

DIRECTORS

J.E.Keville (resigned 1 January 1995)  
P.S.Edwards  
A.Mouzouropoulos (appointed 1 January 1995)

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 31 December 1994.

REVIEW OF THE BUSINESS

The company has not traded during the year under review. Its principal activity in 1993 consisted of ship operating.

RESULTS AND DIVIDENDS

The company made neither profit nor loss during 1994 ( 1993: Loss US\$111,000).

The directors do not recommend the payment of a dividend.

DIRECTORS

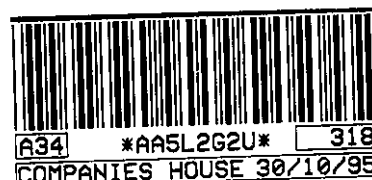
The directors who held office during the year are listed above.  
Mr P.S.Edwards retires by rotation and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

None of the directors of the company had any interest in shares or debentures which required disclosure by the company in accordance with the Companies Act 1985.

INSURANCE FOR DIRECTORS AND OFFICERS

The company continues to provide insurance cover for directors and officers against liability for negligence, default, breach of duty or breach of trust in relation to the company as permitted by under S310(3) of the Companies Act 1985.



SHAW SAVILL AND ALBION COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

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 responsible steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Price Waterhouse, 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

27 October 1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF SHAW SAVILL & ALBION COMPANY LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

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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

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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

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In our opinion, the accounts give a true and fair view of the state of affairs of the company as at 31 December 1994 and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

PRICE WATERHOUSE

Chartered Accountants  
and Registered Auditors

Bridge Gate  
55/57 High Street  
Redhill  
Surrey RH1 1RX

Date : 27 October 1995

SHAW SAVILL AND ALBION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1994

	Notes -----	1994 US\$000	1993 US\$000
TURNOVER : Continuing operations	1(c) .	-	15,751
Raw materials and consumables		-	(497)
Other operating charges		-	(15,665)
OPERATING LOSS	3.	-	(411)
Exceptional item	4.	-	300
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(111)
Taxation on loss on ordinary activities	5.	-	-
AMOUNT WITHDRAWN FROM RESERVES	9.	-	(111)
		=====	=====

Movement in shareholders' funds are shown in note 10.

There are no other recognised gains or losses arising during the year.

The results above are presented on an unmodified historical cost basis.

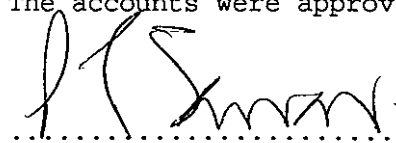
Notes on pages 6 to 8 form an integral part of these accounts.

SHAW SAVILL AND ALBION COMPANY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1994

	Notes -----	1994 US\$000	1993 US\$000
FIXED ASSETS			
Investments	6.	-	-
		-----	-----
CURRENT ASSETS			
Debtors	7.	4,952	4,952
		-----	-----
NET CURRENT ASSETS		4,952	4,952
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		4,952	4,952
		-----	-----
NET ASSETS EMPLOYED		4,952	4,952
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	8.	14,125	14,125
Profit and loss account	9.	(9,173)	(9,173)
		-----	-----
SHAREHOLDERS' FUNDS		4,952	4,952
		=====	=====

The accounts were approved by the Board on 27 October 1995.

 Director

Signed by P S Edwards on behalf of the Board

Notes on pages 6 to 8 form an integral part of these accounts.

SHAW SAVILL AND ALBION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

1. PRINCIPAL ACCOUNTING POLICIES

(a) Accounting basis

The accounts for the year ended 31 December 1994 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) Functional currency

Following the purchase of the holding company's interest in Furness, Withy & Company Limited in 1990, and the recapitalisation of the holding company, the directors consider that the functional currency of the company is US dollars.

(c) Turnover

Turnover represents ships freight and hire from international shipping operations.

(d) Ships trading results

Trading results are included on the basis of a voyage being completed when the vessel arrives at the last designated European port of discharge. In addition, slot clearance expenses are included on an accruals basis.

(e) Trade management

Trades are operated under a management agreement by Furness Withy (Shipping) Limited. As a consequence, debtors and creditors relating to trading are recorded in the books of the manager. The trading results are transferred to the company through the intercompany account.

(f) 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 exchange differences are taken to profit on ordinary activities.

SHAW SAVILL AND ALBION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

2. CASH FLOW STATEMENT

As stated in note 11 to these accounts, the company is a wholly owned subsidiary of Shaw Savill Holdings Limited whose financial statements include a consolidated cash flow statement. As permitted by Financial Reporting Standard 1, the company has taken advantage of the exemption from the requirement to present a separate cash flow statement.

3. OPERATING LOSS

The operating loss is stated	1994	1993
after charging :	US\$000	US\$000

Hire of ships and plant	-	5,230
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Auditors' remuneration is borne by a fellow subsidiary. None of the directors received any emoluments for their services to the company; there are no employees.

4. EXCEPTIONAL ITEM	1994	1993
	US\$000	US\$000

Sale of trade rights to fellow subsidiary undertaking	-	300
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5. TAXATION

No charge or credit for taxation arises in respect of the current or previous years.

6. INVESTMENTS

Group undertakings :

Investments in group undertakings at 31 December 1994 of US\$6,455 consisted of the entire issued share capital of Houlder Brothers & Co. (Argentina) Limited, and Shaw Savill New Zealand Limited. Full provision has been made against the cost of these investments.

SHAW SAVILL AND ALBION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

	1994 US\$000	1993 US\$000
7. DEBTORS		
Amounts due from group undertakings	4,952	4,952
	-----	-----
8. SHARE CAPITAL		
	1994 GBP000	1993 GBP000
Authorised :		
1,240,000 ordinary shares of GBP5	6,200	6,200
	=====	=====
	US\$000	US\$000
Issued and fully paid :		
1,239,075 ordinary shares of GBP5	14,125	14,125
	=====	=====
All of the issued share capital is comprised of equity shares.		
9. RESERVES		1994 US\$000
Profit and loss account:		
At 1 January 1994		(9,173)
Result for the year		-
		-----
At 31 December 1994		(9,173)
		-----
10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1994 US\$000	1993 US\$000
Loss for the year	-	(111)
Opening shareholders' funds	4,952	5,063
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Closing shareholders' funds	4,952	4,952
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11. ULTIMATE HOLDING COMPANY		

The ultimate United Kingdom holding company is Shaw Savill Holdings Limited which is registered in England. The company is also a subsidiary of Furness Withy & Company Limited for whom group accounts are prepared. Group accounts are available from the Secretary, Shaw Savill Holdings Limited, 53 Brighton Road, Redhill, Surrey, RH1 6YL. The ultimate holding entity is regarded as Dr August Oetker KG of Bielefeld, Germany.