

FOLKESTONE PROPERTIES LIMITED  
REPORT AND FINANCIAL STATEMENTS

31 December, 1994



FOLKESTONE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December, 1994.

1. ACTIVITIES

Folkestone Properties Limited owns the seaport and inner harbour at Folkestone. Folkestone Properties Limited receives port dues and rental income from the port and harbour operations.

2. REVIEW OF DEVELOPMENTS

A profit of £293,000 (1993: £60,000 loss) has been transferred to reserves. The directors do not recommend a dividend for the year (1993 : £nil).

3. FUTURE PROSPECTS

The company intends to continue in operating a port and harbour in the foreseeable future despite the opening of the Channel Tunnel.

4. FIXED ASSETS

Changes in fixed assets are shown in Note 6 to the accounts.

5. DIRECTORS

The directors who served during the year ended 31 December, 1994 were as follows:

D.G. Benson (Appointed 1 January, 1994)  
D.J. O'Sullivan  
W.P. Rann  
M.J.L. Stracey  
J.W. Wood (Resigned 30 June, 1994)

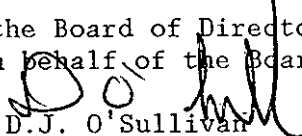
All directors with the exception of J.W. Wood also served to the date of the accounts.

None of the directors had any notifiable interests in the shares of the company or of other group companies during the year.

6. AUDITORS

The auditors, Touche Ross & Co., have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

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

25 October, 1995

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;
- state whether applicable accounting standards have been followed;
- 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 8 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. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 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 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 the company's affairs as at 31 December, 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co.*

Touche Ross & Co.

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

*25 October, 1995*

FOLKESTONE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December, 1994

	Note	1994 £000	1993 £000
Turnover	1(b)	1,998	1,614
Administrative expenses		(1,705)	(1,674)
Profit/(loss) on ordinary activities before taxation	4	293	(60)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation		293	(60)
Retained profit brought forward		2,693	2,753
Retained profit carried forward		<u>2,986</u>	<u>2,693</u>

There are no recognised gains and 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 on shareholders' funds is provided.

All activities derive from continuing operations.

FOLKESTONE PROPERTIES LIMITED

BALANCE SHEET

As at 31 December, 1994

	Note	1994 £000	1993 £000
<b>FIXED ASSETS</b>			
Tangible assets	6	6,654	6,741
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		-	79
Trade debtors		77	180
Other debtors		67	68
		<u>144</u>	<u>327</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(256)</u>	<u>(212)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(112)</u>	<u>115</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,542	6,856
<b>CREDITORS: Amounts falling due after more than one year</b>			
Amounts owed to parent and fellow subsidiaries		<u>(3,556)</u>	<u>(4,163)</u>
		<u>2,986</u>	<u>2,693</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and loss account		2,986	2,693
Equity shareholders' funds		<u>2,986</u>	<u>2,693</u>

These financial statements were approved at a meeting of the Board of Directors held on **25 October**, 1995.

Signed on behalf of the Board of Directors

  
Director

D.J. O'SULLIVAN

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1994

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 of the company are prepared under the historical cost convention.

b) Turnover

Turnover principally comprises income from rents charged to the company operating the port.

c) Tangible fixed assets

Tangible fixed assets are included in the balance sheet at historical cost. Depreciation is provided on leasehold properties on a straight line basis over the shorter of the period of the lease or the estimated useful life of the asset.

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 it is probable that a liability or asset will crystallise in the future.

2. ULTIMATE PARENT COMPANY

The parent company of the largest United Kingdom group which includes the company and for which group accounts are prepared is Norlantic Limited, a company registered in England and Wales. The immediate parent company for which group accounts are prepared is Ferry and Port Holdings Limited, a company registered in England and Wales. On 24 May, 1995 Norlantic sold its interest in Ferry and Port Holdings Limited. From 24 May, 1995 the parent company of the largest United Kingdom group which includes the company and for which group accounts will be prepared is Sea Containers U.K. Limited. Copies of the group accounts for both Norlantic Limited and Ferry and Port Holdings Limited can be obtained from their registered office at 20 Upper Ground, London SE1 9PF.

The ultimate parent company is Sea Containers Ltd., a company incorporated in Bermuda. Copies of its accounts can be obtained from the company's registered office at 41 Cedar Avenue, Hamilton, Bermuda.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No payments were made to any of the directors from this company for the year ended 31 December, 1994 (1993 : fnil).

The company had no employees during the year (1993 : nil).

FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1994

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee is borne by the ultimate parent company.

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

No tax charge has been included in the financial statements due to the availability of loss relief from other group companies for nil consideration.

The amount of deferred tax provided in the financial statements and the potential amount unprovided are:-

	PROVIDED		UNPROVIDED	
	1994	1993	1994	1993
	£000	£000	£000	£000
Capital allowances in excess of depreciation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Long Leasehold Land and Buildings £000
Cost at 1 January, 1994	6,850
Additions	3
	<u>6,853</u>
Cost at 31 December, 1994	<u>6,853</u>
Accumulated depreciation at 1 January, 1994	109
Charge for the year	90
	<u>199</u>
Accumulated depreciation at 31 December, 1994	<u>199</u>
Net book value at 31 December, 1994	<u>6,654</u>
Net book value at 31 December, 1993	<u>6,741</u>

Included within land and buildings is land of £6,275,000 (1993 : £6,275,000) which is not depreciated.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
	£000	£000
Bank overdraft	61	-
Trade creditors	105	56
Accruals and deferred income	90	156
	<u>256</u>	<u>212</u>



FOLKESTONE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December, 1994

8. CALLED UP SHARE CAPITAL

	1994	1993
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>

9. CONTINGENT LIABILITIES

A £50 million syndicated loan drawn down by Wightlink Limited during 1994 is secured by a charge over the assets of three subsidiaries of Ferry and Port Holdings Limited including those of Folkestone Properties Limited.