial statements for the year ended 31 January 2007 (Continued)

6 Share capital

	2007 Number	Authorised 2006 Number	2007 £'000	2006 £'000
Ordinary shares of £1 each	40,000,000	40,000,000	40,000	40,000
		Allotted, called up and fully paid		
	2007 Number	2006 Number	2007 £'000	2006 £'000
Ordinary shares of £1 each	2,801,026	2,801,026	2,801	2,801

7 Reserves

	Share premium £'000	Profit and loss account £'000
At 1 February 2006 and 31 January 2007	11,204	-

8 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with members of the group headed by Capital Management and Investment PLC on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

9 Ultimate parent company

At 31 January 2007 the company's ultimate parent company was Capital Management and Investment Plc

Copies of the consolidated financial statements of Capital Management and Investment Plc are available from Companies House