

MORVERN SHIPPING AGENCY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 25TH MAY 2001

1475063



MORVERN SHIPPING AGENCY LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 25 May 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company has not traded during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company during the year were as follows:

J F Yeoman
B T Beddow

None of the Directors has a beneficial interest in the shares of the Company. The beneficial interests of the directors in the shares of the ultimate holding Company, Foster Yeoman Limited, are disclosed in that Company's financial statements.

TAXATION STATUS

The Company is a close Company within the provisions of the Income and Corporation Taxes Act 1988 .

REGISTERED NO: 1475083

AUDITORS

A resolution to reappoint KPMG, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD



B T Beddow
Secretary

26 October 2001

MORVERN SHIPPING AGENCY LIMITED

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 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

MORVERN SHIPPING AGENCY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF MORVERN SHIPPING AGENCY LIMITED

We have audited the financial statements set out on pages 4 to 5.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of Audit 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 affairs of the company at 25 May 2001 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG

Chartered Accountants and Registered Auditors

Bristol

26 October 2001

MORVERN SHIPPING AGENCY LIMITED

BALANCE SHEET AS AT 25 MAY 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
CURRENT ASSETS			
DEBTORS: amount due from parent Company		856	856
		—	—
NET ASSETS		856	856
		====	====
CAPITAL AND RESERVES			
Share Capital	2	2	2
Profit and Loss Account	3	854	854
		—	—
		856	856
		===	===

The Company did not trade during the year and accordingly it made neither a profit nor a loss, therefore no profit and loss account has been prepared.

The financial statements were approved by the Board on 26 October 2001 and are signed on its behalf by:



J F Yeoman Director



B T Beddow Director

MORVERN SHIPPING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 25 MAY 2001**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The financial statements are prepared on the historical cost basis.

2. SHARE CAPITAL	<u>2001</u> £	<u>2000</u> £
Authorised ordinary shares of £1	100	100
	—	—
Allotted, called up and fully paid	2	2
	—	—
3. RESERVES	<u>2001</u> £	<u>2000</u> £
At 26 May 2000	854	854
Profit for the year	-	-
	—	—
At 25 May 2001	854	854
	===	===

4. ULTIMATE HOLDING COMPANY

The ultimate holding Company is Foster Yeoman Limited, registered in England. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Foster Yeoman Limited, Marston House, Marston Bigot, Frome, Somerset, BA11 5DU.