

SWAN HILL NO 2 PENSION TRUST LIMITED

(REGISTERED NUMBER 2283378)

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED

5 APRIL 2002



SWAN HILL NO-2 PENSION TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 APRIL 2002

The directors submit their annual report together with the audited accounts for the year ended 5 April 2002.

ACTIVITY

The company acts as corporate trustee of the Swan Hill No 2 Pension Scheme.

RESULTS AND DIVIDENDS

The company did not trade during the year.

The directors do not recommend the payment of a dividend (2001 - Nil).

DIRECTORS AND DIRECTORS' SHAREHOLDINGS

The directors who served the company during the year and subsequently are as follows:

Sir Idris Pearce
CRH Archer
Sir Brian Hill
R S Hough

At 5 April 2002 no directors or members of their families, as defined by the Companies Act 1985, held any beneficial interests in shares or debentures of any member of the group other than the holding company, Swan Hill Group PLC. All holdings and options relate to ordinary shares in Swan Hill Group PLC. The holdings of the directors are as follows:

NAME	AS AT 5 APRIL 2001		AS AT 5 APRIL 2002	
	ORDINARY	OPTIONS	ORDINARY	OPTIONS
C R Archer	1,927	661,009	1,927	440,000
R S Hough	NIL	180,817	NIL	186,758
Sir Brian Hill	50,358	NIL	50,358	NIL
Sir Idris Pearce	1,500	NIL	1,500	NIL

SCHEME NO	NAME	GRANT/ ALLOCATION	LAPSE/ EXERCISED	MOVEMENT IN YEAR
1	C R Archer		(35,549)	
2	C R Archer		(75,000)	
3	C R Archer		(60,000)	
4	C R Archer		(50,460)	
	Total		(221,009)	(221,009)
5	R S Hough	5,941		
		5,941	0	5,941

SWAN HILL NO 2 PENSION TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 5 APRIL 2002

SCHEME NO	SCHEME	ADOPTED	GRANT PRICE pence	DATE OF GRANT	LAST DATE FOR EXERCISE
1	EXECUTIVE SHARE OPTION	14/06/85	274.27	29/05/91	29/05/01
2	RESTRICTED SHARE SCHEME 1998 ALLOCATION	06/06/95	87.67	31/03/98	31/03/02
3	EXECUTIVE SHARE OPTION	05/04/93	58.0	03/05/93	03/05/03
4	RESTRICTED SHARE SCHEME 1997 ALLOCATION	06/06/95	90.17	02/04/97	02/04/01
5	SAYE SHARE SCHEME	11/06/93	56.8	05/10/01	01/05/07

STATEMENT OF 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 of the company 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 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

Pursuant to s386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually.

By Order of the Board


A G Confavreux
Secretary

11 December 2002

SWAN HILL NO 2 PENSION TRUST LIMITED

Independent auditors' report to the members of Swan Hill No 2 Pension Trust Limited.

We have audited the financial statements on pages 5 and 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 1985. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

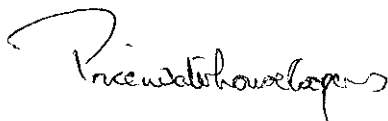
Basis of audit opinion

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 the company's affairs at 5 April 2002 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
11 December 2002

SWAN HILL NO 2 PENSION TRUST LIMITED

BALANCE SHEET AS AT 5 APRIL 2002

	<u>2002</u> £	<u>2001</u> £
<u>CURRENT ASSETS</u>		
Debtors (Note 2)	<u>100</u>	<u>100</u>
NET ASSETS	<u>100</u>	<u>100</u>

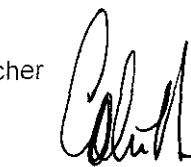
Represented by:

CAPITAL AND RESERVES

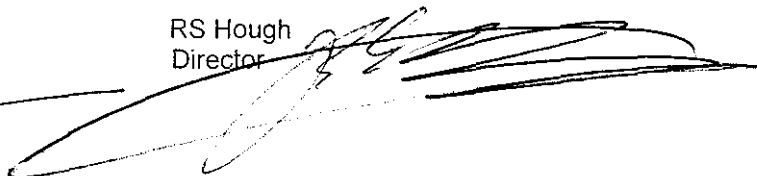
Called up share capital (Note 3)	<u>100</u>	<u>100</u>
SHAREHOLDERS' FUNDS	<u>100</u>	<u>100</u>

APPROVED BY THE BOARD OF DIRECTORS ON 11 DECEMBER 2002 AND SIGNED ON THEIR BEHALF BY :-

CRH Archer
Director



RS Hough
Director



The notes on page 6 form part of these accounts.

NOTES TO THE ACCOUNTS - 5 APRIL 2002

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared in accordance with applicable UK accounting standards using the historical cost basis of accounting.

Turnover

The company did not trade during the year.

2 DEBTORS

	<u>2002</u> £	<u>2001</u> £
Amounts due from holding company	100	100
	<u> </u>	<u> </u>

3 CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>2002</u> £	<u>2001</u> £	<u>2002</u> £	<u>2001</u> £
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Swan Hill Group PLC a company incorporated in England. The address from where copies of the group financial statements can be obtained is Swan Hill Group PLC, Waterman's Business Park, Kingsbury Crescent, Staines, Middlesex, TW18 3BA.