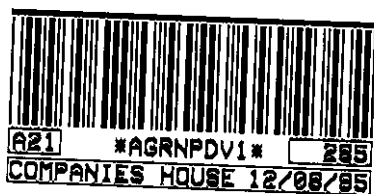


MERCHANT NAVY RATINGS PENSION FUND

TRUSTEES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995



Incorporated on 25 October 1965
Company Registration No: 862615

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements of the company at 31 March 1995.

1 ACTIVITY

The function of the company is to act as Trustee for the Merchant Navy Ratings Pension Fund and to hold investments for the benefit of the Fund.

2 REVIEW OF DEVELOPMENTS AND FUTURE ACTIVITIES

The company has not traded on its own account during the year.

It is not anticipated that the company will commence such trading in the foreseeable future.

3 DIRECTORS AND THEIR INTERESTS

The directors who served during the year, together with their non-beneficial interests in the shares of the company at the beginning and end of the financial year, were as follows:-

ORDINARY SHARES

| | 31 March 1995 | 31 March 1994 |
|---|------------------|------------------|
| Mr M D Denchfield | 1 | 1 |
| Mr M D Dunning | 1 | 1 |
| Mr D J C Habgood | 1 | 1 |
| Mr P Hall (appointed 31 January 1995) | 1 | - |
| Mr D J Hillier (resigned 24 November 1994) | - | 1 |
| Mr T J Keefe (resigned 31 January 1995) | - | 1 |
| Mr J Lusted | 1 | 1 |
| Mr J J McCourt | 1 | 1 |
| Mr P A McGregor (resigned 24 November 1994) | - | 1 |
| Mr R E Park | 1 | 1 |
| Mr A Rogers (appointed 31 January 1995) | 1 | - |
| Mr A Santamera (appointed 31 January 1995) | 1 | - |
| Captain J Waters (appointed 26 April 1994) | 1 | - |

In accordance with the Articles of Association, Messrs Denchfield, Habgood, McCourt and Rogers are due to retire by rotation and being eligible offer themselves for re-election.

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

DIRECTORS' REPORT CONTINUED

4 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:

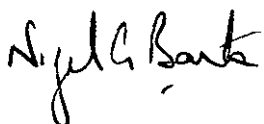
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

5 AUDITORS

Arthur Andersen have indicated their willingness to continue as auditors to the company. A resolution will be proposed at the Annual General Meeting to re-appoint Arthur Andersen as auditors.

By order of the Board



For Merchant Navy Pensions
Administration Limited
Secretary

Ashcombe House
The Crescent
Leatherhead
Surrey KT22 8LQ

6 July 1995

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED:

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 company's circumstances, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and have been properly prepared in accordance with the Companies Act 1985.



ARTHUR ANDERSEN
Chartered Accountants and
Registered Auditors
1 Surrey Street
London
WC2R 2PS

6 July 1995

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

BALANCE SHEET

As at 31 March 1995

| | Note | 1995 £ | 1994 £ |
|-------------------------|------|-----------|-----------|
| CURRENT ASSETS | | | |
| Cash at bank | | 10 | 10 |
| NET ASSETS | | <u>10</u> | <u>10</u> |
| CAPITAL | | | |
| Called up share capital | 4 | <u>10</u> | <u>10</u> |

The financial statements were approved by the Board of Directors on 6 July 1995.

.....
D J C HABGOOD

Directors

.....
A SANTAMERA

The notes on page 5 form an integral part of this balance sheet.

MERCHANT NAVY RATINGS PENSION FUND TRUSTEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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

The company has not traded on its own account in the year ended 31 March 1995 and has made neither profit nor loss. Accordingly, no profit and loss account is included in the financial statements.

3 INVESTMENTS

The balance sheet excludes the investments held for the benefit of the Merchant Navy Ratings Pension Fund.

4 CALLED-UP SHARE CAPITAL

| | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Authorised 100 Ordinary shares £1 each | 100 | 100 |
| | == | == |
| Allotted and fully paid 10 Ordinary shares £1 each | 10 | 10 |
| | == | == |