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CITIFRIENDS NOMINEE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST DECEMBER 1989

COMPANES HOUSE

16 AUG 1990

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KPMG PEAT MARWICK McLINTOCK

KPMG PEAT MARWICK McLINTOCK  
1 Puddle Dock, Blackfriars, London EC4V 3PD.

CITYFRIENDS NOMINEE LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report, together with the accounts for the period ended 31st December, 1989.

ACTIVITIES

The company acts as nominee and trustee and has had no income or expenditure for the year.

It is the intention of the directors that the company should continue for the foreseeable future in the same capacity.

DIRECTORS

The directors who served during the period were:

D.M. Eichenberger (Swiss)  
J.E. Palmer  
C.V. McFarlane  
P.G. Le Cron  
M.B. Saunders  
J. C. Gardner (Canadian) (appointed 11th January, 1989)

None of the directors had any interest requiring disclosure in the shares of the company or any group companies.

AUDITORS

On 1st January, 1990 our auditors changed the name under which they practise to KPMG Peat Marwick McLintock, and accordingly have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditor of the company is to be proposed at the forthcoming annual general meeting.

By order of the board,

*O.A. [Signature]*

ASST COMPANY Secretary

336 Strand  
London WC2R 1HB

KPMG Peat Marwick McLintock

REPORT OF THE AUDITORS TO THE MEMBERS OF  
CITYFRIENDS NOMINEE LIMITED

We have audited the accounts on pages 3 and 4 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December, 1989 and have been properly prepared in accordance with the Companies Act 1985.

LONDON

KPMG Peter A. McKinnon

24th July 1990

Chartered Accountants

CITIFRINDS NOMINEE LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1989

|                             | <u>Note</u> | <u>1989</u><br><u>£</u> | <u>1988</u><br><u>£</u> |
|-----------------------------|-------------|-------------------------|-------------------------|
| <b>CURRENT ASSETS</b>       |             |                         |                         |
| Cash at bank                | 3           | 2                       | 2                       |
|                             |             | <u>2</u>                | <u>2</u>                |
| <b>CAPITAL AND RESERVES</b> |             |                         |                         |
| Called up share capital     | 4           | 2                       | 2                       |
|                             |             | <u>2</u>                | <u>2</u>                |

These accounts were approved by the Board  
of directors on 24th July 1990

  
Directors

The notes set out on page 4 form part of these accounts.

CITIFRIENDS NOMINEE LIMITEDNOTES ON THE ACCOUNTS1. BASIS OF ACCOUNTING

The accounts are prepared under the historical cost accounting rules.

2. PROFIT AND LOSS ACCOUNT

The company holds in its name securities beneficially owned by customers of Citibank, N.A. for whom it acts as agents. All transactions relating to such securities are recorded by Citibank, N.A. London branch. The company has no income or expenditure in its own right and accordingly no profit and loss account is presented.

3. BALANCES WITH GROUP COMPANIES

Assets of £2 (1988: £2) represent an amount due from a group company.

4. SHARE CAPITAL

|   | <u>1988</u> | <u>1988</u> |
|---|-------------|-------------|
|   | <u>£</u>    | <u>£</u>    |
| Authorised:                                       |             |             |
| 100 shares of £1 per share                        | <u>100</u>  | <u>100</u>  |
| Share capital allotted, called up and fully paid: |             |             |
| 2 shares of £1 per share                          | <u>2</u>    | <u>2</u>    |

5. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the year in respect of their services to the company.

6. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Citicorp, a company incorporated in the United States of America under the laws of the State of Delaware.