

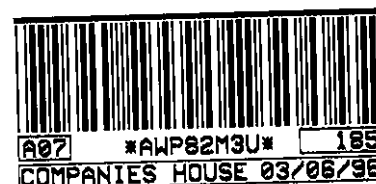
THE EXPORT CREDIT CLEARING HOUSE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

1 Canada Square
London E14 5DX

Company Number 1748485



THE EXPORT CREDIT CLEARING HOUSE LIMITED

Year ended 31 December 1995

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THE EXPORT CREDIT CLEARING HOUSE LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

L D C Brunner
J C W Friend

SECRETARY

D Ross

AUDITORS

Coopers & Lybrand
1 Embankment Place
London WC2N 6NN

REGISTERED OFFICE

1 Canada Square
London E14 5DX

THE EXPORT CREDIT CLEARING HOUSE LIMITED

Report of the Directors

The Directors present their report together with the financial statements of the Company for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the Company is to arrange export credit finance.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The level of business and the year end financial position were as expected. The Directors have concluded that no reasonable return can be made without substantial injections of time and funds and accordingly, the business activities of the Company have been wound down. If opportunities do arise they will be considered on a transactional basis.

RESULTS FOR THE YEAR

The results for the year are set out in the Profit and Loss Account on page 6.

The Directors do not recommend the payment of a dividend.

DIRECTORS

The following served as Directors during the year:

J C W Friend

(Chairman)

L D C Brunner

L D C Brunner is also a director of the holding company, Trade Indemnity Group PLC, and his interests in its share capital are shown in that company's financial statements.

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Report of the Directors (Continued)

The interests of J C W Friend in the ordinary 25p shares of Trade Indemnity Group PLC were as follows:

<u>Fully Paid Shares</u>	<u>31 December 1995</u>	<u>31 December 1994</u>
J C W Friend	11,987	11,987

Share Options

<u>Director</u>	<u>Number of Options</u>		<u>Exercise Exercisable</u>		<u>Expiry</u>
	<u>31.12.95</u>	<u>01.01.95</u>	<u>Price</u>	<u>Date</u>	<u>Date</u>
J C W Friend	106,452	106,452	£0.70	1.4.91	31.3.98
	12,321	12,321	£0.56	1.9.99	1.3.00 *

* Options granted under a Save As You Earn Scheme.

No options were exercised and no options lapsed during the year. The mid market price of the shares at 31 December 1995 was 73p and the range during 1995 was 62p to 81p.

Neither of the Directors had any interests in the share capital of the Company.

There were no significant contracts between either of the Directors and the Company subsisting during or at the end of the year.

ANNUAL GENERAL MEETINGS

Pursuant to Sections 366A and 252 of the Companies Act 1985 on 16 August 1990 the Company passed an elective resolution to dispense with the holding of Annual General Meetings and the laying of accounts and reports thereat.

AUDITORS

A resolution to re-appoint Coopers & Lybrand as the Company's auditors will be proposed at the Annual General Meeting.

By Order of the Board


D Ross

Secretary

27 March 1996

THE EXPORT CREDIT CLEARING HOUSE LIMITED

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

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;
- ° 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.

THE EXPORT CREDIT CLEARING HOUSE LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF THE COMPANY

We have audited the financial statements on pages 6 to 9.

Respective responsibilities of directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 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 at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants & Registered Auditors
London

27 March 1996

THE EXPORT CREDIT CLEARING HOUSE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
Administrative expenses		<u>670</u>	<u>(72)</u>
OPERATING PROFIT/(LOSS)	2	670	(72)
Interest received		<u>369</u>	<u>1,456</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,039	1,384
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR AFTER TAXATION		1,039	1,384
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>(463,044)</u>	<u>(464,428)</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u>(462,005)</u>	<u>(464,428)</u>

The Company has no recognised gains and losses other than the profits above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There is no difference between the profit on ordinary activities before tax and retained profit for the year stated above, and their historical cost equivalent.

All activities of the Company are regarded as discontinued.

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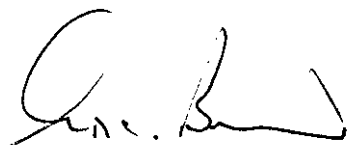
BALANCE SHEET

As at 31 December 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Cash at bank and in hand		-	52,588
		-	52,588
CREDITORS			
Amounts owed to group companies		(437,005)	(489,933)
Other creditors		-	(699)
		(437,005)	(490,632)
NET CURRENT LIABILITIES		<u>(437,005)</u>	<u>(438,044)</u>
CAPITAL AND RESERVES			
Called up share capital	5	25,000	25,000
Profit and loss account		(462,005)	(463,044)
EQUITY SHAREHOLDERS' FUNDS	6	<u>(437,005)</u>	<u>(438,044)</u>

The financial statements on pages 6 to 9 were approved by the Board of Directors on 27 March 1996 and were signed on its behalf by:

Director
L D C Brunner



Director
J C W Friend

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1995

1. PRINCIPAL ACCOUNTING POLICIES

- (a) Basis of preparation - The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.
- (b) Cashflow - The Company is a wholly owned subsidiary of Trade Indemnity Group PLC and the cash flows of the Company are included in the consolidated financial statements of Trade Indemnity Group PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a Cash Flow Statement.

2. OPERATING PROFIT

The operating profit/(loss) is stated after charging:

	<u>1995</u>	<u>1994</u>
	£	£
Auditors' remuneration for non-audit services	-	200
	<u>-</u>	<u>200</u>

The audit fees for 1995 and 1994 have been borne by another group company.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1995 (Continued)

3. EMPLOYEES

The Company did not have any employees during the year (1994: None)

4. DIRECTORS' REMUNERATION

None of the Directors received any remuneration for services to the Company during the year (1994: NIL)

5. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised: 100,000 ordinary shares of 25p each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid; 100,000 ordinary shares of 25p each	<u>25,000</u>	<u>25,000</u>

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the financial year	1,039	1,384
Opening shareholders' funds	<u>(438,044)</u>	<u>(439,428)</u>
Closing shareholders' funds	<u>(437,005)</u>	<u>(438,044)</u>

7. CONTINGENT LIABILITY

Interest for all years amounting to £120,084 payable on the loan and current accounts with Trade Indemnity Group PLC, has been suspended and has not been provided in these financial statements.

Group companies continue to support the Company and provide working capital to meet its external debts as they fall due. They have agreed to subordinate their loan and current accounts with the Company.

9. PARENT COMPANY

The parent company at 31 December 1995 was Trade Indemnity Group PLC which is incorporated in Great Britain and registered in England and Wales, copies of whose financial statements can be obtained from 1 Canada Square, London E14 5DX.