

SHAW SAVILL AND ALBION COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31st DECEMBER 1998

17518



SHAW SAVILL AND ALBION COMPANY LIMITED

DIRECTORS AND OTHER RELEVANT INFORMATION

Directors

P S Edwards

A Mouzouropoulos

Other Information

Auditors

BDO Stoy Hayward
Chartered Accountants

Bankers (principal)

The Royal Bank of Scotland
Shipping Division - Great Tower Street

Secretary and Registered Office

J C Stovell
53 Brighton Road
Redhill
Surrey RH1 6YL

Registered Number

17518

SHAW SAVILL AND ALBION COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report and accounts of the company for the year ended 31st December 1998.

Review of the Business

The company has not traded during the year under review and accordingly has made neither profit nor loss.

Directors and their Interests

The names of the directors who served during the year are listed on page 1. Mr P Edwards retires by rotation and, being eligible, offers himself for re-election. No director of Shaw Savill and Albion Company Limited had any interest in shares or debentures which required disclosure by the company in accordance with the Companies Act 1985.

Statement of directors' 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 and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

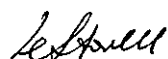
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts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

The auditors BDO Stoy Hayward have indicated their willingness to continue in office and a resolution concerning their re-appointment will be submitted at the Annual General Meeting.

By order of the Board



J C Stovell
Secretary
53 Brighton Road
Redhill Surrey
RH1 6YL

Date: 30th June 1999

SHAW SAVILL AND ALBION COMPANY LIMITED

REPORT OF THE AUDITORS

To the shareholders of Shaw Savill and Albion Company Limited

We have audited the accounts on pages 4 to 5 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 the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

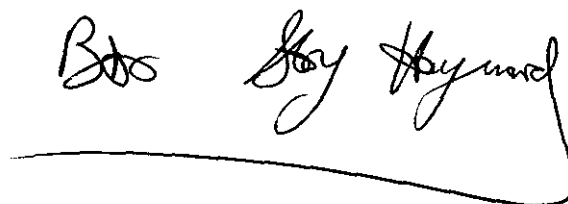
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error.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

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31st December, 1998 and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

Chartered Accountants
and Registered Auditors

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over a horizontal line.

8 Baker Street
London
W1M 1DA

Date:

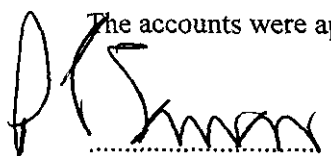
30 June 1999

SHAW SAVILL AND ALBION COMPANY LIMITED

BALANCE SHEET AT 31st DECEMBER 1997

	Notes	1998	1997
	-----	US\$000	US\$000
Current Assets			
Debtors		-	-
Total Assets less Current Liabilities		-	-
		-----	-----
Net Assets Employed		-	-
		=====	=====
Capital and Reserves			
Called up Share Capital	3	14,125	14,125
Profit and Loss Account		(14,125)	(14,125)
		-----	-----
Shareholders' Funds (all equity)		-	-
		=====	=====

The accounts were approved by the Board on 30th June 1999

 Director

Signed by P S Edwards on behalf of the Board.

Notes on page 5 form an integral part of these accounts.

SHAW SAVILL AND ALBION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31st DECEMBER 1998

1. Principal Accounting Policies

(a) Accounting basis

The accounts for the year ended 31st December, 1998 are drawn up under the historical cost convention, and in accordance with applicable accounting standards and the accounting requirements of the Companies Act 1985. Consolidated accounts are not presented as the company is a wholly owned subsidiary of another company incorporated in the United Kingdom.

(b) Business activity

The company did not trade in the year ended 31st December, 1998. None of the directors received any emoluments in respect of their services to the company (1997: nil). There are no employees.

(c) Functional currency

The directors consider that the functional currency of the company became United States dollars with effect from 1980. The share capital has been translated into United States dollars at exchange rates of 1980.

(d) Foreign currency translation

Transactions in non-United States dollars are converted at rates of exchange ruling at the transaction date. Except as noted in (b) above, monetary assets and liabilities denominated in non-United States dollars are translated into dollars at the exchange rate ruling at the balance sheet date.

All other exchange differences are taken to profit on ordinary activities.

2. Investments

Group undertakings

The Investments in group undertakings (which were fully provided for in previous years) have been written out of the records following the liquidation of these companies.

3. Share Capital

	1998	1997
	£000	£000
Authorised:		
1,240,000 ordinary shares of £5	6,200	6,200
	<u> </u>	<u> </u>
	US\$000	US\$000
Issued and fully paid:		
1,239,075 ordinary shares of £5	14,125	14,125
	<u> </u>	<u> </u>

All of the issued share capital is comprised of equity shares.

4. Ultimate Holding Company

The ultimate United Kingdom holding company is Shaw Savill Holdings Limited which is registered in England. Following a corporate restructuring, agreed by the ultimate holding entity, Shaw Savill Holdings Limited was placed in members' voluntary liquidation on 26th March, 1999. The company is also a subsidiary of Furness, Withy & Company, Limited (formerly Furness Withy (Shipping) Ltd) for whom group accounts are prepared. Group accounts are available from The Secretary, Furness, Withy & Company, Limited, 53 Brighton Road, Redhill, Surrey RH1 6YL. The ultimate holding entity is regarded as Dr August Oetker KG of Bielefeld, Germany.