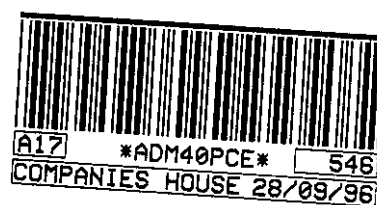


REG NO: 2759673

SOMERS (U.K.) LIMITED
REPORT AND FINANCIAL STATEMENTS
30TH JUNE, 1996



SOMERS (U.K.) LIMITED

Directors

P.T. O'Neill
A.J. O'Connor
L.I. Gabb

Company Secretary and Registered Office

R.E. Butlin, FCIS
Austin Friars House
2-6 Austin Friars, London EC2N 2HE

Company Registration No:

2759673

Auditors

KPMG
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 year ended 30th June, 1996.

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 loss after taxation for the year ended 30th June, 1996 amounted to £62 which has been transferred to reserves.

The Directors do not recommend payment of a dividend.

Directors

The Directors in office at the year end are listed above.

Board Changes

L.I. Gabb was appointed to the Board with effect from 22nd July, 1996.

A.J. O'Connor was appointed to the Board with effect from 1st September, 1996.

H.B. Smith resigned from the Board on 31st August, 1996.

SOMERS (U.K.) LIMITED

Directors' Interests

None of the Directors had any interests in the share capital of the Company at the beginning or end of the year.

By Order of the Board

R.E. Butlin

R.E. BUTLIN, FCIS
Company Secretary

4th September, 1996.

SOMERS (U.K.) 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 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.

SOMERS (U.K.) LIMITED
AUDITORS' REPORT TO THE MEMBERS OF
SOMERS (U.K.) LIMITED

We have audited the financial statements on pages 5 to 8.

Respective Responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 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 the 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 30th June, 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

September 4th, 1996
London

SOMERS (U.K.) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Turnover	1(b)	3,000	7,899
Administrative Expenses		3,078	7,822
Operating (Loss)/Profit		<u>(78)</u>	<u>77</u>
Interest Received		16	25
(Loss)/Profit on Ordinary Activities before Taxation	2	<u>(62)</u>	<u>102</u>
Taxation		-	-
(Loss)/Profit for the Financial Year		<u>(£62)</u>	<u>£102</u>
		=====	=====
Summary of Retained Profits			
At 1st July, 1995		102	-
(Loss)/Profit for the Financial Year		(62)	102
At 30th June, 1996		<u>£40</u>	<u>£102</u>
		=====	=====

There are no recognised gains or losses (1995: no recognised gains or losses) other than the retained loss (1995: profit) for the financial year.

There is no difference between the reported (loss)/profit and the historical cost (loss)/profit for the current and previous year.

The Notes on pages 7 and 8 form part of these Financial Statements.

SOMERS (U.K.) LIMITED
BALANCE SHEET AS AT 30TH JUNE, 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
Current Assets			
Debtors		6	2
Cash at Bank and in Hand		36	102
		<hr/>	<hr/>
		£42	£104
		=====	=====
 Capital and Reserves			
Called Up Share Capital	3	2	2
Profit and Loss Account		40	102
		<hr/>	<hr/>
Equity Shareholder's Funds		£42	£104
		=====	=====

These financial statements were approved by the Board of Directors on 4th September, 1996 and signed on its behalf by

L.I.Gabb



The Notes on pages 7 and 8 form part of these Financial Statements.

SOMERS (U.K.) LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 1996

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.

2. (Loss)/Profit on Ordinary Activities before Taxation

	<u>1996</u>	<u>1995</u>
(Loss)/Profit on Ordinary Activities before Taxation is stated after charging:		
Auditors remuneration - Audit Work	£1,000	£800
Directors' emoluments	-	-
	=====	=====

3. Called Up Share Capital

	<u>1996</u>	<u>1995</u>
Authorised: 1,000 shares of £1 each	£1,000	£1,000
	=====	=====
Allotted, Called Up and Fully Paid: 2 shares of £1 each	£2	£2
	=====	=====

4. Reconciliation of Movements in Shareholders' Funds

	<u>1996</u>	<u>1995</u>
Opening Shareholders' Funds	104	2
(Loss)/Profit for the Financial Year	(62)	102
	-----	-----
Closing Shareholders' Funds	£42	£104
	=====	=====

SOMERS (U.K.) LIMITED

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 1996
Continued

5. 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.

6. 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 2HE.

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.