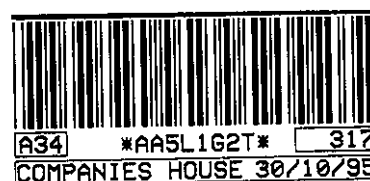


34810

FURNESS, WITHY & COMPANY, LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1994



DIRECTORS

Dr H Winter
P S Edwards
J E Keville (former Chairman - resigned 1 January 1995)
K Meves (appointed 1 January 1995)
A Mouzouropoulos (appointed 1 January 1995)
A Oetker
H Schomburg (resigned 1 January 1995)

DIRECTORS' REPORT

The directors present their report and the audited accounts of the group for the year ended 31 December 1994 which are set out on pages 5 to 23.

REVIEW OF THE BUSINESS

The principal activities of the group during the financial year consisted of ship owning and ship operating, the merchanting of liquid petroleum gas and the provision of Liner Agency and Ship Management services.

Results at the operating level show a profit of US\$6.3m which compares with a profit of US\$3.7m in 1993.

During the year, the principal liner trades of the group were transferred to other group undertakings, together with the container vessel "Andes" and the interest in Laser Lines Limited AB for a combined consideration of US\$53.055m. The profit on disposals has been included as part of exceptional items in the profit and loss account on page 5.

Much of the improvement in our operating results has taken place in our continuing businesses most significantly as a result of the substantial reduction in losses incurred on gas ships' trading.

The gas operations based in South America involved in the merchanting of liquid petroleum gas performed well and recorded another satisfactory profit. Despite stiff competition we were successful in obtaining a two year contract for the importation of gas into South America which ensures continuous employment for the gas vessels owned by the group.

Results from ship broking in London and the shipping operations centred in Australia were better than had been budgetted in spite of a charter market which in the later part of the year resulted in a steep rise in our charter hire costs but conversely benefitted our fee income from third party ship broking.

Ship disposals during the year were the "Andes", already mentioned above, and the small gas vessel "Joule."

In February 1995 the opportunity was taken to dispose of the gas vessel "Cavendish" which was built in 1971 for a consideration of US\$10.7m before expenses. A profit in the region of US\$1.2m will result from the sale and will be included in the 1995 accounts.

The Board of Directors continues to examine areas for expansion or enhancement to the spread of activities that are currently pursued.

Furness, Withy & Company, Limited

DIRECTORS' REPORT - CONTINUED

	1994 US\$000	1993 US\$000
RESULTS AND DIVIDENDS		
Profit for the financial year after minority interests	22,800	4,045
Dividends paid and proposed	20,050	45
Transferred to reserves	2,750	4,000

POST BALANCE SHEET EVENT

Subsequent to the year end, the directors have given consideration to a Capital Reduction to the value of US\$50.0m and the waiver of indebtedness with the parent undertaking. Application to the Court is proposed for November 1995. This Capital Reduction is being examined in the light of the continued rationalisation of the group.

DIRECTORS AND THEIR INTERESTS

The directors currently holding office are listed on page 1. None of the directors of the company had any interest in shares or debentures of the company or its subsidiaries 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.

FIXED ASSETS

Movements in the fixed assets of the group and the company during the financial year are detailed in notes 10 and 11.

The land and buildings of the group are mainly used in the group's business and are held for the long-term. The directors consider that there is no material difference between the market value of the land and buildings and that at which they are included in the balance sheet.

EMPLOYMENT POLICIES

The company has a policy to keep employees informed of events relevant to their employment. Safety matters are the subject of detailed consultations with the involvement of employees' representatives. Full consideration is given to applications for employment from disabled workers for those vacancies which they are able to fill.

Furness, Withy & Company, Limited

DIRECTORS' REPORT - CONTINUED

CHARITABLE DONATIONS

Charitable donations of US\$22,000 (1993 : US\$21,000) were made by the group during the year. No political donations were made.

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

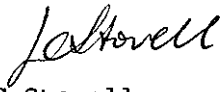
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group and hence for taking reasonable 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

Date : 16 October 1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF FURNESS, WITTHY & COMPANY, LIMITED

We have audited the accounts on pages 5 to 23 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 11.

Respective responsibilities of Directors and Auditors

As described on page 3 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 and the group as at 31 December 1994 and of the profit of the group and the company for the year then ended 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 : 16 October 1995

FURNESS, WITHY & COMPANY, LIMITED

GROUP PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1994

	Notes	1994 US\$000	1993 US\$000
TURNOVER			
Continuing operations	1 (h) .	173,478	213,835
Discontinued operations		59,818	-
		-----	-----
		233,296	213,835
Raw materials and consumables		(10,702)	(10,016)
Staff costs	5.	(11,145)	(10,710)
Depreciation		(5,203)	(6,632)
Other operating charges		(199,922)	(182,742)
		-----	-----
OPERATING PROFIT	3.		
Continuing operations		6,953	3,735
Discontinued operations		(629)	-
		-----	-----
		6,324	3,735
Investment income	6.	3,044	1,518
Exceptional items :	4.		
Profit on sale of discontinued activities		11,260	-
Profit on sale of fixed assets in continuing activities		3,980	355
Interest payable	7.	(66)	(73)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-----	-----
		24,542	5,535
Taxation on profit on ordinary activities	8.	(1,728)	(1,432)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-----	-----
		22,814	4,103
Minority interests		(14)	(58)
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY		-----	-----
		22,800	4,045
ORDINARY DIVIDENDS	9.	(20,050)	(45)
AMOUNT TRANSFERRED TO RESERVES		-----	-----
		2,750	4,000
		=====	=====

TOTAL RECOGNISED GAINS AND LOSSES For the year ended 31 December 1994	1994 US\$000	Group 1993 US\$000	1994 US\$000	Company 1993 US\$000
Profit for the financial year	22,800	4,045	5,100	3,006
Exchange differences on overseas investments	57	(210)	-	-
	-----	-----	-----	-----
Total recognised profit relating to the year	22,857	3,835	5,100	3,006
	-----	-----	-----	-----

A reconciliation of shareholders' funds is reflected in note 18.
Notes on pages 9 to 23 form an integral part of these accounts.

FURNESS, WITHY & COMPANY, LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1994 US\$000	1993 US\$000
Reported profit on ordinary activities before taxation	24,542	5,535
Realisation of ship revaluation gains in previous years	-	1,949
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	99
Historical cost profit on ordinary activities before taxation	24,542	7,583
Historical cost profit for the year retained after taxation, minority interests, extraordinary items and dividend	2,750	6,048

COMPANY PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1994

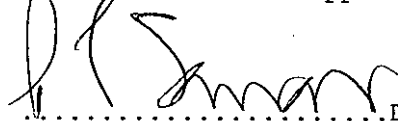
	Notes	1994 US\$000	1993 US\$000
Rental income		1,127	1,055
Directors' fees		(23)	(23)
Depreciation		(248)	(247)
Other (expenses)/income		(483)	41
OPERATING PROFIT	3.	373	826
Investment income	6.	4,787	2,415
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,160	3,241
Taxation on profit on ordinary activities	8.	(60)	(235)
PROFIT FOR THE FINANCIAL YEAR		5,100	3,006
Ordinary dividends	9.	(20,050)	(45)
AMOUNT TRANSFERRED (FROM)/TO RESERVES		(14,950)	2,961

FURNESS, WITHY & COMPANY, LIMITED

GROUP BALANCE SHEET AT 31 DECEMBER 1994

	Note	1994	1993
	-----	US\$000	US\$000
FIXED ASSETS			
Tangible assets	10.	34,264	57,373
Investments	11(b)	426	398
		-----	-----
		34,690	57,771
		-----	-----
CURRENT ASSETS			
Stocks - consumable stores and other stocks		2,682	2,510
Amount due from parent undertaking		47,746	4,001
Debtors	12.	22,921	47,041
Cash at bank and in hand		14,434	17,087
		-----	-----
		87,783	70,639
		-----	-----
CREDITORS (amounts falling due within one year)	13.	(26,728)	(39,794)
		-----	-----
NET CURRENT ASSETS		61,055	30,845
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		95,745	88,616
		-----	-----
CREDITORS (amounts falling due after more than one year)	14.	(33)	(31)
		-----	-----
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	15.	(368)	-
Other provisions	16.	(4,424)	(4,075)
		-----	-----
NET ASSETS EMPLOYED		90,920	84,510
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	17.	65,142	65,142
Profit and loss account	18.	25,715	19,320
		-----	-----
Shareholders' funds		90,857	84,462
		-----	-----
Minority interests		63	48
		-----	-----
		90,920	84,510
		=====	=====

The accounts were approved by the Board on 16 October 1995.

 Director

Signed by P S Edwards on behalf of the Board

A statement of movement in reserves is given in note 18 .

Notes on pages 9 to 23 form an integral part of these accounts.

FURNESS, WITHY & COMPANY, LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note -----	1994 US\$000	1993 US\$000
FIXED ASSETS			
Tangible assets	10.	9,446	9,694
Investments	11(b)	13,899	65,048
		-----	-----
		23,345	74,742
		-----	-----
CURRENT ASSETS			
Amount due from parent undertaking		47,746	4,001
Debtors	12.	161	7,446
Cash at bank and in hand		137	192
		-----	-----
		48,044	11,639
		-----	-----
CREDITORS (amounts falling due within one year)	13.	(118)	(193)
		-----	-----
NET CURRENT ASSETS		47,926	11,446
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		71,271	86,188
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	15.	(155)	(122)
		-----	-----
NET ASSETS EMPLOYED		71,116	86,066
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	17.	65,142	65,142
Profit and loss account	18.	5,974	20,924
		-----	-----
Shareholders' funds		71,116	86,066
		=====	=====

The accounts were approved by the Board on 16 October 1995.



..... Director

Signed by P S Edwards on behalf of the Board.

A statement of movement in reserves is given in note 18.

Notes on pages 9 to 23 form an integral part of these accounts.

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The group 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.

(b) Functional currency

In recognition of the development of the international shipping activities of the Furness,Withy & Company,Limited group, the directors consider that the functional currency of the group changed to US dollars in 1980. Accordingly the share capital and fixed assets have been restated in US dollars at exchange rates of 1980 or the date of any later acquisition.

(c) Basis of consolidation

The group accounts incorporate all subsidiary undertakings except as noted in note 22. The results of all subsidiaries acquired or sold during the year are included in the group profit and loss account for the period of ownership from the date of acquisition or to the date of disposal.

On acquisition of a subsidiary or further shares in an existing subsidiary, the appropriate proportion of the underlying net assets of that subsidiary is restated at fair values and any goodwill arising from the excess of the consideration paid over the fair value thus ascribed is written off directly to reserves. On the sale of a subsidiary any goodwill previously written off to reserves is taken to the profit and loss account to arrive at the ultimate profit or loss on disposal.

The profit and loss account of Furness,Withy & Company,Limited is incorporated in the group accounts and is also shown separately on page 6.

(d) Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

(e) Depreciation of tangible fixed assets

Tangible fixed assets are shown at cost less depreciation. Depreciation is calculated on the straight line method to write off the cost of these assets over their estimated useful lives. In the case of ships the charge for depreciation is after taking account of estimated residual values.

Estimated useful lives are as follows:

Ships and containers:

New ships	20 years
Secondhand ships and refurbishments	not exceeding 10 years

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(e) Depreciation of tangible fixed assets (continued)

Land and buildings:

Freehold buildings and long leasehold
land and buildings not exceeding 75 years
No depreciation is provided against freehold land.

Short leasehold land and buildings
(less than 50 years unexpired) unexpired period of the lease

Plant and equipment generally not exceeding 10 years

(f) Finance and operating leases

Tangible fixed assets include the capitalised value of assets held under finance leases. Assets are depreciated on the straight line method based on estimated useful lives as set out above. Obligations under finance leases are included under liabilities and represent the capital element outstanding at the balance sheet date. Finance charges are calculated to give an approximately constant annual rate of charge in respect of outstanding obligations. Charges for the year are included in the profit and loss account under interest payable.

Operating lease costs are charged to trading profit as they are incurred.

(g) Stocks

Stocks are valued at the lower of cost and net realisable value.

(h) Turnover

The group's income from its international shipping activities is represented by freight on the carriage of cargoes, charter hire, sales of liquid petroleum gas, commission on Liner Agency activities and fees for managing vessels.

(i) Ships' trading results

Trading results of ships employed on voyage charters and time charters are included only for voyages completed during the year.

(j) Deferred taxation

Provision is made for deferred taxation arising from accelerated tax depreciation allowances and other timing differences only where it is probable that a liability or benefit will crystallise in the foreseeable future.

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(k) Foreign currency translation

Transactions in non-US 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-US dollars are translated into dollars at the exchange rate ruling at the balance sheet date.

Accounts of subsidiary undertakings expressed in non-US dollars are translated into US dollars at rates of exchange ruling at 31 December 1994. Exchange differences arising on the translation of the opening balance sheet of overseas subsidiaries at year end rates of exchange are taken direct to reserves. All other exchange differences are taken to profit on ordinary activities.

(l) Pensions

The actuarially determined cost of providing for employee retirement pensions is charged to the profit and loss account, as a substantially level percentage of pay, over the period during which the company and its subsidiaries benefit from the employees' services.

In the case of non-United Kingdom companies the charge to the profit and loss account represents the contributions paid during the year.

(m) Segmental analysis

The directors consider that all turnover and profit derives from one class of business, international shipping. No geographical analysis of turnover is given as the directors consider such disclosure would be prejudicial to the competitive position of the group.

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

2. CASH FLOW STATEMENT

As stated in note 24 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 PROFIT

The operating profit is stated after charging/(crediting) :	1994 US\$000	Group 1993 US\$000	1994 US\$000	Company 1993 US\$000
Depreciation :				
Owned assets	5,195	6,568	248	248
Leased assets	8	64	-	-
	-----	-----	-----	-----
	5,203	6,632	248	248
	-----	-----	-----	-----
Hire of ships	47,390	48,033	-	-
Operating lease rentals	968	784	342	340
Redundancy and closure costs	2,314	-	-	-
Provision for diminution in value of shares in subsidiary	356	-	-	-
Release of drydocking provision	(738)	-	-	-
Release of reserve for losses no longer required	(961)	-	-	-
Auditors' remuneration :				
Audit fees	141	150	-	-
Non-audit services	-	-	-	-
	-----	-----	-----	-----

4. EXCEPTIONAL ITEMS	1994 US\$000	1993 US\$000
Discontinued activities :		
Profit on sale of Liner Shipping trades	11,260	-
Continuing activities :		
Profit on sale of subsidiary	711	-
Goodwill on acquisition previously written of to reserves	(3,588)	-
	-----	-----
	(2,877)	
Profit on sale of ships, property and investments	6,857	355
	-----	-----
	3,980	
	-----	-----
	15,240	355
	-----	-----

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

5. EMPLOYEES' AND DIRECTORS' EMOLUMENTS	1994 US\$000	1993 US\$000
Staff costs :		
Wages and salaries	10,319	9,956
Social security costs	622	601
Pension costs	204	153
	-----	-----
	11,145	10,710
	-----	-----

Average number of persons employed by the group :	1994	1993
International shipping operations	349	366
	-----	-----

Emoluments of directors of Furness, Withy & Company, Limited included in staff costs :	1994 £000	1993 £000
Fees as directors of the parent company	15	15
Managerial emoluments	188	180
Contributions to pension schemes	8	17
	-----	-----
	211	212
	-----	-----

Compensation for loss of office	100	-
	-----	-----

Further particulars of emoluments of directors of the parent company in respect of duties wholly or mainly discharged in the United Kingdom, excluding pension contributions :

Acting Chairman with effect from 1 January 1995	-	-
Highest paid director and former Chairman	105	103
	-----	-----

The table which follows shows the number of directors excluding those who worked wholly or mainly outside the UK, whose emoluments excluding pension contributions, during the year were within the bands stated.

	Number of directors	
	1994	1993
£75,001 - £80,000	-	1
£80,001 - £85,000	1	-
£100,001 - £105,000	-	1
£105,001 - £110,000	1	-

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

	1994 US\$000	Group 1993 US\$000	1994 US\$000	Company 1993 US\$000
6. INVESTMENT INCOME				
Income from unlisted investments :				
Dividends and interest	130	287	130	287
Bank deposit and other interest :				
From immediate parent company	2,001	518	2,001	518
Other	913	713	6	10
Dividends from subsidiaries	-	-	2,650	1,600
	-----	-----	-----	-----
	3,044	1,518	4,787	2,415
	-----	-----	-----	-----

7. INTEREST PAYABLE

Bank loans and short-term borrowings repayable within 5 years	65	60	-	-
Finance lease obligations	1	13	-	-
	-----	-----	-----	-----
	66	73	-	-
	-----	-----	-----	-----

8. TAXATION

United Kingdom :

Corporation tax at 33% (1993 : 33%)	-	-	-	-
Tax attributable to dividends received	(12)	(13)	(12)	(13)
Group relief payable	-	-	-	(210)
Transfer (to)/from deferred taxation	(368)	-	(32)	31
	-----	-----	-----	-----
	(380)	(13)	(44)	(192)
Overseas taxation	(1,348)	(1,419)	(16)	(43)
	-----	-----	-----	-----
Taxation charge	(1,728)	(1,432)	(60)	(235)
	-----	-----	-----	-----

No United Kingdom corporation tax is payable on the result for the year due to the utilisation of losses and allowances for which no deferred tax was provided in prior years.

	1994 US\$000	Group 1993 US\$000	1994 US\$000	Company 1993 US\$000
9. DIVIDENDS				
Interim paid	50	45	50	45
Proposed final	20,000	-	20,000	-
	-----	-----	-----	-----
	20,050	45	20,050	45
	-----	-----	-----	-----

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

10. TANGIBLE FIXED ASSETS

GROUP	Ships US\$000	Land & buildings US\$000	Plant & equipment US\$000	Total US\$000
Cost :				
At 1 January 1994	73,321	16,050	7,043	96,414
Exchange rate adjustments	(18)	-	(24)	(42)
Additions	94	-	673	767
Disposals	(3,990)	(152)	(1,926)	(6,068)
Transfer to group undertakings	(34,219)	-	(521)	(34,740)
At 31 December 1994	35,188	15,898	5,245	56,331
Depreciation :				
At 1 January 1994	31,256	3,265	4,520	39,041
Disposals	(3,830)	(74)	(1,388)	(5,292)
Charge for the year	4,082	202	919	5,203
Transfer to group undertakings	(16,549)	-	(336)	(16,885)
At 31 December 1994	14,959	3,393	3,715	22,067
Net book amount:				
At 31 December 1994	20,229	12,505	1,530	34,264
At 31 December 1993	42,065	12,785	2,523	57,373
Net book amount of assets held under finance leases:				
At 31 December 1994			-	-
At 31 December 1993			8	8

There are no capital commitments existing at 31 December 1994 (1993 : Nil)

FURNESS, WITTH & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

10. TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY	Land & buildings US\$000	Plant & equipment US\$000	Total US\$000
Cost :			
At 1 January 1994 and 31 December 1994	10,042	1,161	11,203
	-----	-----	-----
Depreciation :			
At 1 January 1994	804	705	1,509
Charge for the year	134	114	248
	-----	-----	-----
At 31 December 1994	938	819	1,757
	-----	-----	-----
Net book amount :			
At 31 December 1994	9,104	342	9,446
	-----	-----	-----
At 31 December 1993	9,238	456	9,694
	-----	-----	-----
Book amounts of land & buildings comprise :		Leaseholds over	
	Freehold	50 years	Total
	US\$000	US\$000	US\$000
Group			

At 31 December 1994	9,981	2,524	12,505
	-----	-----	-----
At 31 December 1993	10,211	2,574	12,785
	-----	-----	-----
Company			

At 31 December 1994	9,104	-	9,104
	-----	-----	-----
At 31 December 1993	9,238	-	9,238
	-----	-----	-----

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS -31 DECEMBER 1994

11. INVESTMENTS

	Company		
	Shares US\$000	Loans US\$000	Total US\$000
(a) Subsidiary undertakings			

Cost :			
At 1 January 1994	39,366	67,520	106,886
Re-classification from debtors	-	7,260	7,260
Loan repayments	-	(58,482)	(58,482)
	-----	-----	-----
At 31 December 1994	39,366	16,298	55,664
	-----	-----	-----
Provisions :			
At 1 January 1994	21,294	20,897	42,191
Re-classification	4,599	(4,599)	-
	-----	-----	-----
At 31 December 1994	25,893	16,298	42,191
	-----	-----	-----
Net book amount at 31 December 1994	13,473	-	13,473
	-----	-----	-----
Net book amount at 31 December 1993	18,072	46,623	64,695
	-----	-----	-----

In the opinion of the directors it is impractical to determine the cumulative amount of goodwill resulting from acquisitions in earlier years due to the length of time for which the group has been in existence. Further particulars of principal subsidiaries are given on page 23.

(b) Unlisted investments	Group	Company
-----	US\$000	US\$000
Cost :		
At 1 January 1994	398	353
Additions	73	73
Disposals	(34)	-
Transfer to group undertaking	(11)	-
	-----	-----
At 31 December 1994	426	426
	-----	-----
At 31 December 1993	398	353
	-----	-----
Summary of book amounts	1994	1993
-----	US\$000	US\$000
Group : .		
Unlisted investments	426	398
	-----	-----
Company :		
Subsidiary undertakings	13,473	64,695
Unlisted investments	426	353
	-----	-----
	13,899	65,048

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

	1994 US\$000	Group 1993 US\$000	1994 US\$000	Company 1993 US\$000
12. DEBTORS				
Trade debtors	14,648	28,383	69	98
Amounts owed by other group undertakings	5,583	12,522	-	7,260
Other debtors	1,786	4,670	2	2
Prepayments and accrued income	904	1,466	90	86
	-----	-----	-----	-----
	22,921	47,041	161	7,446
	-----	-----	-----	-----
13. CREDITORS (amounts falling due within one year)				
Loan and finance lease repayments	3	621	-	-
Bank overdrafts and short-term borrowings	154	659	-	-
Trade creditors	14,513	24,799	-	-
Amounts owed to group undertakings	3,181	757	-	-
Voyages in progress	2,354	4,778	-	-
Taxation and social security	1,293	2,579	13	17
Other creditors	897	2,608	11	12
Accruals	4,333	2,993	94	164
	-----	-----	-----	-----
	26,728	39,794	118	193
	-----	-----	-----	-----
14. CREDITORS (amounts falling due after more than one year)	1994 US\$000	1993 US\$000		
Secured loan	-	597		
Obligations under finance leases	36	55		
	-----	-----		
	36	652		
	-----	-----		
Less : amounts repayable within one year : (note 13)				
Secured loan	-	597		
Finance leases	3	24		
	-----	-----		
	3	621		
	-----	-----		
Amounts falling due after more than one year	33	31		
	-----	-----		
Repayable over the following periods :				
Between 1 and 2 years	6	5		
Between 2 and 5 years	27	26		

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

15. DEFERRED TAXATION	Group US\$000	Company US\$000
At 1 January 1994	-	122
Exchange differences	-	1
Transfer from profit & loss account :		
Current year	368	32
	-----	-----
At 31 December 1994	368	155
	-----	-----

The above balance represents the full deferred tax provision required calculated at the rate of 33% and comprises :

	1994 US\$000	Group 1993 US\$000	1994 US\$000	Company 1993 US\$000
Accelerated capital allowances	6,149	-	89	120
Provisions and other timing differences	(1,686)	-	66	2
Advance corporation tax	(4,095)	-	-	-
	-----	-----	-----	-----
	368	-	155	122
	-----	-----	-----	-----

16. OTHER PROVISIONS	Drydocking & repair US\$000	Redundancy & closure costs US\$000	Pensions US\$000	Total US\$000
Group :				
At 1 January 1994	1,540	2,099	436	4,075
Exchange rate adjustments	-	(3)	-	(3)
Applied during the year	(1,121)	(1,037)	(12)	(2,170)
Written back	(738)	(66)	-	(804)
Charged during the year	893	2,314	93	3,300
Reclassification from creditors	-	26	-	26
	-----	-----	-----	-----
At 31 December 1994	574	3,333	517	4,424
	-----	-----	-----	-----

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

17. CALLED UP SHARE CAPITAL	Company	
	1994 £000	1993 £000
Authorised :		
30,000,000 ordinary shares of £1	30,000	30,000
	-----	-----
Issued and fully paid :	US\$000	US\$000
28,571,084 ordinary shares of £1	65,142	65,142
	-----	-----

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

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	Share capital US\$000	Reserves: Profit and loss US\$000	Total share- holders' funds US\$000
Group :			
Profit for the financial year	-	22,800	22,800
Dividend	-	(20,050)	(20,050)
Exchange rate adjustment	-	57	57
Goodwill previously written off	-	3,588	3,588
	-----	-----	-----
Net movement in shareholders' funds	-	6,395	6,395
At 1 January 1994	65,142	19,320	84,462
	-----	-----	-----
At 31 December 1994	65,142	25,715	90,857
	-----	-----	-----
Company :			
Profit for the financial year	-	5,100	5,100
Dividend	-	(20,050)	(20,050)
	-----	-----	-----
Net movement in shareholders' funds	-	(14,950)	(14,950)
At 1 January 1994	65,142	20,924	86,066
	-----	-----	-----
At 31 December 1994	65,142	5,974	71,116
	-----	-----	-----

19. OPERATING LEASE COMMITMENTS

The Group leases certain property and plant and charters in ships for employment in various shipping activities. The annual commitment existing at 31 December 1994 is shown below.

	Property and plant		Charter hire	
	1994 US\$000	1993 US\$000	1994 US\$000	1993 US\$000
Lease commitments payable within one year	1,050	870	13,569	7,808
	-----	-----	-----	-----
On leases expiring as follows :				
Within one year	39	46	3,865	7,808
Between 2 and 5 years	362	243	9,704	-
Beyond 5 years	649	581	-	-

FURNESS, WITHY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

	Group 1994 US\$000	Group 1993 US\$000
20. GUARANTEES AND CONTINGENT LIABILITIES		
a) Trading and shipping conference obligations	3,682	1,707
b) The group is subject to litigation for alleged contravention of the EEC Treaty in respect of certain liner shipping activities. The maximum potential liability is 10% of group worldwide turnover, however, the EC Commission has considerable discretion as to the extent of any fine imposed. After taking legal advice the directors are of the opinion that at this stage it is not possible to predict the outcome of this case and no provision has been made in the accounts.		
c) A subsidiary company is subject to a claim for negligence for the non-collection of reinsurance claims amounting to £250,000 (US\$391,125). The directors consider that a satisfactory defence exists against the claim and no provision has been made in the accounts.		
d) The company has given undertakings to Manchester Liners Ltd and Prince Line Ltd that it will provide finance to enable those subsidiaries to repay their indebtedness with a fellow subsidiary who will in turn advance the funds to the company on loan. No external obligation arises on this arrangement.		

21. PENSION COMMITMENTS

The principal pension scheme operated within the group is the Furness Withy Pension Scheme. This fund was established on 1 March 1991 following a partial termination of the Kenwake Pension Scheme.

This is a defined benefits scheme with assets held in a separate fund administered by trustees. Full details of this scheme are given in the accounts of Shaw Savill Holdings Limited.

Pension costs charged in the accounts for the year ended 31 December 1994 amounted to US\$ 204,000 (1993 : US\$ 153,000).

22. SUBSIDIARY UNDERTAKING NOT CONSOLIDATED

The group includes a 80.86% holding in Gazocean S.A., formerly an international shipping company incorporated in France which on 27 April 1994 was placed in compulsory liquidation. No assets and liabilities have been included in these financial statements and no value is attributed to the company.

FURNESS, WITBY & COMPANY, LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

23. POST BALANCE SHEET EVENT

Subsequent to the year end, the directors have given consideration to a Capital Reduction to the value of US\$50.0m and the waiver of indebtedness with the parent undertaking. Application to the Court is proposed for November 1995. This Capital Reduction is being examined in the light of the continued rationalisation of the group.

24. ULTIMATE HOLDING COMPANY

The ultimate United Kingdom holding company is Shaw Savill Holdings Limited ("SSH"). Group accounts for SSH can be obtained from The Secretary, Furness House, 53 Brighton Road, Redhill, Surrey

The ultimate holding entity is Dr August Oetker AG of Bielefeld, Germany.

FURNESS, WITHY & COMPANY, LIMITED

PRINCIPAL SUBSIDIARY COMPANIES AT 31 DECEMBER 1994

In the opinion of the directors, the businesses of the subsidiary companies listed below are those which principally affect the operating results and/or assets of the group. To include details of all other subsidiaries would require particulars of excessive length. A full list will be given in the company's annual return.

Unless otherwise shown, all companies are 100% owned and capital comprises ordinary shares or their equivalent.

* Indicates subsidiaries whose shares are directly held by the Company.

Shipping activities -----	Country of incorporation if other than UK -----	Principal activity -----
* Furness Withy (Shipping) Ltd		Ship owning and operating
Furness Travel Ltd		Travel agency
* Manchester Liners Ltd	Ordinary and preference	Ship operating
Oceangas Gibraltar Ltd	Gibraltar	Gas ship operating
Ocean Gas Transport Ltd	Ordinary and preference	Gas ship operating
Weststar Shipping Co Ltd	Gibraltar 90.43% owned	Gas ship operating
The Pacific Steam Navigation Co		Ship operating
Royal Mail Lines Ltd		Ship operating
* Furness Withy (Chartering) Ltd		Ship operating and broking
Furness Withy (Australia) Pty Ltd	Australia	Ship operating