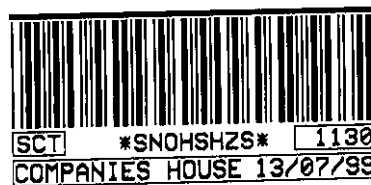


**WAVERLEY STEAM NAVIGATION CO. LTD.**  
**COMPANY NO. - 50789**

Abbreviated Accounts  
For the year ended 31st October 1998

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

*IAM*



**REPORT OF THE 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 1998 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.



**HENDERSON & COMPANY**  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

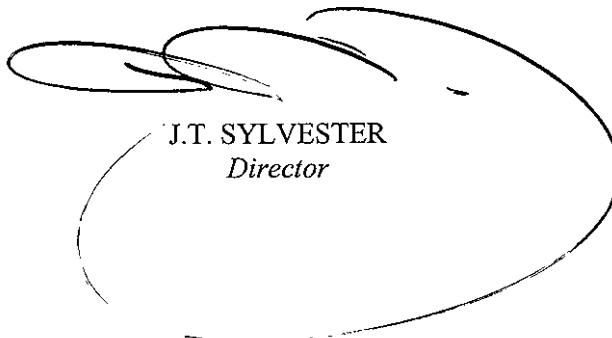
73 Union Street,  
Greenock  
PA16 8BG

21st June 1999

**WAVERLEY STEAM NAVIGATION CO. LTD.**  
**ABBREVIATED BALANCE SHEET AS AT 31ST OCTOBER 1998**

	1998	1997	Note
	£	£	
<b>FIXED ASSETS</b>			
Tangible Assets	34,717	55,727	2
Investment in Subsidiary	175,100	100,100	3
	209,817	155,827	
<b>CURRENT ASSETS</b>			
Debtors	109,120	290,099	
Cash at Bank	228,214	75,956	
	337,334	366,055	
<b>CREDITORS</b>			
Amounts falling due within one year	43,717	8,250	
	293,617	357,805	
<b>NET CURRENT ASSETS</b>			
	503,434	513,632	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	68,935	76,435	4
	434,499	437,197	
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	39	39	5
Income and Expenditure Account	434,460	437,158	
	434,499	437,197	

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

  
**J.T. SYLVESTER**  
*Director*

21st June 1999

**CONSOLIDATED BALANCE SHEET OF WAVERLEY STEAM NAVIGATION CO. LTD. &  
ITS SUBSIDIARY WAVERLEY EXCURSIONS LTD.  
AS AT 31ST OCTOBER 1998**

	1998	1997
	£	£
<b>FIXED ASSETS</b>		
Tangible Assets	92,108	120,990
<b>CURRENT ASSETS</b>		
Stocks	39,228	40,762
Debtors	200,543	284,324
Cash at Bank and on Hand	350,555	349,560
	590,326	674,646
<b>CREDITORS:</b>		
Amounts falling due within one year	342,442	270,473
		404,173
<b>NET CURRENT ASSETS</b>	247,884	404,173
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	339,992	525,163
<b>CREDITORS:</b>		
Amounts falling due after more than one year		
Other Creditors	128,935	136,435
Deferred Income	3,790	4,709
	132,725	141,144
	207,267	384,019
<b>CAPITAL AND RESERVES</b>		
Called Up Share Capital	39	39
Profit and Loss Account	207,228	383,980
	207,267	384,019

**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.

**(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. These financial statements present information about the parent company and not about the group. However, with a view to providing information on the position of the company and its subsidiary combined together, a Consolidated Balance Sheet is also provided.

**(c) Grants and Donations**

Grants received in respect of fixed assets have been credited to a Deferred Grant account and are released to revenue over the expected useful life of the asset. Donations received are credited direct to the Income and Expenditure Account

**(d) 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%	straight line per annum
Catering Equipment	33 1/3%	straight line per annum

Utensils are treated on a replacement basis.

**2. TANGIBLE FIXED ASSETS**

<b>Cost</b>	<b>£</b>
As at 1st November 1997	496,442
Purchased during Year	-
	<hr/>
As at 31st October 1998	496,442
	<hr/>
<b>Depreciation</b>	
As at 1st November 1997	440,715
Charge for Year	21,010
	<hr/>
As at 31st October 1998	461,725
	<hr/>
<b>Net Book Value</b>	
As at 31st October 1998	34,717
	<hr/>
As at 31st October 1997	55,727
	<hr/>

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.

3./

### 3. INVESTMENT IN SUBSIDIARY

	1998	1997
	£	£
Shares at Cost	100	100
Loan to Subsidiary (repayable after more than one year)	175,000	100,000

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 1998 and results for the year ended on that date were as follow:-

Capital and Reserves	Loss for Year after taxation
£	£
(227,132)	(174,054)

### 4. CREDITORS

Out of the £68,935 (1997 - £76,435) falling due after more than one year amounts totalling £38,935 (1997 - £46,435) are repayable from the fifth year and thereafter. The repayments are by annual instalments of £7,500.

### 5. SHARE CAPITAL

	1998	1997
<b>Authorised</b> 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, Called Up and Fully Paid</b> 39 Ordinary Shares of £1 each	<u>39</u>	<u>39</u>