

**WAVERLEY STEAM NAVIGATION CO. LTD.**  
**COMPANY NO. - 50789**

Abbreviated Accounts  
For the year ended 31st October 2002



**HENDERSON & COMPANY**  
CHARTERED ACCOUNTANTS  
73 UNION STREET  
GREENOCK

**REPORT OF THE INDEPENDENT AUDITORS TO  
WAVERLEY STEAM NAVIGATION CO. LTD.  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st October 2002 prepared under Section 226 of the Companies Act 1985.

**Respective Responsibilities of Directors and Auditors**

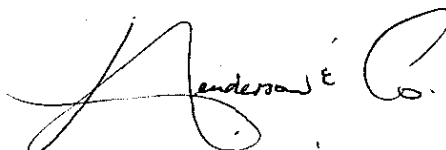
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of Opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

A handwritten signature in black ink, appearing to read 'Henderson & Co.', with a large, stylized flourish on the right side.

**HENDERSON & COMPANY**  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

73 Union Street,  
Greenock  
PA16 8BG

26th June 2003

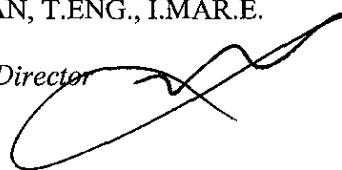
**WAVERLEY STEAM NAVIGATION CO. LTD.**  
**ABBREVIATED BALANCE SHEET AS AT 31ST OCTOBER 2002**

	2002	2001	Note
	£	£	
<b>FIXED ASSETS</b>			
Tangible Assets	3,655,365	3,824,938	2
Investment in Subsidiary	100	100	3
	3,655,465	3,825,038	
<b>CURRENT ASSETS</b>			
Investment	-	-	
Debtors	343,932	1,139	
Cash at Bank	312,345	41,462	
	656,277	42,601	
<b>CREDITORS</b>			
Amounts falling due within one year	8,795	8,400	
	647,482	34,201	
<b>NET CURRENT ASSETS</b>			
<b>DEBTORS</b>			
Amounts Recoverable after more than one year	373,973	389,968	4
	4,676,920	4,249,207	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	38,935	46,435	5
<b>DEFERRED INCOME</b>	3,434,196	3,590,296	
	1,203,789	612,476	
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	42	39	6
Unrestricted Reserves	736,439	612,437	
Restricted Reserves	467,308	-	
	1,203,789	612,476	

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

D.I. McMILLAN, T.ENG., I.MAR.E.

*Director*



25th June 2003

**WAVERLEY STEAM NAVIGATION CO. LTD.  
NOTES TO THE ABBREVIATED ACCOUNTS**

**1. ACCOUNTING POLICIES**

**(a) Accounting Convention**

The accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards, the Charities Accounts (Scotland) Regulations 1992 and Accounting and Reporting by Charities Statement of Recommended Practice (SORP) issued in October 2000.

**(b) Consolidation**

The Company and its subsidiary comprise a small group. The Company has therefore taken advantage of the exemptions provided by Section 248(1) of the Companies Act 1985 not to prepare group accounts.

**(c) Grants**

Grants receivable by the parent company are recognised in the statement of financial activities when the company has received and has entitlement to the resources and therefore grants receivable for capital projects are not deferred over the life of the asset. Grants received for specific capital projects will be allocated to specific funds which will then be reduced over the useful economic life of the asset in line with depreciation policies. This is in line with the SORP which provides the most appropriate interpretation of SSAP 4 for charities.

**(d) Donations, Legacies and Similar Incoming Resources**

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

**(e) Depreciation**

Depreciation is provided at rates calculated to write off the cost, less residual value, of each asset over its expected useful life as follows:-

Vessels	10% & 4%	straight line per annum
Catering Equipment	33 1/3%	straight line per annum

The rebuild expenditure capitalised is being written off over a twenty - five year period. The other vessel will continue to be written off over a ten year period.

Utensils are treated on a replacement basis.

**(f) Funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure which meets those criteria is charged to the fund, together with a fair allocation of management and support costs.

**(g) Expenditure**

Resources expended are recognised in the period in which they are incurred.

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## 2. TANGIBLE FIXED ASSETS

<b>Cost</b>	<b>£</b>
As at 1st November 2001	4,366,206
Disposals in Year	-
Purchased during Year	-
As at 31st October 2002	<u>4,366,206</u>
<b>Depreciation</b>	
As at 1st November 2001	541,268
On Disposals	-
Charge for Year	<u>169,573</u>
As at 31st October 2002	<u>710,841</u>
<b>Net Book Value</b>	
As at 31st October 2002	<u>3,655,365</u>
As at 31st October 2001	<u>3,824,938</u>

On 18th February 1998 the Trustees of the National Heritage Memorial Fund took a 25 year mortgage on the vessel P.S. "Waverley" as security for the conditions of the grant accepted by the Company for the Heritage Rebuild project. On 17th July 2000 the Paddle Steamer Preservation Society took a 20 year mortgage on M.V. "Balmoral" as security for funding received by the company for the Heritage Rebuild of P.S. "Waverley".

## 3. INVESTMENT IN SUBSIDIARY

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Shares at Cost	100	100

Waverley Steam Navigation Co. Ltd. owns 100% of the ordinary £1 shares issued in the share capital of Waverley Excursions Limited, a company incorporated in Scotland.

The subsidiary company's capital and reserves as at 31st October 2002 and results for the year ended on that date were as follow:-

<b>Capital and Reserves</b>	<b>Loss for Year after taxation</b>
<b>£</b>	<b>£</b>
<u>(366,954)</u>	<u>(43,419)</u>

## 4. DEBTORS: Recoverable in more than one year

Amounts outstanding from the subsidiary company, Waverley Excursions Limited, at 31st October 2002 amounted to £373,973. These are not recoverable within one year as at the present time the subsidiary is not in a position to repay these sums. These sums will be repaid once the subsidiary company has recommenced profitable trading.

5./

5. **CREDITORS**

Out of the £38,935 (2001 - £46,435) falling due after more than one year amounts totalling £8,935 (2001 - £16,435) are repayable from the fifth year and thereafter. The repayments are by annual instalments of £7,500.

6. **SHARE CAPITAL**

	<b>2002</b>	<b>2001</b>
<b>Authorised</b>		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>
<b>Allotted, Called Up and Fully Paid</b>		
39 Ordinary Shares of £1 each	42	39
	<hr/>	<hr/>

During the year 3 shares were issued at par.