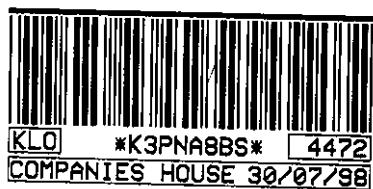


EXCO INTERNATIONAL PLC

FINANCIAL STATEMENTS

for the year ended
31 December 1997



Company Number: 1280142

EXCO INTERNATIONAL PLC

Report of the directors for the year ended 31 December 1997

1 The directors present their report and the audited financial statements for the year ended 31 December 1997.

Principal activity

2 The company continues to act as a holding company in the Exco plc group of companies. The profit and loss account for the year is set out on page 6.

Review of business

3 The directors consider the company's financial position to be satisfactory and expect no change in its current activities in the foreseeable future.

Dividends and transfers to reserves

4 The directors paid a dividend of £923,745 during the year (1996: Nil). No final dividend is recommended (1996: £Nil). The loss for the financial year of £1,000 (1996: £2,000) has been taken to reserves.

Statement of Directors' Responsibilities

5 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.

EXCO INTERNATIONAL PLC

Report of the directors for the year ended 31 December 1997 continued

Directors

6 The directors of the company at 31 December 1997, all of whom have been directors for the whole of the year ended on that date, except where stated, were:-

P J Edge
K M Taylor
M Wolf
W W H Wong (Resigned 30 September 1997)
J P Magee
C J Cooke
K Fujii
Goh Say Jim
G W Lott
E Schiøtz
J M Kinnear
J Kramer
G H Turville-Ince

Directors' interests

7 The directors have no interests in the shares of the company. The interests of Messrs P J Edge, J P Magee, C J Cooke, K M Taylor and M Wolf, in the ordinary shares and share options over ordinary shares of the ultimate parent undertaking, Exco plc ("Exco"), are disclosed in the directors' report of Exco.

EXCO INTERNATIONAL PLC

Report of the directors for the year ended 31 December 1997 continued

Directors' interests (continued)

The interests of the other directors of the company in the ordinary shares of Exco were:

	<u>31 December 1997</u>	<u>1 January 1997</u>
	Ordinary Shares	Ordinary Shares
	-----	-----
E Schiøtz	16,000	16,000
J Kramer	130,346	130,346
J M Kinnear	Nil	Nil
K Fujii	160,000	160,000
Goh Say Jim	50,000	50,000
G W Lott	148,713	148,713
G H Turville-Ince	Nil	Nil

Their interest in the options over ordinary shares of Exco were:

	<u>Number of options</u>			
	<u>During the year</u>			
	<u>At 01.01.97</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 31.12.97</u>
E Schiøtz	16,000	-	-	16,000
J Kramer	50,000	-	-	50,000
J M Kinnear	100,000	-	-	100,000
K Fujii	200,000	-	-	200,000
Goh Say Jim	200,000	-	-	200,000
G W Lott	296,000	-	-	296,000
G H Turville-Ince	Nil	-	-	Nil

On signature of Exco plc's accounts on 27th March 1998 half of the Matching Options held under the Long Term Employee Share Plan lapsed as the performance criteria were not met.

E Schiøtz now holds 8,000 options
J Kramer now holds 25,000 options
J M Kinnear now holds 75,000 options
K Fujii now holds 175,000 options
Goh Say Jim now holds 175,000 options
G W Lott now holds 271,000 options

EXCO INTERNATIONAL PLC

**Report of the directors
for the year ended 31 December 1997 continued**

Changes in fixed assets

8 The movements in fixed assets during the year are set out in note 6 to the financial statements.

Creditor payment policy

9 The company's normal practice is to agree the terms of payment with suppliers at the time of contract and to make payment within the agreed credit terms.

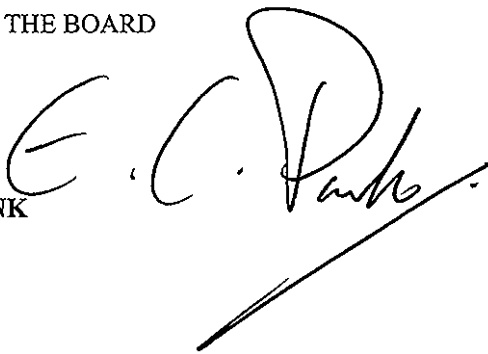
Auditors

10 On 18 October 1991 the company passed an elective resolution dispensing with the obligation to appoint an auditor annually. The auditors, Coopers & Lybrand, therefore continue in office.

BY ORDER OF THE BOARD

EDWARD PANK
Secretary

LONDON

A large, stylized handwritten signature in black ink, appearing to read 'E. C. Pank', is written over the printed name and title of the Secretary.

Report of the auditors to the members of

EXCO INTERNATIONAL PLC

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of directors and auditors

As described on page 1 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 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 1997 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 and Registered Auditors
LONDON

28 July 1998

EXCO INTERNATIONAL PLC**Profit and loss account
for the year ended 31 December 1997**

	Notes	<u>1997</u> £'000	<u>1996</u> £'000
Other operating expenses - continuing operations	2	(2)	(3)
Operating loss - continuing operations		(2)	(3)
Income from fixed asset investments	4	924	-
Profit/(loss) on ordinary activities before taxation		922	(3)
Tax on profit/(loss) on ordinary activities	5	1	1
Profit/(loss) on ordinary activities after taxation		923	(2)
Dividend paid		(924)	-
Retained (loss) for the financial year		(1)	(2)

STATEMENT OF RETAINED PROFITS

Retained profits at 1 January	644	646
Retained (loss) for the financial year	(1)	(2)
Retained profits at 31 December	643	644

The company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the retained loss for the financial year stated above, and their historical cost equivalents.


The notes on pages 8 to 13 form part of these financial statements

Auditors' report - page 5

EXCO INTERNATIONAL PLC**Balance sheet - 31 December 1997**

	Note	<u>1997</u> £'000	<u>1997</u> £'000	<u>1996</u> £'000	<u>1996</u> £'000
FIXED ASSETS					
Investments:					
Interests in group undertakings	6		22,449		22,449
CURRENT ASSETS					
Debtors	7	11,503		11,858	
Cash at bank and in hand		1		1	
		-----		-----	
TOTAL CURRENT ASSETS		11,504		11,859	
CREDITORS					
Amounts falling due within one year	8	(10,792)		(11,146)	
		-----		-----	
NET CURRENT ASSETS			712		713
TOTAL ASSETS LESS CURRENT LIABILITIES			----- 23,161 =====		----- 23,162 =====
CAPITAL AND RESERVES					
Called up share capital	9		816		816
Share premium account			21,702		21,702
Profit and loss account			643		644
			-----		-----
Equity shareholders' funds			23,161		23,162
			=====		=====

The financial statements on pages 6 to 13 were approved by the board of directors on 28.7.98 and were signed on its behalf by:-

)
) K M TAYLOR
)

The notes on pages 8 to 13 form part of these financial statements

Auditors' report - page 5

EXCO INTERNATIONAL PLC

Notes to the financial statements - 31 December 1997

Principal accounting policies

1 The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

b) Investments in group undertakings

Unlisted investments in group undertakings are stated in the balance sheet at cost, less provision for permanent diminution in value.

c) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year.

All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Other operating expenses

2	<u>1997</u>	<u>1996</u>
	£'000	£'000
Auditors' remuneration	1	1
Other expenses	1	2
	-----	-----
	2	3
	=====	=====

The remuneration of the company's auditors for provision of non-audit services to the company was £900 (1996: £1,000).

The company had no employees, other than the directors during the year (1996: Nil).

EXCO INTERNATIONAL PLC

Notes to the financial statements - 31 December 1997 continued

Directors' emoluments

3 The directors received no remuneration for their services to the company in the year (1996: Nil).

Income from fixed asset investments

4 This comprises dividends receivable from subsidiary undertakings £923,745 (1996: £Nil).

Tax on profit on ordinary activities

5	<u>1997</u>	<u>1996</u>
	£'000	£'000
UK Corporation tax credit at 31.5% (1996:33%)	1	1
	-----	-----
	1	1
	=====	=====

Interests in group undertakings

6	<u>1997</u>	<u>1996</u>
	£'000	£'000
Cost:		
At 1 January	22,628	15,613
Additions	-	14,030
Disposals	-	(7,015)
	-----	-----
At 31 December	22,628	22,628
	-----	-----
Amounts written off:		
At 1 January and 31 December	(179)	(179)
	-----	-----
Net book value	22,449	22,449
	=====	=====

Details of principal subsidiary and associated undertakings are given in Note 10 of these financial statements.

EXCO INTERNATIONAL PLC**Notes to the financial statements - 31 December 1997 continued****Debtors**

7

	<u>1997</u> £'000	<u>1996</u> £'000
Amounts falling due within one year:		
Amounts due from group companies:		
Parent company and fellow subsidiary undertakings	11,502	11,857
UK Corporation Tax – group relief receivable	1	1
	<u>11,503</u>	<u>11,858</u>

Creditors: amounts falling due within one year

8

	<u>1997</u> £'000	<u>1996</u> £'000
Amounts due to ultimate parent company	10,788	11,144
Other creditors	4	2
	<u>10,792</u>	<u>11,146</u>

Called up share capital

9

	<u>1997</u> £	<u>1996</u> £
Authorised 1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 815,578 ordinary shares of £1 each	<u>815,575</u>	<u>815,575</u>

EXCO INTERNATIONAL PLC

Notes to the financial statements - 31 December 1997 continued

Subsidiary and associated undertakings

10 The principal subsidiary and associated undertakings of the company are as follows:-

<u>Subsidiary Undertakings:</u>	<u>Nature of Business</u>	<u>Country of Incorporation</u>	<u>Issued Ordinary Share Capital</u>
Exco Overseas Limited	Holding company	England & Wales	£35,474
Astley & Pearce Limited	Holding company	England & Wales	£300,000

Owned through Astley & Pearce Limited:-

Exco Channel Islands Limited	Moneybroking	Guernsey	£7
Exco Finance Limited	Treasury	England & Wales	£2
Astley & Pearce (Japan) Limited	Dormant	England & Wales	£100,000

Owned through Exco Overseas Limited:-

Exco Scandinavia A/S	Moneybroking	Denmark	DKR2,700,000
Exco CMS (Switzerland) Limited	Moneybroking	Switzerland	SFr300,000
Exco Moneybroking Hong Kong Limited	Moneybroking	Hong Kong	HK\$5,000,000
Astley & Pearce (International) B.V.	Holding company	Netherlands	Dfln500,020
Exco AP Singapore Pte Limited	Moneybroking	Singapore	S\$1,000,000
Exco Overseas (Australia) Pty Limited	Holding company	Australia	Aus\$12
Astley & Pearce B.V	Holding company	Netherlands	Dfln834,030
Astley & Pearce Deutschland GmbH	Holding company	Germany	Dmk50,000
Astley & Pearce Investments B.V.	Holding company	Netherlands	Dfln40,000
Astley & Pearce (Netherlands) B.V.	Holding company	Netherlands	Dfln2,750,000
Astley & Pearce Curacao N.V.	Holding company	Dutch Antilles	Dfln 55,515
Exco Shorcan Limited (99.35%)	Fixed Income	Canada	Can\$ 67,263
Exco Shorcan/London Limited (99.35%)	Fixed Income	England & Wales	£350,000

EXCO INTERNATIONAL PLC

Notes to the financial statements - 31 December 1997 continued

The company owns 100% of the issued ordinary share capital of the above subsidiaries, either directly or through its subsidiaries, unless otherwise stated.

Associated undertakings and partnerships:-

<u>Subsidiary Undertakings:</u>	<u>Nature of Business</u>	<u>Country of Incorporation</u>	<u>Issued Ordinary Share Capital</u>
PT AP Nusantara Indonesia (25%)	Moneybroking	Indonesia	Rp 2,100,000,000
Nittan Exco Limited (33%)	Moneybroking	Japan	Y300,000,000
KAF Astley & Pearce Sdn Bhd (40%)	Moneybroking	Malaysia	Rgt200,000
S-One Exco (30%)	Moneybroking	Thailand	Baht 30,000,000

Group financial statements have not been prepared as the company is a wholly owned subsidiary of Exco plc which is incorporated in Great Britain and registered in England and Wales. In the opinion of the directors, the investments in subsidiary and associated undertakings are worth not less than the amounts at which they are included in the balance sheet.

All the above companies operated principally in their country of incorporation.

EXCO INTERNATIONAL PLC

Notes to the financial statements - 31 December 1997 continued

11 Reconciliation of Movements in Shareholders' funds

	<u>1997</u> £'000	<u>1996</u> £'000
Profits/(losses) for the financial year	923	(2)
Dividends	(924)	-
Share issue	-	84
Share Premium	-	6,931
	-----	-----
	(1)	7,013
Opening shareholders' funds	23,162	16,149
	-----	-----
Closing shareholders' funds	<u>23,161</u>	<u>23,162</u>

12 Cashflow statement

A cashflow statement has not been prepared as Exco International plc is a wholly owned subsidiary of Exco plc. A consolidated cashflow statement which includes the cashflows of the company is prepared by Exco plc. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 (revised) from the requirement to publish a cashflow statement.

13 Ultimate parent undertaking

The directors regard Exco plc, a company registered in England and Wales, as the ultimate parent company. Copies of the parent's consolidated financial statements may be obtained from the Company Secretary, 119 Cannon Street, London EC4N 5AX.

14 Related Party Transactions

In accordance with FRS 8, and the definitions contained therein, it is required that disclosure of transactions with parties related to Exco International plc is given. Exco plc is the immediate parent company of Exco International plc, owning 100% of the ordinary share capital. Given that Exco International plc is more than ninety per cent subsidiary, disclosure of transactions which eliminate on consolidation are not disclosed, as permitted by FRS 8, over and above that required by the Companies Act 1985.