

FERRYMASTERS LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 1984

REGISTERED  
- 2 AUG 1985  
CHECKED (Intls.) *W.*

DEPARTMENT OF  
ECONOMIC DEVELOPMENT  
Companies Registration  
RECEIVED  
30 JUL 1985  
Re: *...*  
Checked (Intls.)

FERRYMASTERS LIMITED

REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 1984

CONTENTS

	<u>PAGE</u>
Directors' report	2
Auditors' report	4
Statement of accounting policies	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

# FERRYMASTERS LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31st December 1984.

### ACTIVITIES AND BUSINESS REVIEW

The nature of the business of the company is international haulage between Great Britain and the Continent. There has been no change in the company's activities during the year and no future changes are envisaged. The directors consider that the results for the year were adversely affected by several industrial disputes, but that the state of affairs at the end of the year and the future prospects are satisfactory.

### RESULTS

The loss for the year, after taxation, amounted to £97,000. The directors recommend that this is dealt with as follows:

Proposed ordinary dividend	£000's
Transfer from reserves	650
	( 747)
	<hr/>
	( 97)
	=====

### DIRECTORS

The directors who held office during the year were:

G. H. Ruff	-	(Chairman)
B. R. Rosier	-	(Managing Director)
G. B. Whitehead		
P. T. Davies	-	(resigned 1st September 1984)
G. Hesselgren		
H. E. Meyer		
M. T. Monaghan		
D. Munt		
A. Houghton	-	(appointed 1st September 1984)

Mr. A. Houghton who was appointed during the year, and Messrs. H. E. Meyer, M. T. Monaghan and D. Munt who retire in accordance with the company's articles of association, being eligible, offer themselves for re-election at the annual general meeting.

The directors holding office at 31st December 1984 had no interests in any shares, debentures or loan stock of the company, the company's ultimate holding company or any subsidiary thereof at either the beginning or the end of the year.

FERRYMASTERS LIMITED

DIRECTORS' REPORT (Continued)

EMPLOYMENT OF DISABLED PERSONS

Contacts are maintained with Disablement Resettlement Officers with a view to ensuring full and fair consideration for any disabled applicant for employment. The Company endeavours to retain any existing employee who may become disabled, providing specialised training where appropriate. If modified or additional facilities are needed for a disabled employee, all reasonable steps are taken to provide them.

EMPLOYEES

The company recognises the need to keep employees informed and encourages identification with their employer.

A restyled company Newsletter has been introduced to maintain regular contact with employees at all locations.

Internal training courses have been developed and induction training has been improved to allow new employees to become familiar with the structure of the company and its procedures very shortly after taking up employment with the company.

Briefings and notices are issued on a regular basis to employees allowing them to understand their role in the organisation more clearly.

AUDITORS

In accordance with Article 27(1) of the Companies (Northern Ireland) Order 1978, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD

  
Secretary

Coastguard Road,  
Larne,  
Co. Antrim,  
Northern Ireland.

AUDITORS' REPORT  
TO THE MEMBERS OF FERRYMASTERS LIMITED

We have audited the financial statements on pages 5 to 13 in accordance with approved Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st December 1984 and of its result for the year then ended, and comply with the Companies Acts (Northern Ireland) 1960 to 1982.

The financial statements do not include a statement of the sources and applications of funds which is required by statement of standard accounting practice No. 10.

*Deloitte Haskins & Sells*

Chartered Accountants

Manchester

30<sup>th</sup> April 1985

# FERRYMASTERS LIMITED

## STATEMENT OF ACCOUNTING POLICIES

### Basis of accounting

The financial statements are prepared on the historical cost basis of accounting.

### Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of work done during the year.

### Depreciation

Depreciation on tangible fixed assets is calculated on a straight line basis to write down the cost over their estimated useful lives to estimated residual values which are reviewed annually. The periods used are as follows:

Freehold land	-	NIL
Freehold buildings	-	50 years
Leasehold land and buildings	-	Over the period of the lease
Other tangible assets	-	4 to 20 years

### Interest in leased assets

The net interest in leased assets consists of the total capital payments made to the lessor less aggregate depreciation on those assets.

### Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks consist of raw materials and consumables.

### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Exchange differences are included in the profit and loss account.

### Deferred taxation

Deferred taxation arises when items are recognised for tax purposes in periods that differ from the periods in which the items are recognised for accounting purposes. No provision is made for deferred taxation since in the opinion of the directors the reduction in the tax charge will continue for the foreseeable future.

FERRYMASTERS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st DECEMBER 1984

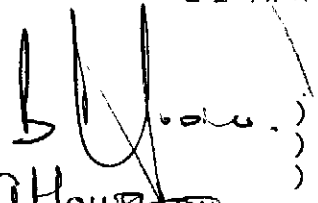
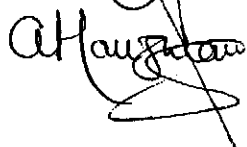
	<u>Notes</u>	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
TURNOVER		68,581	62,379
Cost of sales		66,780	59,725
GROSS PROFIT		<u>1,801</u>	<u>2,654</u>
Administration expenses		1,552	1,647
OPERATING PROFIT	1	<u>249</u>	<u>1,007</u>
Interest receivable	3	82	180
Interest payable	4	( 428)	( 748)
(LOSS)/PROFIT BEFORE TAXATION		<u>( 97)</u>	<u>439</u>
Taxation	5	-	-
(LOSS)/PROFIT AFTER TAXATION		<u>( 97)</u>	<u>439</u>
Dividend	6	( 650)	( 600)
RESULT FOR THE YEAR		<u>( 747)</u> =====	<u>( 161)</u> =====

FERRYMASTERS LIMITED

BALANCE SHEET AT 31st DECEMBER 1984

	<u>Notes</u>	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
<b>FIXED ASSETS</b>			
Tangible assets	7	4,088	3,282
Interest in leased assets	8	4,306	3,413
		<u>8,394</u>	<u>6,695</u>
<b>CURRENT ASSETS</b>			
Stocks		599	709
Debtors	9	8,465	8,805
Cash at bank and in hand		33	35
		<u>9,097</u>	<u>9,549</u>
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	11,715	12,036
<b>NET CURRENT LIABILITIES</b>		( 2,618)	( 2,487)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,776</u>	<u>4,208</u>
<b>CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	11	( 3,669)	( 1,319)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	( 235)	( 270)
<b>NET ASSETS</b>		<u>1,872</u>	<u>2,619</u>
		<u>=====</u>	<u>=====</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	13	10	10
Profit and loss account	14	1,862	2,609
		<u>1,872</u>	<u>2,619</u>
		<u>=====</u>	<u>=====</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 22 APR 1985 and were signed on its behalf by:



 ) Directors



FERRYMASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 1984

1. OPERATING PROFIT

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
Operating profit is stated after charging:		
Depreciation on tangible assets	878	1,020
Depreciation on leased assets	1,562	1,211
Hire of plant and equipment	408	102
Auditors' remuneration	10	13
	<u>=====</u>	<u>=====</u>

2. DIRECTORS AND EMPLOYEES

The average weekly number of persons  
employed by the company during the year was:

	<u>1984</u> <u>Number</u>	<u>1983</u> <u>Number</u>
Administration	57	60
Other	582	592
	<u>=====</u>	<u>=====</u>
	639	652

Staff costs incurred in respect of the above  
employees were:

	<u>£000's</u>	<u>£000's</u>
Wages and salaries	6,242	5,593
Social security costs	472	430
Pension costs	296	110
	<u>=====</u>	<u>=====</u>
	7,010	6,133

Directors' emoluments:

	<u>NIL</u>	<u>NIL</u>
Directors' fees		
Management remuneration and pension contributions	59	49
	<u>=====</u>	<u>=====</u>
	59	49

The directors' remuneration disclosed above  
(excluding pension contributions) included  
amounts paid to:

	<u>£ NIL</u>	<u>£ NIL</u>
The chairman		
	<u>=====</u>	<u>=====</u>
The highest paid director	£ 25,400	£ 24,055
	<u>=====</u>	<u>=====</u>

FERRYMASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DIRECTORS AND EMPLOYEES (Continued)

The number of directors who received emoluments (excluding pension contributions) in the following ranges were:

	<u>1984</u> <u>Number</u>	<u>1983</u> <u>Number</u>
£ 0 - £ 5,000	6	7
£ 5,001 - £10,000	1	-
£20,001 - £25,000	1	2
£25,001 - £30,000	1	-
	=====	=====

The Chairman and managing director are paid by another company in the P & O group without specific recharge and accordingly, none of their emoluments are included in the amounts disclosed above.

3. INTEREST RECEIVABLE

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
From group companies	77	173
Other	5	7
	=====	=====
	82	180

4. INTEREST PAYABLE

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
To group companies	-	47
In respect of leased assets:		
To a group company	108	408
To other lessors	320	293
	=====	=====
	428	748

5. TAXATION

Taxation for the year, calculated at 46.25% (1983 - 52%), has been eliminated as a result of group relief surrendered of £413,000 (1983 - £475,000), for which no payment is made, and £384,000 (1983 - £746,000) in respect of timing differences on which, in accordance with the company's accounting policy, no provision for deferred taxation is made.

6. DIVIDEND

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
Proposed ordinary dividend	650	600
	=====	=====

FERRYMASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TANGIBLE FIXED ASSETS

	Land and buildings	Equipment on ships	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£000's	£000's	£000's	£000's	£000's
<b>COST</b>					
At 1st January 1984	146	109	7,661	262	8,178
Inter-group transfers	511	-	55	-	566
Additions	7	-	1,717	33	1,757
Disposals	( 2)	-	( 1,877)	( 40)	( 1,919)
Reclassification	-	-	( 5)	5	-
At 31st December 1984	662	109	7,551	260	8,582
<b>DEPRECIATION</b>					
At 1st January 1984	120	21	4,649	106	4,896
Inter-group transfers	86	-	23	-	109
Charge for the year	23	6	823	26	878
Disposals	( 2)	-	( 1,373)	( 14)	( 1,389)
Reclassification	-	-	( 2)	2	-
At 31st December 1984	227	27	4,120	120	4,494
<b>NET BOOK VALUE</b>					
At 31st December 1984	435	82	3,431	140	4,088
At 31st December 1983	26	88	3,012	156	3,282

The net book value of land and buildings at 31st December 1984, comprises:

	1984 £000's	1983 £000's
Freehold	342	-
Short leasehold	93	26
	435	26

FERRYMASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. INTEREST IN LEASED ASSETS

	<u>Ships</u> <u>£000's</u>	<u>Plant and</u> <u>machinery</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
CAPITAL PAYMENTS			
Capital payments at 1st January 1984	3,047	5,767	8,814
Capital payments during the year	787	1,687	2,474
Disposals	-	( 26)	( 26)
Capital payments at 31st December 1984	3,834	7,428	11,262
DEPRECIATION			
At 1st January 1984	1,657	3,744	5,401
Charge for the year	319	1,243	1,562
Disposals	-	( 7)	( 7)
At 31st December 1984	1,976	4,980	6,956
NET BOOK VALUE			
At 31st December 1984	1,858	2,448	4,306
At 31st December 1983	1,390	2,023	3,413

9. DEBTORS

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
Due within one year:		
Trade debtors	4,335	4,677
Amounts owed by group companies	1,511	1,957
Other debtors	758	378
Prepayments and accrued income	1,702	1,793
	8,306	8,805
Due after more than one year:		
Amounts owed by group companies	159	-
	8,465	8,805

10. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
Trade creditors	4,143	1,745
Amounts owed to group companies	3,420	4,826
Proposed dividend	650	600
Other taxation and social security	350	220
Other creditors	2,602	786
Accruals and deferred income	550	3,859
	11,715	12,036

FERRYMASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	<u>1984</u>	<u>1983</u>
	£000's	£000's
Amounts owed to group companies	3,669	1,319
	=====	=====
12. PROVISIONS FOR LIABILITIES AND CHARGES		
Dry docking provisions for ships:		£000's
At 1st January 1984		270
Utilised in the year		( 223)
Transfer from profit and loss account		188
At 31st December 1984		235
		=====
13. CALLED-UP SHARE CAPITAL		
Authorised, allotted, called-up and fully paid:	<u>1984</u>	<u>1983</u>
	£000's	£000's
10,000 Ordinary shares of £1 each	10	10
	=====	=====
14. PROFIT AND LOSS ACCOUNT		
		£000's
Balance at 1st January 1984		2,609
Deficit for the year		747
Balance at 31st December 1984		1,862
		=====
15. DEFERRED TAXATION		
Deferred taxation which, in accordance with the company's accounting policy, has not been provided for, comprises at 35% (1983 - 35%):		
Excess of tax allowances over depreciation:	<u>1984</u>	<u>1983</u>
	£000's	£000's
Tangible assets	1,102	1,030
Leased assets	1,507	1,194
Other timing differences	( 39)	( 4)
	2,570	2,220
	=====	=====

FERRYMASTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CAPITAL COMMITMENTS

	<u>1984</u> <u>£000's</u>	<u>1983</u> <u>£000's</u>
Capital expenditure that has been contracted for but has not been provided for in the financial statements	422	883
	=====	=====
Capital expenditure that has been authorised by the directors but has not yet been contracted for	122	NIL
	=====	=====

17. CONTINGENT LIABILITIES

The company is contingently liable to its bankers in respect of guarantees and indemnities to third parties amounting to £2,993,000 (1983 - £1,533,000).

18. PENSIONS

The P & O Group pension schemes cover all material obligations to retired and current Ferrymasters employees. Based on the latest actuarial valuation, present funding arrangements are considered sufficient to meet the future liabilities of these schemes.

19. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Peninsular and Oriental Steam Navigation Company, incorporated in Great Britain.