

P&O PENSION FUNDS INVESTMENTS LIMITED

DIRECTORS' REPORT

AND

BALANCE SHEET

31 DECEMBER 1995



REPORT OF THE DIRECTORS TO THE MEMBERS OF

P&O PENSION FUNDS INVESTMENTS LIMITED

The directors have pleasure in submitting their report and accounts for the year ended 31 December 1995.

The Company acts as a nominee company and there have been no transactions in the year. No change in the Company's activities is intended in the foreseeable future.

The following directors served throughout the year ended 31 December 1995:

I G H Barnett	Sir Bruce MacPhail
Sir Peter Cazalet	R L Martin
J M Clay	K W Moore
J M Crossman	J D Stirling Gallacher
M D Denchfield	R N Walford
Miss J A Fraser	G B Whitehead
D P Harrison	
J M M Kane	

The directors who are not also directors of the holding company had interest in the deferred stock of The Peninsular and Oriental Steam Navigation Company as shown overleaf.

	Deferred Stock		Deferred Stock
	<u>31.12.95</u>	<u>31.12.94</u>	<u>Under Option Granted During The Year</u>
I G H Barnett	4,398	3,778	1,428
J M Clay	961	961	Nil
M D Denchfield	3,752	3,110	Nil
Miss J A Fraser	752	644	Nil
D P Harrison	2,373	25,252	Nil
J M M Kane	2,709	2,781	Nil
R L Martin	1,711	1,376	Nil
J D Stirling Gallacher	25,078	24,260	Nil
R N Walford	3,843	3,541	Nil
G B Whitehead	8,057	7,952	Nil

All the above interests are beneficial.

No other director held a beneficial interest in the shares of the Company or any subsidiary of the holding company during the year.

The interest of those directors who are also directors of the holding company are detailed in the P&O Report and Accounts for the year ended 31 December 1995.

In accordance with Section 252 of the Companies Act 1985, a resolution was passed on 30 September 1986 that, as the company is dormant, auditors shall not be appointed.

By order of the Board


J E T Morris
Secretary

Dorland House
14-16 Regent Street
London
SW1Y 4PH

BALANCE SHEET AT 31 DECEMBER 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
CURRENT ASSETS			
Debtors - Amount owed by ultimate holding company	2	£100	£100
CAPITAL AND RESERVE			
Called-up Share Capital Authorised, allotted called-up and fully paid 100 Ordinary shares of £1 each		£100	£100

)
)
)
)
) Directors

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995

1. Accounting Policy

The accounts have been prepared on the historical cost basis of accounting.

2. Ultimate Holding Company

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

3. Activities and Profit and Loss Account

The Company has not traded during either the current or previous year. Accordingly, no profit and loss account has been prepared. No directors remuneration is payable.

Certain securities are registered in the name of the Company on behalf of the P&O Pension Scheme. These have not been included in the balance sheet.