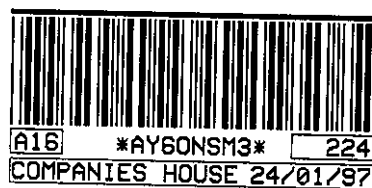


DIRECTORS' REPORT AND ACCOUNTS

POSSFUND CUSTODIAN TRUSTEE LIMITED

31 MARCH 1996



Registered No. 1687581

POSSFUND CUSTODIAN TRUSTEE LIMITED

DIRECTORS' REPORT

Directors: R J Chapman (appointed 1 April 1995)
R J Bell
R C Close
M C Duncombe
L V Hewitt
A Ross Goobey

Secretary: G P Degaute

Registered Office: Standon House, 21 Mansell Street, London E1 8AA

ACCOUNTS

The directors submit the audited accounts for the year ended 31 March 1996.

ACTIVITIES

The company acts as a trustee shareholder. The company has not traded in the year ended 31 March 1996, and no changes in the company's activities are anticipated.

DIRECTORS

The directors of the company during the year ended 31 March 1996 were those listed above.

DIRECTORS' INTERESTS

The directors have no interests in the shares of the company or any group company.

AUDITORS

On 1 February 1996 the company's auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. Deloitte & Touche have expressed their willingness to continue in office and a resolution proposing their reappointment will be submitted to the annual general meeting.

By order of the Board



G P DEGAUTE
Secretary

20 JUNE 1996

POSSFUND CUSTODIAN TRUSTEE LIMITED

DIRECTORS' STATEMENT OF RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those accounts, 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;
- prepare the accounts on a 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 to enable them to ensure that the accounts 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.

AUDITORS' REPORT TO THE MEMBERS OF POSSFUND CUSTODIAN TRUSTEE LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under 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

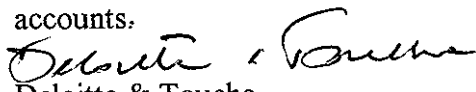
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 at 31 March 1996 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 31 March 1996 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR



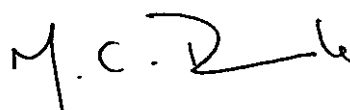
1996

POSSFUND CUSTODIAN TRUSTEE LIMITED

BALANCE SHEET - 31 MARCH 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Investments	3	<u>7</u>	<u>7</u>
CURRENT ASSETS			
Debtors			
Other debtors - amounts due from the Post Office Staff			
Superannuation Scheme		100,001	100,001
CREDITORS - amounts falling due within one year	4	<u>7</u>	<u>7</u>
NET CURRENT ASSETS		<u>99,994</u>	<u>99,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>100,001</u>	<u>100,001</u>
CAPITAL AND RESERVES			
Called up share capital	5	100,001	100,001
EQUITY SHAREHOLDERS' FUNDS		<u>100,001</u>	<u>100,001</u>

The company incurred neither income nor expense during the year and the corresponding year, nor any other recognised gain or loss. Consequently, a profit and loss account is not presented.


)
) Directors
)

Approved by the Board on

20th June 1996

POSSFUND CUSTODIAN TRUSTEE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1996

1 ACCOUNTING POLICIES

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

2 DIRECTORS' EMOLUMENTS

No director received any emoluments during the year (1995 - £nil).

3 INVESTMENTS

	1996	1995
	£	£
Shares in group companies	<u>7</u>	<u>7</u>

The group companies, all registered in England and Wales, at 31 March 1996 were:-

Subsidiary	Nature of Business	Proportion of ordinary shares held
Possfund Nominees Limited	nominee shareholder	100%
Possfund (MAM) Nominees Limited	nominee shareholder	100%

The company has taken advantage of Section 248 of the Companies Act 1985 as a small group not to prepare group accounts. The accounts present information about the company as an individual undertaking and not as a group.

	1996	1995
	£	£
4 CREDITORS - amounts falling due within one year		
Amounts owed to group companies	<u>7</u>	<u>7</u>

POSSFUND CUSTODIAN TRUSTEE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1996 (continued)

5 CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised 250,000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	2	2
Allotted, called up and partly paid 249,998 ordinary shares of £1 each 40p paid	<u>99,999</u> <u>100,001</u>	<u>99,999</u> <u>100,001</u>

The Trustees of the Post Office Staff Superannuation Scheme beneficially own all the share capital of Possfund Custodian Trustee Limited.