

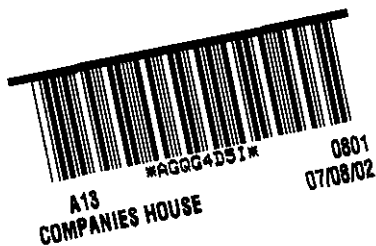
MERCHANT NAVY RATINGS PENSION FUND

TRUSTEES LIMITED

Directors' Report and Financial Statements

for the year ended

31 March 2002



COMPANY REGISTRATION
NUMBER: 862615

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2002

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MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

LIST OF OFFICERS

DIRECTORS

E J N Brookes
J M Crossman
A J Davies
M D Dunning
P Hall
G Higgins
S Hyslop
J Lusted
F M Marchant
D Nelson
P C Pratt
A Santamera
L D Stracey
D W Watts

SECRETARY

Merchant Navy Pensions Administration Limited

REGISTERED OFFICE

Ashcombe House
The Crescent
Leatherhead
Surrey
KT22 8LQ

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2002

The directors present their report together with the audited financial statements for the year ended 31 March 2002.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is to act as Trustees for the Merchant Navy Ratings Pension Fund ("the Fund") and to hold investments for the benefit of the Fund. The company has not traded on its own account during the year. All transactions entered into by the company are for the benefit of the Fund and accordingly subsumed into the accounts of the Fund.

ISSUE OF SHARES

In accordance with the Articles of Association one share each was issued to Mr G Higgins and Mr A J Davies as member and employer representatives.

DIRECTORS AND THEIR INTERESTS

The names of the current directors are set out on page 2. During the year Messrs E J N Brookes and L D Stracey were appointed on 1 May 2001, Mr A J Davies on 14 August 2001, Mr G Higgins on 7 September 2001 and Mr D W Watts was appointed on 1 July 2001. None of the directors holds any beneficial interest in the share capital of the company. Under the terms of the Articles of Association each director holds a non-beneficial share in the company.

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 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 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 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.

By order of the board



For Merchant Navy Pensions Administration Limited

Secretary

20 June 2002

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

For the year ended 31 March 2002

We have audited the financial statements of Merchant Navy Ratings Pension Fund Trustees Limited for the year ended 31 March 2002 which comprise the Balance sheet and the related notes numbered 1 to 4. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, consistently applied and adequately disclosed.

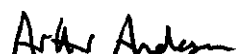
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED (continued)
For the year ended 31 March 2002**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2002 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
180 Strand
London
WC2R 1BL

20 June 2002

As at 31 March 2002

Approved by the board of directors on 20 June 2002

Directors

A Santamero
VICE-CHAIRMAN

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MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

1 ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 PROFIT AND LOSS ACCOUNT

No profit and loss account is included in the financial statements since the company has not traded on its own account nor received any income or incurred any expenditure during the year. Income and expenses in respect of investments held for the benefit of the Merchant Navy Ratings Pension Fund are included in the accounts of the Fund.

3 INVESTMENTS

The balance sheet excludes the investments held for the benefit of the Merchant Navy Ratings Pension Fund. All transactions undertaken by the company are for the benefit of the Merchant Navy Ratings Pension Fund and accordingly subsumed into the Annual Financial Report of the Fund.

4 CALLED-UP SHARE CAPITAL

	2002	2001
Authorised 100 Ordinary shares £1 each	£100	£100
Alotted and fully paid 12 Ordinary shares £1 each	£12	£10