

ALBOUYS NOMINEES LIMITED

Directors

L.I. Gabb (resigned 17th August, 2000)
P.H. Smith
N.A. Chronias (resigned 21st December, 2000)
A. Fairbourn (appointed 23rd November, 2000)

Company Secretary and Registered Office

D.L. Crawley
Austin Friars House
2-6 Austin Friars, London EC2N 2LX

Company Registration No:

2322945

Auditors

KPMG Audit Plc
P.O.Box 695
8 Salisbury Square
London EC4Y 8BB

Report of the Directors

The Directors present their report and the audited financial statements for the six months ended 31st December 2000.

Review of Activities

The principal activity of the Company has been and will continue to be the supply of nominee facilities.

Results and Dividends

The net profit after taxation for the six months ended 31st December, 2000 amounted to £701 (30th June, 2000: £362 loss) which has been transferred to reserves.

The Directors do not recommend payment of a dividend (30th June, 2000: £nil).



ALBOUYS NOMINEES LIMITED

Directors' Interests

The Directors in office during the six months are listed above.

The Directors who held office at the end of the six months did not hold any shares in the capital of the Company at the beginning or end of the six months period.

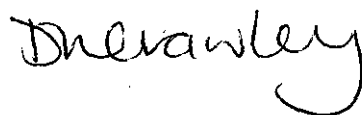
Company Secretary

L.I. Gabb resigned as Company Secretary on 17th August, 2000. D.L. Crawley was appointed on 17th August, 2000.

Auditors

The Company has elected to dispense with the obligation to reappoint auditors annually pursuant to Section 386 Companies Act 1985.

By Order of the Board



D.L. CRAWLEY
Company Secretary

19th April, 2001

ALBOUYS NOMINEES LIMITED
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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
ALBOUYS NOMINEES LIMITED

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Directors' report and, as described on page 3, 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 the company's affairs as at 31st December, 2000 and of its profit for the six months then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

19th April 2001

Chartered Accountants

Registered Auditors

London

ALBOUYS NOMINEES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2000

	<u>Note</u>	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
Turnover	1(b)	1,500	3,000
Administrative Expenses		1,000	3,551
Operating Profit/(Loss)		<u>500</u>	<u>(551)</u>
Deposit Interest Receivable		201	189
Profit/(Loss) on Ordinary Activities Before Taxation	2	<u>701</u>	<u>(362)</u>
Taxation	3	-	-
Profit/(Loss) for the Financial Year		<u>£701</u>	<u>(£362)</u>
Summary of Retained Profits			
At 1st July, 2000		2,585	2,947
Retained Profit/(Loss) for the Financial Year		701	(362)
At 31 st December, 2000		<u>£3,286</u>	<u>£2,585</u>

The results above are all derived from continuing activities.

There are no recognised gains or losses (30th June, 2000: no recognised gains or losses) other than the retained profit (30th June, 2000: loss) for the financial year.

There is no difference between the reported profit (30th June, 2000: loss) and the historical cost profit (30th June, 2000: loss) for the year.

The Notes on pages 7 to 9 form part of these Financial Statements.

ALBOUYS NOMINEES LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 2000

	<u>Note</u>	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
Current Assets			
Debtors		751	7
Cash at Bank and in Hand		3,537	5,854
		<hr/>	<hr/>
		4,288	5,861
Less: Creditors, Amounts			
Falling Due within One Year	4	1,000	3,274
		<hr/>	<hr/>
Net Current Assets		3,288	2,587
		<hr/>	<hr/>
Capital and Reserves			
Called Up Share Capital	5	2	2
Profit and Loss Account		£3,286	£2,585
		<hr/>	<hr/>
Equity Shareholders' Funds	6	£3,288	£2,587
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 19th April, 2000 and signed on its behalf by

A. Fairbourn



The Notes on pages 7 to 9 form part of these Financial Statements.

ALBOUYS NOMINEES LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2000

1. Principal Accounting Policies

(a) Basis of Accounting

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

(b) Turnover

Turnover represents fees received for supplying nominee facilities.

(c) Cash Flow Statement

The Company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking and the financial statements of the immediate parent company include a cash flow statement for the Group.

(d) Related Party Transactions

As the Company is a wholly owned subsidiary of The Bank of Bermuda Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Bank of Bermuda Limited, within which this company is included, can be obtained from Austin Friars House, 2-6 Austin Friars, London EC2N 2LX.

2. Profit on Ordinary Activities before Taxation

Profit on Ordinary Activities before Taxation is stated after charging:	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
Auditors' Remuneration – Audit Work	£1,000	£1,000

None of the Directors received any remuneration in respect of their qualifying services to the Company in the year.

ALBOUYS NOMINEES LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2000
(Continued)

3. Taxation

	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
United Kingdom Corporation Tax for the year at 30%	-	-
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4. Creditors, Amounts Falling Due within One Year

	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
Trade Creditors	-	-
Amounts owed to Parent Company	-	2,274
Accruals	1,000	1,000
	<hr/>	<hr/>
	£1,000	£3,274
	<hr/>	<hr/>

5. Called Up Share Capital

	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
Authorised:		
1,000 ordinary shares of £1 each	£1,000	£1,000
	<hr/>	<hr/>
Allotted, Called Up and Fully Paid:		
2 ordinary shares of £1 each	£2	£2
	<hr/>	<hr/>

ALBOUYS NOMINEES LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2000
(Continued)

6. Reconciliation of Movements in Shareholders' Funds

	<u>Period ended</u> <u>31st December 2000</u>	<u>Year ended</u> <u>30th June 2000</u>
Opening Shareholders' Funds	2,587	2,949
Retained Profit/(Loss) for the Financial Year	701	(362)
	<hr/>	<hr/>
Closing Shareholders' Funds	£3,288	£2,587
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7. Assets Held as Nominee

Securities and cash held in a trust, agency or fiduciary capacity for customers are not included in the Balance Sheet as such assets are not the property of the Company.

8. Ultimate Holding Company

The largest group in which the results of the Company are consolidated is The Bank of Bermuda Limited, incorporated in Bermuda. The consolidated accounts of this company are available to the public and can be obtained from Austin Friars House, 2-6 Austin Friars, London EC2N 2LX.

The smallest group in which the results of the Company are consolidated is that headed by Bermuda (UK) Holdings Limited, incorporated in Great Britain and registered in England and Wales.