

**EXCO BIERBAUM AP LIMITED**

**FINANCIAL STATEMENTS**

for the year ended  
31 December 1997

Company Number: 2332678



# **EXCO BIERBAUM AP LIMITED**

## **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 the managing partner in Intermoney AP & Co. Geld und Eurodepotmakler oHG and Exco Bierbaum AP Ltd & Co.

### **Review of business**

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

### **Dividends and transfers to reserves**

4 The directors did not pay a dividend during the year (1996: Nil). No final dividend is recommended (1996: Nil). The loss for the financial year of Dfln 9,766,625 (1996: Dfln 108,946) has been added to the company's accumulated losses.

### **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.

### **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:-

L. Fricot  
P.G.J. Houben (resigned 1 February 1997)  
E. Schiotz  
S. Visser  
M. Wolf  
P. Deege (appointed 1 February 1997)

## EXCO BIERBAUM AP LIMITED

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

#### Directors' interests

7 The directors have no interests in the shares of the company.

The interests of Mr E Schiotz in the ordinary shares of Intercapital plc (formerly Exco plc) were:-

	<u>1 January 1997</u>	<u>31 December 1997</u>
	Ordinary Shares	Ordinary Shares
E Schiotz	16,000	16,000

The interests of Mr E Schiotz in the options over the ordinary shares of Intercapital plc were:-

	<u>1 January 1997</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1997</u>
E Schiotz	16,000	-	-	16,000

The interests of Mr M Wolf in the ordinary shares and share options of Intercapital plc are disclosed in the report and accounts of Exco plc (now called Intercapital plc). The other directors of the company have no interests in the ordinary shares or share options of Intercapital plc.

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

The following changes to directors' interests have occurred since publication of the Exco plc (now called Intercapital plc) accounts.

M Wolf purchased 1,000,000 shares on 8 October 1998. M Wolf now holds 1,490,225 shares.

#### Post balance sheet events

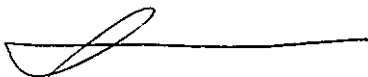
8 The share capital of the company was increased by 39,999 ordinary shares of 1 Dfln each on 17 August 1998. On 28 August 1998, 39,999 ordinary shares of 1 Dfln each were allotted to Exco plc (now called Intercapital plc).

#### Auditors

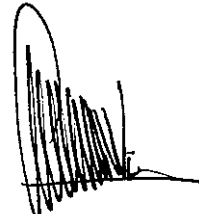
9 On 18 October 1991 the company passed an elective resolution dispensing with the obligation to appoint an auditor annually. The auditors, Coopers & Lybrand, therefore continue in office.

BY ORDER OF THE BOARD

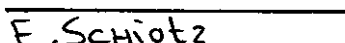
DIRECTOR/SECRETARY

  
L. Fricot

  
P. Deege

  
S.A.L. Visser

  
M. Wolf

  
E. Schiotz

**Report of the auditors to the members of**

**EXCO BIERBAUM AP LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared in Dutch Florins.

**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.

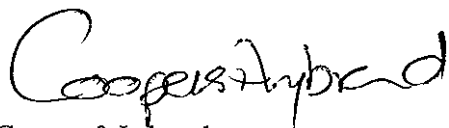
**Basis of opinion**

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
LONDON

20 October 1998

**EXCO BIERBAUM AP LIMITED****Profit and loss account  
for the year ended 31 December 1997**

	Notes	<u>1997</u> <u>Dfln</u>	<u>1996</u> <u>Dfln</u>
Net operating expenses - continuing operations	2	(66,625)	(107,993)
Operating loss - continuing operations		(66,625)	(107,993)
Amounts written off investments in subsidiaries		(9,700,000)	-
Loss on ordinary activities before taxation		(9,766,625)	(107,993)
Tax on loss on ordinary activities	4	-	(953)
Retained loss for the year		<u>(9,766,625)</u>	<u>(108,946)</u>

**STATEMENT OF ACCUMULATED LOSSES**

Accumulated losses at 1 January	(30,435,530)	(30,326,584)
Retained loss for the year	(9,766,625)	(108,946)
Accumulated losses at 31 December	<u>(40,202,155)</u>	<u>(30,435,530)</u>

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

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

The notes on pages 6 to 10 form part of these financial statements

Auditors' report - page 3

# EXCO BIERBAUM AP LIMITED

## Balance sheet - 31 December 1997

		<u>1997</u> Dfln	<u>1997</u> Dfln	<u>1996</u> Dfln	<u>1996</u> Dfln
<b>FIXED ASSETS</b>	<b>Notes</b>				
Investments:					
Shares in subsidiary undertakings	5		5,069,218		14,769,218
<b>CURRENT ASSETS</b>					
Debtors	6	60,408		66,035	
Cash at bank and in hand		30,027		9,092	
		<u>90,435</u>		<u>75,127</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	(295,269)		(213,336)	
<b>NET CURRENT LIABILITIES</b>			(204,834)		(138,209)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,864,384		14,631,009
<b>CREDITORS: amounts falling due after more than one year</b>	8		(617,870)		(617,870)
			<u>4,246,514</u>		<u>14,013,139</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		2,524		2,524
Share premium account			44,446,145		44,446,145
Profit and loss account			(40,202,155)		(30,435,530)
Equity shareholders' funds			<u>4,246,514</u>		<u>14,013,139</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 29 October 1998 and were signed on its behalf by:-

)  
)  
)

The notes on pages 6 to 10 form part of these financial statements

Auditors' report - page 3

L. Fricot

P. Deege

S.A.L. Visser

M. Wolf

E. Schlotz

## EXCO BIERBAUM AP LIMITED

### Notes to the financial statements - 31 December 1997

#### 1 Principal accounting policies

The financial statements are prepared in Dutch Florins, as the company is resident for tax purposes in the Netherlands.

##### 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 Dutch Florins at the rates of exchange ruling at the end of the accounting period. The exchange rate at 31 December 1997 between Dutch Florins and Sterling was Dfln 3.34 = £1. Share capital is translated at the exchange rate ruling at the date of transfer of residence and is maintained at that rate. All gains or losses are taken directly to the profit and loss account in the year in which they arise.

#### Net operating expenses

2	<u>1997</u> Dfln	<u>1996</u> Dfln
Exchange (losses)/gains	(324)	13,090
Operating lease rentals - rent	(28,125)	(44,800)
Auditor's remuneration - Audit	(8,927)	(6,650)
- Other	(14,490)	(25,907)
Other	(14,759)	(43,726)
	<u>(66,625)</u>	<u>(107,993)</u>

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

#### Directors' emoluments

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

**EXCO BIERBAUM AP LIMITED****Notes to the financial statements - 31 December 1997 continued****Tax on loss on ordinary activities**

4

	<u>1997</u> Dfln	<u>1996</u> Dfln
UK corporation tax charge - prior year	-	953
Dutch corporation tax charge - current year	-	-
	-----	-----
	-	953
	=====	=====

**Fixed Asset Investments**

5

	<u>1997</u> Dfln	<u>1996</u> Dfln
Shares in subsidiary undertakings		
Cost:		
At 1 January	47,815,235	47,815,235
	-----	-----
At 31 December	47,815,235	47,815,235
	-----	-----
Provisions:		
At 1 January	(33,046,017)	(33,046,017)
Increase in provision during the year	(9,700,000)	-
	-----	-----
At 31 December	(42,746,017)	(33,046,017)
	-----	-----
Net book value		
At 1 January	14,769,218	14,769,218
	-----	-----
At 31 December	5,069,218	14,769,218
	=====	=====

Details of principal subsidiary undertakings are given in Note 11 of the financial statements.

**Debtors**

6

	<u>1997</u> Dfln	<u>1996</u> Dfln
Amounts due from subsidiary undertakings	60,408	53,535
Prepayments and accrued income	-	12,500
	-----	-----
	60,408	66,035
	=====	=====



**EXCO BIERBAUM AP LIMITED****Notes to the financial statements - 31 December 1997 continued****Creditors: amounts falling due within one year**

<u>7</u>	<u>1997</u> <u>Dfln</u>	<u>1996</u> <u>Dfln</u>
Amounts due to parent and fellow subsidiary undertakings	167,160	96,069
Amounts due to subsidiary undertakings	104,505	103,840
Other creditors	23,604	13,427
	<u>295,269</u>	<u>213,336</u>

**Creditors: amounts falling due after more than one year**

<u>8</u>	<u>1997</u> <u>Dfln</u>	<u>1996</u> <u>Dfln</u>
Provisions	<u>617,870</u>	<u>617,870</u>

Provisions were set up in prior years to reflect liabilities that arose on closure of operations in Germany.

**Called up share capital**

<u>9</u>	<u>1997</u> <u>Dfln</u>	<u>1996</u> <u>Dfln</u>
Authorised:		
1,001 ordinary shares of £1 each (Rate 2.52)	2,523	2,523
1 ordinary share of 1 Dutch Florin	1	1
	<u>2,524</u>	<u>2,524</u>
Allotted, called up and fully paid		
1,001 ordinary shares of £1 each	2,523	2,523
1 ordinary share of 1 Dutch Florin	1	1
	<u>2,524</u>	<u>2,524</u>

**Financial commitments**

10  
At 31 December 1997 the company had an annual commitment in respect of the operating lease for the office as follows:-

	<u>1997</u> <u>Dfln</u>	<u>1996</u> <u>Dfln</u>
In respect of lease expiring:- in less than one year	<u>30,000</u>	<u>25,000</u>

## **EXCO BIERBAUM AP LIMITED**

### **Notes to the financial statements - 31 December 1997 continued**

#### **Subsidiary undertakings**

11

The principal subsidiary undertakings at 31 December 1997 were as follows:-

<b><u>Subsidiary Undertakings:</u></b>	<b><u>Nature of Business</u></b>	<b><u>Country of Incorporation</u></b>	<b><u>Issued Ordinary Share Capital</u></b>
Exco Bierbaum GmbH & Co oHG (99.9%)	Moneybroking	Germany	Dmk 2,850,000
Exco Bierbaum Money Markets GmbH (99.9%)	Moneybroking	Germany	Dmk 1,500,000
Exco Bierbaum Securities GmbH (99.9%)	Fixed Income Securities Broking	Germany	Dmk 500,000

At 31 December the company owned the percentage stated above, of the issued ordinary share capital of the above companies, either directly or through its subsidiaries.

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 the subsidiary undertaking are worth at least the amounts at which they are included in the balance sheet.

#### **Reconciliation of Movements in Shareholders' funds**

12

	<b><u>1997 Dfln</u></b>	<b><u>1996 Dfln</u></b>
Retained loss for the year	(9,766,625)	(108,946)
Opening shareholders' funds	14,013,139	14,122,085
Closing shareholders' funds	<u>4,246,514</u>	<u>14,013,139</u>

#### **Cashflow statement**

13

A cashflow statement has not been prepared as Exco Bierbaum AP Limited was a wholly owned subsidiary of Exco plc at 31 December 1997. A consolidated cashflow statement which included the cashflows of the company was 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.

## **EXCO BIERBAUM AP LIMITED**

### **Notes to the financial statements - 31 December 1997 continued**

#### **Ultimate parent undertaking**

14

Until 26 October 1998 the directors regarded Exco plc as the ultimate parent company. Copies of Exco plc's consolidated financial statements for the year ended 31 December 1997 may be obtained from the Company Secretary, 119 Cannon Street, London EC4N 5AT. On 26 October 1998 the ultimate parent company became Intercapital Group Limited.

#### **Related party transactions**

15

In accordance with FRS 8, and the definitions contained therein, it is required that disclosure of parties related to Exco Bierbaum AP Limited is given. At 31 December 1997 Exco plc was the immediate parent company of Exco Bierbaum AP Limited, owning 100% of the ordinary share capital. Given that Exco Bierbaum AP Limited is more than a 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.

Auditors' report - page 3