

THE EXPORT CREDIT CLEARING HOUSE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

1 Canada Square
London E14 5DX

Company Number 1748485



THE EXPORT CREDIT CLEARING HOUSE LIMITED

Year ended 31 December 1996

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THE EXPORT CREDIT CLEARING HOUSE LIMITED

DIRECTORS AND OFFICERS

DIRECTOR

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 1996.

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	Resigned 1/7/96

On 16 April 1996, Groupe Euler S.A.'s, formerly Compagnie Financiere SFAC bid for the whole of the issued share capital of the Company's holding company became unconditional.

J C W Friend has no interest in the shares of Groupe Euler S.A.

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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 1996</u>	<u>31 December 1995</u>
J C W Friend	0	11,987

Share Options

<u>Director</u>	<u>Number of Options</u>		<u>Exercise/</u>	<u>Exercisable/</u>	
	<u>31.12.96</u>	<u>01.01.96</u>	<u>Cancellation</u>	<u>Cancellation</u>	
			<u>Price</u>	<u>Date</u>	
J C W Friend	0	106,452	£0.70	16.5.96	* Exercised
	0	12,321	£0.41	10.5.96	* Cancelled

* Options granted under a Save As You Earn Scheme.

Following the successful bid for the whole of the issued capital of the holding company, all options were subject to exercise or cancellation.

The Director had no interest in the share capital of the Company.

There was no significant contracts between the Director 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 3 October 1996 the Company passed an elective resolution to dispense with the holding of Annual General Meetings and the laying accounts and reports thereat.

AUDITORS

Pursuant to section 386 of the Companies Act 1985 on 3 October 1996 the Company passed an elective resolution to dispense with the obligation to appoint its auditors annually.

By Order of the Board


D. Ross

Secretary

28 February 1997

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.

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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 1996 and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants & Registered Auditors

London

28 Feb

1997

THE EXPORT CREDIT CLEARING HOUSE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Administrative expenses		-	670
OPERATING PROFIT/(LOSS)	2	-	670
Interest received		-	369
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	1,039
Tax on profit on ordinary activities		-	-
PROFIT FOR THE YEAR AFTER TAXATION		-	1,039
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>(462,005)</u>	<u>(463,044)</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u><u>(462,005)</u></u>	<u><u>(462,005)</u></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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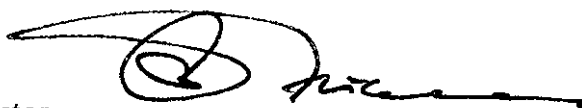
BALANCE SHEET

As at 31 December 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
CURRENT ASSETS			
Cash at bank and in hand		-	-
		-	-
CREDITORS			
Amounts owed to group companies		(437,005)	(437,005)
Other creditors		-	-
		(437,005)	(437,005)
NET CURRENT LIABILITIES		<u>(437,005)</u>	<u>(437,005)</u>
CAPITAL AND RESERVES			
Called up share capital	4	25,000	25,000
Profit and loss account		(462,005)	(462,005)
EQUITY SHAREHOLDERS' FUNDS	5	<u>(437,005)</u>	<u>(437,005)</u>

The financial statements on pages 6 to 9 were approved by the Board of Directors on 28 February 1997 and were signed on its behalf by:

Director
J C W Friend



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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996

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) Cash Flow Statement - The Company is a wholly owned subsidiary of Trade Indemnity Group PLC and the cash flows of the Company are included in the consolidated accounts 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. EMPLOYEES

The Company did not have any employees during the year (1995 None).

3. DIRECTORS' REMUNERATION

None of the Directors received any remuneration for services to the Company during the year (1995: NIL)

4. SHARE CAPITAL	1996	1995
Authorised: 100,000 ordinary shares of 25p each	<u>25,000</u>	<u>25,000</u>
Alotted, called up and fully paid; 100,000 ordinary shares of 25p each	<u>25,000</u>	<u>25,000</u>

5. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the financial year	-	1,039
Opening shareholders' funds	<u>(437,005)</u>	<u>(438,044)</u>
Closing shareholders' funds	<u>(437,005)</u>	<u>(437,005)</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1996 (Continued)

6. CONTINGENT LIABILITY

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.

7. HOLDING COMPANY

The ultimate holding company at 31 December 1996 was Groupe Euler S.A., formerly Compagnie Financiere SFAC S.A. which is incorporated and registered in France, copies of whose consolidated financial statements can be obtained from 1 Rue Euler, Paris, France.

The immediate company at 31 December 1996 was Trade Indemnity Group PLC, which is incorporated in Great Britain and registered in England and Wales, copies of whose consolidated financial statements can be obtained from 1 Canada Square, London E14 5DX.