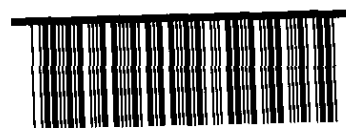


WAVERLEY STEAM NAVIGATION CO. LTD.
COMPANY NO. - 50789

Abbreviated Accounts
For the year ended 31st October 2000

HENDERSON & COMPANY
CHARTERED ACCOUNTANTS
73 UNION STREET
GREENOCK

JAM



SCT SJN6002U 0019
COMPANIES HOUSE 23/04/01

**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 4, together with the financial statements of the company for the year ended 31st October 2000 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 4 are properly prepared in accordance with those provisions.



HENDERSON & COMPANY
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

73 Union Street,
Greenock
PA16 8BG

23rd March 2001

WAVERLEY STEAM NAVIGATION CO. LTD.
ABBREVIATED BALANCE SHEET AS AT 31ST OCTOBER 2000

	2000	1999	Note
	£	£ (restated)	
FIXED ASSETS			
Tangible Assets	3,881,292	339,268	2
Investment in Subsidiary	175,100	175,100	3
	<hr/>	<hr/>	
	4,056,392	514,368	
CURRENT ASSETS			
Investment	-	-	
Debtors	165,088	110,882	
Cash at Bank	95,004	261,181	
	<hr/>	<hr/>	
	260,092	372,063	
CREDITORS			
Amounts falling due within one year	16,406	58,236	
	<hr/>	<hr/>	
NET CURRENT ASSETS	243,686	313,827	
	<hr/>	<hr/>	
TOTAL ASSETS LESS CURRENT LIABILITIES	4,300,078	828,195	
CREDITORS			
Amounts falling due after more than one year	53,935	61,435	4
DEFERRED INCOME	3,746,398	302,355	
	<hr/>	<hr/>	
	499,745	464,405	
	<hr/>	<hr/>	
CAPITAL AND RESERVES			
Called Up Share Capital	39	39	5
Income and Expenditure Account	499,706	464,366	
	<hr/>	<hr/>	
	499,745	464,405	
	<hr/>	<hr/>	

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

22nd March 2001

**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. However, bearing in mind the Statement of Recommended Practice, "Accounting by Charities" and with a view to providing information on the position of the company and its subsidiary combined together, a Consolidated Profit and Loss Account and a Consolidated Balance Sheet are appended (without notes).

(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% & 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.

2. TANGIBLE FIXED ASSETS

Cost	£
As at 1st November 1999	822,003
Disposals in Year	(280,063)
Purchased during Year	<u>3,714,324</u>
As at 31st October 2000	<u>4,256,264</u>
Depreciation	
As at 1st November 1999	482,735
On Disposals	(280,063)
Charge for Year	<u>172,300</u>
As at 31st October 2000	<u>374,972</u>
Net Book Value	
As at 31st October 2000	<u>3,881,292</u>
As at 31st October 1999	<u>339,268</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

	2000	1999
	£	£
Shares at Cost	100	100
Due by Subsidiary (repayable after more than one year)	175,000	175,000

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 2000 and results for the year ended on that date were as follow:-

Capital and Reserves	Loss for Year after taxation
£	£
(353,037)	(110,305)

4. CREDITORS

Out of the £53,935 (1999 - £61,435) falling due after more than one year amounts totalling £23,935 (1999 - £31,435) are repayable from the fifth year and thereafter. The repayments are by annual instalments of £7,500.

5. SHARE CAPITAL

	2000	1999
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, Called Up and Fully Paid		
39 Ordinary Shares of £1 each	39	39