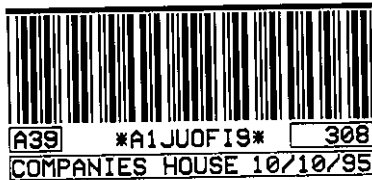


REGISTRARS COPY

TATA LIMITED
REPORT AND ACCOUNTS
31 DECEMBER 1994



NASH BROAD WESSON
Chartered Accountants
42 Upper Berkeley Street
London W1H 8AB

TATA LIMITED

Directors: R N Tata (Chairman)
F K Kavarana (Vice-Chairman)
N A Palkhivala
D S Seth
J J Bhabha
S A Sabavala
P S Mistry
M A S Dalal
C L Sharma (Managing Director)

Secretary: M M Kalifa

Company Number: 92560

Registered Office: 18 Grosvenor Place
London SW1X 7HS

Auditors: Nash Broad Wesson
Chartered Accountants
42 Upper Berkeley Street
London W1H 8AB

CONTENTS

	Page
Report of the directors	1 - 2
Reports of the auditors	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8 to 16

TATA LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1994

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

DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that period. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements have been made. The directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities. The directors are satisfied that the business is a going concern.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 5.

The directors recommend the payment of a dividend of £37,500 at a rate of 2.5p per share (1993: £37,500 at a rate of 2.5p).

REVIEW OF THE BUSINESS

The principal activities of the company continued to be acting as purchasing agents, representatives, traders in commodities and industrial raw materials, and trade financing.

Both the level of business and the year end financial position remain satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

FUTURE DEVELOPMENTS AND EVENTS SINCE THE YEAR END

There have been no events since the year end which have had a material effect on the business of the company.

FIXED ASSETS

Movements in fixed assets during the year are set out in notes 12 and 13 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors in office during the year, none of whom have any beneficial interest in the share capital of the company, are set out below:-

R N Tata (Chairman)
F K Kavarana (Vice-Chairman)
N A Palkhivala
D S Seth
J J Bhabha
S A Sabavala
P S Mistry
N R Mody (Died 2 December 1994)
M A S Dalal
C L Sharma (Managing Director)

Mr M A S Dalal resigned as Vice-Chairman on 27 January 1994 but remains as a Director of the company. Mr F K Kavarana was appointed Vice-Chairman on 27 January 1994. Mr C L Sharma was appointed as a Director and as Managing Director on 27 January 1994.

TATA LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £2,530.

No political donations have been made in the year.

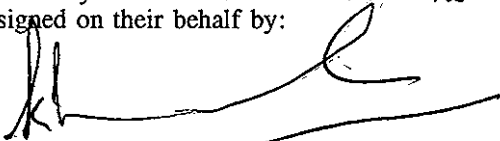
STAFF

The directors wish to place on record their warm appreciation of the continued loyalty and work of the staff during the year.

AUDITORS

The auditors, Nash Broad Wesson, have expressed their willingness to continue in office and a resolution on proposing their re-appointment will be put to the members at the Annual General Meeting.

Approved by the Board of Directors on 12 MAY 1995
and signed on their behalf by:



C L SHARMA
Managing Director

REPORT OF THE AUDITORS TO THE MEMBERS OF

TATA LIMITED

We have audited the accounts on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of 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 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1994 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



NASH BROAD WESSON

Chartered Accountants
Registered Auditors
42 Upper Berkeley Street
London W1H 8AB

18 May 1995

REPORT OF THE AUDITORS TO THE DIRECTORS OF

TATA LIMITED

PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the accounts of the company and each of its subsidiaries for the year ended 31 December 1994.

BASIS OF OPINION

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group accounts.

OPINION

In our opinion the company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.



NASH BROAD WESSON

Chartered Accountants
Registered Auditors
42 Upper Berkeley Street
London W1H 8AB

18 May 1995

TATA LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994	1993
TURNOVER	2	5,865,061	1,208,752
Cost of sales		4,927,229	80,309
		<hr/>	<hr/>
GROSS PROFIT		937,832	1,128,443
Administrative expenses		896,994	938,048
		<hr/>	<hr/>
		40,838	190,395
Other operating income	3	144,319	107,306
		<hr/>	<hr/>
OPERATING PROFIT		185,157	297,701
Income from other fixed asset investments	4	52,790	69,389
Interest receivable and similar income	5	79,435	97,860
		<hr/>	<hr/>
		317,382	464,950
Interest payable and similar charges	6	49,274	53,872
		<hr/>	<hr/>
PROFIT on ordinary activities before taxation	7	268,108	411,078
Taxation on profit on ordinary activities	10	100,000	155,328
		<hr/>	<hr/>
PROFIT on ordinary activities after taxation		168,108	255,750
Proposed dividends	11	37,500	37,500
		<hr/>	<hr/>
		130,608	218,250
Retained profit brought forward		597,251	379,001
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		£ 727,859	£ 597,251
		<hr/>	<hr/>

All the above amounts relate to continuing activities.

All recognised gains and losses are included in the above profit and loss account.

TATA LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 1994

	Notes	1994	1993
FIXED ASSETS			
Tangible assets	12	413,152	1,018,387
Investments	13	1,426,748	1,342,885
		<u>1,839,900</u>	<u>2,361,272</u>
CURRENT ASSETS			
Debtors	16	2,195,677	427,136
Cash at bank and in hand		1,507,888	1,329,393
		<u>3,703,565</u>	<u>1,756,529</u>
CREDITORS: amounts falling due within one year	17	3,170,106	1,763,907
		<u>533,459</u>	<u>(7,378)</u>
NET CURRENT ASSETS (LIABILITIES)			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,373,359</u>	<u>2,353,894</u>
CREDITORS: amounts falling due after more than one year	18	145,500	256,643
		<u>£ 2,227,859</u>	<u>£ 2,097,251</u>
CAPITAL AND RESERVES			
Called up share capital	19	1,500,000	1,500,000
Profit and loss account		727,859	597,251
		<u>£ 2,227,859</u>	<u>£ 2,097,251</u>
EQUITY SHAREHOLDERS' FUNDS			

Approved by the Board of Directors on
and signed on their behalf by

12 MAY 1995

C L SHARMA

Managing Director

TATA LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994	1993
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	22a	(1,363,653)	1,488,028
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Income from investments	52,790	69,389	
Interest received	79,435	97,860	
Interest paid	(49,274)	(53,872)	
Dividends paid	(37,500)	(37,500)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		45,451	75,877
TAXATION			
UK Corporation tax paid (including advance corporation tax)		(111,249)	(241,315)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	(265,120)	(24,480)	
Purchase of investments	(113,614)	(175,493)	
Sale of tangible fixed assets	888,991	-	
Sale of investments	38,048	62,437	
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		548,305	(137,536)
NET CASH (OUTFLOW) INFLOW BEFORE FINANCING		(881,146)	1,185,054
FINANCING			
New secured loan repayable by 2014	178,500	-	
Repayment of amounts borrowed	(325,214)	(85,714)	
		(146,714)	(85,714)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	22c	£ (1,027,860)	£ 1,099,340

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

The company is not required to prepare group accounts because the group qualifies as medium sized under Section 249 of the Companies Act 1985.

(b) Turnover

Turnover represents sales, net commissions, freight rebates, handling charges and sundry revenue arising during the year and excludes value added tax.

(c) Depreciation

Fixed assets are depreciated over their expected useful lives on the straight line basis using the following rates per annum:

Long leasehold properties (with more than 50 years unexpired at the balance sheet date)	2% per annum
Office equipment and furniture	25% per annum
Motor vehicles	20% per annum

(d) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(e) Deferred taxation

Provision is made for deferred taxation on all timing differences using the liability method except where, in the directors' opinion, such provision will not reverse in the foreseeable future.

(f) Pension costs

Contributions payable to the company's pension scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

2. TURNOVER

Turnover is analysed between the following geographical markets:-

	1994	1993
Asia	4,218,293	907,987
United Kingdom	60,786	219,162
Europe	1,585,982	81,603
	<hr/>	<hr/>
	£ 5,865,061	£ 1,208,752
	<hr/>	<hr/>

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

3.	OTHER OPERATING INCOME	1994	1993
	Exchange gains	33,020	8,646
	Net property revenue	19,027	64,241
	Management fees from subsidiary undertaking	30,000	30,000
	Hire of equipment	1,920	1,920
	Profit on disposal of investments	8,297	2,499
	Profit on disposal of tangible fixed assets	52,055	-
		<hr/>	<hr/>
		£ 144,319	£ 107,306
		<hr/>	<hr/>
4.	INCOME FROM OTHER FIXED ASSET INVESTMENTS	1994	1993
	Income from listed investments	52,790	57,759
	Income from unlisted investments	-	11,630
		<hr/>	<hr/>
		£ 52,790	£ 69,389
		<hr/>	<hr/>
5.	INTEREST RECEIVABLE AND SIMILAR INCOME	1994	1993
	Bank interest	52,898	95,041
	Other interest	26,537	2,819
		<hr/>	<hr/>
		£ 79,435	£ 97,860
		<hr/>	<hr/>
6.	INTEREST PAYABLE AND SIMILAR CHARGES	1994	1993
	Bank loans and overdrafts wholly repayable within 5 years	38,977	53,872
	Other loans	10,297	-
		<hr/>	<hr/>
		£ 49,274	£ 53,872
		<hr/>	<hr/>
7.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1994	1993
		£	£
	This is stated after charging (crediting):		
	Depreciation	33,419	59,921
	Directors' remuneration (note 8)	73,351	67,577
	Auditors' remuneration	11,385	10,600
		<hr/>	<hr/>

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

8.	DIRECTORS' REMUNERATION	1994	1993
(a)	Management remuneration	56,000	55,222
	Directors' benefits	8,567	4,888
	Pension contributions	8,784	7,467
		<u>£ 73,351</u>	<u>£ 67,577</u>
(b)	Analysis (excluding pension scheme contributions):-		
	Chairman	£ -	£ -
	Highest paid director	£ 60,866	£ 60,110
	Other directors, being within the range:		
	£0 - £5,000	8	11
9.	STAFF COSTS AND EMPLOYEES (including directors)	1994	1993
	Wages and salaries	501,829	468,116
	Social security costs	52,098	49,086
	Other pension costs	65,099	58,578
		<u>£ 619,026</u>	<u>£ 575,780</u>
	The average weekly number of employees during the year was:	No.	No.
	Office and management	23	23
10.	TAXATION ON PROFIT ON ORDINARY ACTIVITIES	1994	1993
	Based on the profit for the year:		
	U.K. Corporation Tax at 33 % (1993: 34%)	66,860	90,763
	Tax attributable to franked investment income	4,090	4,237
	Under (over) provision in previous year	29,050	(14,461)
	Deferred taxation	-	74,789
		<u>£ 100,000</u>	<u>£ 155,328</u>
	The deferred taxation movement resulted from repairs expenditure charged against profits for the year ended 31 December 1992 which is available for corporation tax relief in 1993.		
11.	PROPOSED DIVIDENDS	1994	1993
	Proposed final dividend of 2.5p (1993: 2.5p) per ordinary share	£ 37,500	£ 37,500

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994

(Continued)

12. TANGIBLE FIXED ASSETS

	Long leasehold properties	Office equipment and furniture	Motor vehicles	Total
Cost:				
At 1 January 1994	1,130,704	423,949	118,887	1,673,540
Additions	261,802	3,318	-	265,120
Disposals	(928,469)	(90,942)	-	(1,019,411)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	464,037	336,325	118,887	919,249
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation:				
At 1 January 1994	167,597	396,792	90,764	655,153
Charge for the year	9,281	11,419	12,719	33,419
Disposals	(92,847)	(89,628)	-	(182,475)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	84,031	318,583	103,483	506,097
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 December 1994	£ 380,006	£ 17,742	£ 15,404	£ 413,152
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1993	£ 963,107	£ 27,157	£ 28,123	£ 1,018,387
	<hr/>	<hr/>	<hr/>	<hr/>

13. FIXED ASSET INVESTMENTS

	Subsidiary undertakings (Note 14)	Participating interest (Note 15)	Other investments	Total
Cost:				
At 1 January 1994	3	198,400	1,144,482	1,342,885
Additions	105,733	-	7,881	113,614
Transfer from participating interests to subsidiary undertakings	48,400	(48,400)	-	-
Disposals	-	-	(29,751)	(29,751)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	£ 154,136	£ 150,000	£ 1,122,612	£ 1,426,748
	<hr/>	<hr/>	<hr/>	<hr/>
			1994	1993
Other investments include:				
Investments listed on recognised investment exchanges			£ 628,416	£ 650,286
			<hr/>	<hr/>
Aggregate market value of listed investments			£ 809,487	£ 915,427
			<hr/>	<hr/>

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

14. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The company's subsidiary undertakings at 31 December 1994 were:

Name	Country of incorporation or registration	Class of shares held	Proportion of nominal value of issue of shares held %	Nature of business
TKM Overseas Transport Limited	England and Wales	Ordinary £1 shares	75	Freight forwarding agency
TKM Overseas Transport Inc	USA	Common Stock \$1	56.25	Freight forwarding services
TKM Overseas Transport (Europe) Gmbh	Germany	Shares of 1 Deutsche Mark	100	Air freight forwarding services
The Trans Polytrading Company Limited	England and Wales	Ordinary £1 shares	100	Dormant

The interests are held directly by Tata Limited, except in the case of TKM Overseas Transport Inc, where the interest is held by a subsidiary, TKM Overseas Transport Limited.

Tata Limited held 48,400 ordinary shares of £1 each, representing 48.4% of the nominal value of issued shares held in TKM Overseas Transport Limited as at 1 January 1994. Tata Limited acquired 1,600 ordinary shares of £1 each on 24 May 1994 and a further 25,000 ordinary shares of £1 each on 28 November 1994. This increased the proportion held in TKM Overseas Transport Limited to 75%.

Tata Limited acquired 100,000 shares of 1 Deutsche Mark each, representing the entire issued share capital of TKM Overseas Transport (Europe) Gmbh on incorporation of the company on 8 November 1994.

The accounts of the company's subsidiary undertakings at 31 December 1994 show:

	Profit for the financial year ended 31.12.94 £	Aggregate amount of capital and reserves at 31.12.94 £	Aggregate amount of investment in subsidiary undertaking by way of equity method of valuation £
TKM Overseas Transport Limited	16,384	156,498	76,285
TKM Overseas Transport Inc	22,578	123,183	45,273
The Trans Polytrading Company Limited	-	3,698	3,698

The results for TKM Overseas Transport Inc are obtained from unaudited accounts. TKM Overseas Transport Inc is not required to prepare audited accounts under US regulations.

TKM Overseas Transport (Europe) Gmbh was incorporated on 8 November 1994. The accounts for the period to 31 December 1994 are not yet available.

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

15. PARTICIPATING INTERESTS

Tata Limited has a 30% interest in the £1 ordinary shares of Titan International Marketing Limited, a company registered in England and Wales. The principal activity of the company is that of distribution of watches and jewellery.

The financial year of Titan International Marketing Limited is 31 March. The accounts of the company show aggregate capital and reserves at 31 March 1994 amounting to £129,629 and loss for the first trading period from 1 March 1993 to 31 March 1994 of £350,371.

16. DEBTORS	1994	1993
Amounts falling due within one year:		
Trade debtors	1,552,714	163,629
Bills of exchange	-	187,004
Amount due from subsidiary undertaking	80,775	-
Amount due from undertakings in which the company has a participating interest	233,335	29,240
Other debtors	308,722	16,609
Prepayments and accrued income	10,756	21,279
	<hr/> 2,186,302	<hr/> 417,761
Amounts falling due after more than one year:		
Advance corporation tax	9,375	9,375
	<hr/>	<hr/>
Total debtors	£ 2,195,677	£ 427,136
	<hr/> <hr/>	<hr/> <hr/>

17. CREDITORS: amounts falling due within one year	1994	1993
Bank loans (note 18)	50,143	85,714
Bank overdraft	1,206,355	-
Trade creditors	1,570,267	1,317,361
Amount due to parent undertaking	519	519
Amount due to subsidiary undertakings	127,585	3,698
Amount due to undertaking in which the company has a participating interest	-	3,703
Advance corporation tax	14,680	9,375
Corporation tax	54,858	71,412
Other taxes and social security costs	28,369	24,296
Other creditors	33,635	122,563
Accruals and deferred income	46,195	87,766
Proposed dividends	37,500	37,500
	<hr/> £ 3,170,106	<hr/> £ 1,763,907
	<hr/> <hr/>	<hr/> <hr/>

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

18.	CREDITORS: amounts falling due after more than one year	1994	1993
	Bank loans	£ 145,500	£ 256,643
		<u> </u>	<u> </u>
	Bank loans are repayable as follows:	1994	1993
	In one year or less or on demand	50,143	85,714
	Between one and two years	18,000	85,714
	Between two and five years	54,000	170,929
	In five years or more	73,500	-
		<u> </u>	<u> </u>
		£ 195,643	£ 342,357
		<u> </u>	<u> </u>

A loan of £75,000 is repayable in 14 half-yearly instalments of £5,357 each commencing from April, 1991 or on demand, whichever is earlier. The rate of interest payable is 1½% over base rate and the loan is secured on a leasehold property owned by the company.

A loan of £178,500 is repayable in monthly instalments of £1,500 each commencing from March 1994. The rate of interest payable is 2¾% over base rate and the loan is secured on a leasehold property owned by the company.

19.	CALLED UP SHARE CAPITAL	1994	1993
	Authorised:		
	2,500,000 ordinary shares of £1 each	£ 2,500,000	£ 2,500,000
		<u> </u>	<u> </u>
	Issued and fully paid:		
	1,500,000 ordinary shares of £1 each	£ 1,500,000	£ 1,500,000
		<u> </u>	<u> </u>

20. PARENT UNDERTAKING

The parent undertaking is Tata Sons Limited, a company incorporated in India.

21.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1994	1993
	Profit for the year after taxation	168,108	255,750
	Dividends	37,500	37,500
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	130,608	218,250
	Opening shareholders' funds	2,097,251	1,879,001
		<u> </u>	<u> </u>
	Closing shareholders' funds	£ 2,227,859	£ 2,097,251
		<u> </u>	<u> </u>

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994

(Continued)

22.	CASH FLOW STATEMENT	1994	1993
(a)	Reconciliation of operating profit to net cash (outflow) inflow from operating activities		
	Operating profit	185,157	297,701
	Depreciation charges	33,419	59,921
	Profit on disposal of fixed assets	(52,055)	(2,499)
	Profit on disposal of investments	(8,297)	-
	Changes in debtors	(1,768,541)	1,458,370
	Changes in creditors	246,664	(325,465)
		<hr/>	<hr/>
	Net cash (outflow) inflow from operating activities	£ (1,363,653)	£ 1,488,028
		<hr/>	<hr/>
(b)	Analysis of movements in cash and cash equivalents during the year		
	Balance at 1 January 1994	1,329,393	230,053
	Net cash (outflow) inflow	(1,027,860)	1,099,340
		<hr/>	<hr/>
	Balance at 31 December 1994	£ 301,533	£ 1,329,393
		<hr/>	<hr/>
(c)	Analysis of the balances of cash and cash equivalents as shown in the balance sheet		
		1994	1993
		Change	Change
		in year	in year
	Cash at bank and in hand	1,507,888	1,329,393
	Bank overdrafts	(1,206,335)	-
		<hr/>	<hr/>
		£ 301,533	£ 1,329,393
		<hr/>	<hr/>
		£ (1,027,860)	£ 1,099,340
		<hr/>	<hr/>

TATA LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994
(Continued)

23. PENSION COMMITMENTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method with a five year control period. The most recent valuation was at 1 January 1992. The financial assumptions are:

1. Investment yields will be 9% p.a.compound;
2. Immediate annuity rates available at retirement will be based on an interest rate of 9% p.a.;
3. Pensionable earnings of members will increase by 7% p.a. compound plus promotional increase;
4. National average earnings will increase by 7% p.a. compound;
5. The Retail Price Index will increase by 5% p.a. compound.

The most recent actuarial valuation showed that the market value of the scheme's assets was £826,400 and that the actuarial value of those assets represented 132% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The actuaries recommended a contribution rate of 15.4% of salaries with effect from 1 January 1992. The contributions of the company and employees are 16% and 4% of earnings respectively. The amount payable to the Scheme in respect of the year to 31 December 1994 was £65,099 (1993: £58,578).

24. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 1994 (1993: Nil).

25. CONTINGENT LIABILITIES

No provision has been made at 31 December 1994, for the following contingent liabilities:-

- a) £49,552 (1993: £2,647) for guarantees given to a third party.
- b) One of the company's bankers has a lien in their favour against a fixed deposit of 110,000 Deutsche Marks in respect of a guarantee issued on behalf of a subsidiary undertaking, TKM Overseas Transport (Europe) GmbH. Converted at a rate of exchange at 31 December 1994, this is equivalent to £45,361 (1993: Nil).