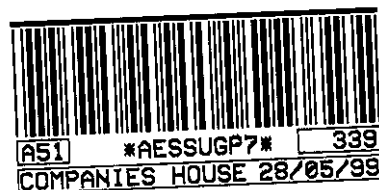


Bankuwait Nominees Limited

Registered No. 937059

Report and Accounts

31 December 1998



BANKUWAIT NOMINEES LIMITED

Registered No. 937059

DIRECTORS

M. Rumsby (Chairman)
S. J. Eveson
R. Sloan
S. Alston

SECRETARY

C. A. Watts

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

REGISTERED OFFICE

7 Baker Street
London W1M 1AB.

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1998.

RESULTS AND DIVIDENDS

The directors submit the audited balance sheet at 31 December 1998. A profit and loss account is not submitted as there are no items which are required to be dealt with through the profit and loss account.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company carries on the business of a nominee company.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

M. Rumsby
S.J. Eveson (appointed 22 June 1998)
C. C. Keen (resigned 20 November 1998)
N.R. Brill (resigned 22 June 1998)
D.J. McGrath (resigned 30 April 1998)
N Milton (resigned 3 March 1998)

Subsequent to the balance sheet date, on 11 March 1999, R.D.G. Sloan and C.S.W. Alston were appointed Directors.

At 1 January 1998 and 31 December 1998, C.C.Keen held one share in the company. Subsequent to the balance sheet date, on 31 March 1999, this share was transferred to M. Rumsby.

None of the directors held any interest in the share capital of any other group company during the year.

YEAR 2000 COMPLIANCE

The operation of our business depends not only on our own computer systems, but also on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues. Therefore a group-wide year 2000 programme commenced in early 1997 designed to address the impact of the year 2000 on our business. Resources have been allocated and the Board receives regular reports on progress. Given the complexity of the problem, it is not possible to guarantee that no year 2000 problems will remain, but the Board believes it will achieve an acceptable state of readiness and has provided resources to deal promptly with any significant issues that might arise. The cost, the majority of which is in-house, of implementing the plan has been written off as incurred.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

C.A. Watts

Secretary

22nd Apr-99

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT
OF THE ACCOUNTS**

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 for that year. 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 reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Bankuwait Nominees Limited

We have audited the accounts on pages 6 and 7, which have been prepared under the historical cost convention and on the basis of the accounting policy set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4, 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.

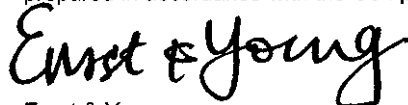
Basis of opinion

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 policy is 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 affairs of the company as at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young

Registered Auditor

London

10 May-99

BANKUWAIT NOMINEES LIMITED

BALANCE SHEET
at 31 December 1998

		1998	1997
	<i>Note</i>	£	£
CURRENT ASSETS			
Amounts due from holding company		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>2</u>	<u>2</u>

M. R. L.
Director

22nd Apr-99

NOTES TO THE ACCOUNTS

at 31 December 1998

1. ACCOUNTING POLICY

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. ADMINISTRATION

None of the directors are remunerated by the company and it has no other employees. All services are provided by the holding company. Audit fees are incurred by the holding company.

3. PROFIT AND LOSS ACCOUNT

The business of the company is that of a nominee company and there has been no income or expenditure or revenue account during the year to 31 December 1998. Accordingly, no profit and loss account has been prepared.

4. CALLED UP SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1998	1997	1998	1997
	No.	No.	£	£
Ordinary shares of £1 each	100	100	2	2

5. RECOGNISED GAINS/(LOSSES)

No profit and loss account has been produced as there are no items which are required to be so dealt with. There are no other recognised gains or losses which have arisen.

6. CASHFLOW STATEMENT

Under Financial Reporting Standard 1 the company is exempt from the requirement to disclose transactions with related parties on the grounds that it is a wholly owned subsidiary of a company whose consolidated accounts are publicly available.

7. ULTIMATE HOLDING COMPANY

The ultimate holding company is The United Bank of Kuwait PLC, which is incorporated in Great Britain. Copies of the group accounts are available from the registered office of The United Bank of Kuwait PLC at 7 Baker Street, London W1M 1AB.