Registered No 966604

TULLETT PREBON (EUROPE) LIMITED

Report and Financial Statements
31 December 2009

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2009

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £48,014,000 (2008 £45,279,000) and will be transferred to reserves

The directors paid interim dividends for 2009 of £42,000,000, £25,000,000 of which was paid on 27 March 2009 and £17,000,000 on 27 August 2009 (2008 £21,000,000) The directors recommend a final dividend for 2009 of £21,000,000 The final dividend, if approved, will be paid on 12 March 2010

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Tullett Prebon plc and operates as part of the Group's European inter-dealer broker ("IDB") business It is authorised and regulated by the Financial Services Authority

During the year the Group undertook a review of its legal entity group structure, the purpose of which was to maximise capital efficiency in the regulated entities and reduce administration overheads

On 21 November 2008 the Group acquired the entire share capital of the Aspen Oil Group Limited, an oil brokerage group of companies On 31 January 2009 the business operations of Aspen Oil (Broking) Limited were transferred into the Company at book value

In addition, on 31 October 2009 the business operations of Tullett Prebon (Oil) Limited were also transferred into the Company at book value

On 1 February 2010 the business operations of Tullett Prebon (Equities) Limited were transferred into the Company

The Company's principal activity during the year continued to be that of an inter-dealer broker in wholesale money, foreign exchange, off balance sheet financial instruments and energy markets, providing services to banks, other financial institutions, local authorities and corporate clients The Company operates a hybrid business model with liquidity pools being managed by voice brokers supported by proprietary screens which display historical data, analytics and real time prices

The Company continues to hire new brokers to enhance its capabilities in certain product areas and to seek out new areas to develop its product offering in the wholesale financial markets

As shown in the Company's profit and loss account on page 6, the Company's revenue has increased by 3 4% over the prior year to £297,194,000, with underlying revenue growth in existing operations of 1 4% The business has delivered strong growth in revenue in Fixed Income and Energy, benefiting from buoyant markets and the investments made in those areas over the last two years Revenues in Treasury Products and Interest Rate Derivatives have been affected by lower activity in emerging market products The Company's operating profit for the year ended 31 December 2009 was £69,624,000, a £5,105,000 increase over 2008 This equates to an operating margin of 23 4% for the business compared with the 22 5% achieved in 2008

The balance sheet on page 8 of the financial statements shows that the Company's net assets have increased to £87,888,000 (2008 £81,448,000) as a result of increased retained earnings Whilst cash balances have decreased marginally compared to 2008, this includes the interim dividends paid of £42,000,000 Net current assets have increased to £81,414,000 (2008 £79,453,000) and are sufficient to meet all existing liabilities that fall due

On 1 March 2009, the Company established a Tokyo Branch No revenues were earned during 2009

The Company's Paris and Luxembourg branches continued in operation throughout 2009

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS (continued)

The Tullett Prebon plc Group manages its European IDB broking operations on a regional basis For this reason, the Company's directors believe that further key performance indicators at company level are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the European IDB broking region, which includes the Company, is discussed in the Group's annual report which does not form part of this Report The Pillar Three disclosure for the Company is contained within the disclosures provided in the group financial statements of Tullett Prebon plc

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day to day operations can broadly be categorised as credit, market, operational, liquidity and reputational risk

Credit risk is the risk of financial loss to the Company in the event of non performance by a client or counterparty with respect to its contractual obligations to the Company As the Company's business is contracted on an agency or intermediary basis, the main credit risk is actually more akin to a market risk, as the exposure in such cases is to movements in securities prices and foreign currency A significant proportion of transactions brokered by the Company is on a 'name give-up' basis, where the Company acts as agent in arranging the trade Whilst the Company does not suffer any exposure in relation to the underlying instrument brokered (given that the Company is not a principal to the trade), it is exposed to the risk that the client fails to pay the brokerage it is charged

Market risk is the vulnerability of the Company to movements in the value of financial instruments Market risk can arise in those instances where one or both counterparties in a matched principal transaction fail to fulfil their obligations (i e an initially unsettled transaction) or through trade mismatches or other errors The risk in these situations is restricted to short-term price movements in the underlying securities held or to be delivered by the Company and movements in foreign exchange rates

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms Cash and equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns Funding requirements and cash and equivalent exposures are monitored by the Group Risk and Treasury Committee

Reputational risk is the risk that the Company's ability to do business might be damaged as a result of its reputation being tarnished

Management in front office and support functions have the day to day responsibility for ensuring that the Company operates in accordance with the Group Risk Assessment Framework which includes policies and procedures for these key risks Further details of the Group Risk Assessment Framework are fully outlined in the Group's Annual Report, which does not form part of this report

ENVIRONMENTAL POLICY

The nature of the Company's activities is such that it has a minimal direct effect on the environment However, management have agreed to adopt Group policies to safeguard the environment to meet statutory requirements or where such policies are commercially sensible

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 12

The Company participates in the Group's policies and practices relating to current and prospective employees These policies and procedures are outlined in the Group's Annual Report which does not form part of this report

DIRECTORS' REPORT

DIRECTORS
The following directors held office during the year

M Binns (appointed 5 October 2009)
M P Bolton (resigned 5 March 2009)
N M Brown
S M Clark
B Dennahy
S C Duckworth
P Dunkley (appointed 11 March 2009)
A C Hadley
G D Harris
S Horkulak (resigned 6 August 2009)
S D Lewis
R Osborne (appointed 5 October 2009)
L J Page
R G Parkes
A A Polydor
N J J Potter
T C Smith
R B Stevens
A J D Wink

DIRECTORS' INDEMNITIES
The Company's ultimate parent, Tullett Prebon plc has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

POLICY OF PAYMENT TO SUPPLIERS
It is the Group's policy that all transactions are settled in accordance with relevant terms and conditions of business agreed with the supplier, provided all such terms and conditions have been complied with

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 16 March 2005 dispensing with the requirement to appoint auditors annually This election was in force immediately before 1 October 2007 Therefore, Deloitte LLP are deemed to continue as auditors

This report was approved by the Board of Directors and signed on its behalf by

N. Cl

N L Challen
Company Secretary
Date 8 March 2010

Registered office
Tower 42
Level 37
25 Old Broad Street
London
EC2N 1HQ

Registered No
966604

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TULLETT PREBON (EUROPE) LIMITED

We have audited the financial statements of Tullett Prebon (Europe) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Manbhinder Rana (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
Date 8 March 2010

TULLETT PREBON (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
TURNOVER			
Existing operations	2	291,168	287,300
Acquisitions	2	6,026	-
Continuing operations	2	297,194	287,300
Staff costs	4	(176,370)	(164,793)
Other administration expenses		(51,373)	(55,244)
Exceptional items	3	-	(3,307)
Total administration expenses		(227,743)	(223,344)
Other operating income	6	173	563
OPERATING PROFIT			
Existing operations	3	67,530	64,519
Acquisitions	3	2,094	-
Continuing operations	3	69,624	64,519
PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES		69,624	64,519
Interest receivable and similar income	7	659	2,155
Interest payable and similar charges	8	(229)	(387)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		70,054	66,287
Tax charge on profit on ordinary activities	9	(22,040)	(21,008)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	48,014	45,279

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2009

	2009	*2008*
	£000	*£000*
Profit for the financial year	48,014	45,279
Foreign exchange translation differences on foreign currency net investment in branches	426	(2,003)
Total recognised gains for the year	48,440	43,276

BALANCE SHEET
as at 31 December 2009

	Notes	2009 £000	2008 £000
FIXED ASSETS			
Intangible assets	10	2,297	1,164
Tangible assets	11	3,451	3,575
Investments	12	952	922
		6,700	5,661
CURRENT ASSETS			
Debtors due within one year	13	51,264	43,184
Cash at bank and in hand		45,354	46,756
		96,618	89,940
CREDITORS: amounts falling due within one year	15	(15,204)	(10,487)
NET CURRENT ASSETS		81,414	79,453
TOTAL ASSETS LESS CURRENT LIABILITIES		88,114	85,114
CREDITORS: amounts falling due after one year	16	(226)	(3,666)
NET ASSETS		87,888	81,448
CAPITAL AND RESERVES			
Called-up share capital	17	23,000	23,000
Share premium account	18	2,051	2,051
Profit and loss account	18	62,837	56,397
SHAREHOLDERS' FUNDS	18	87,888	81,448

The financial statements of Tullett Prebon (Europe) Limited (registered number 966604) were approved by the Board of Directors and authorised for issue on 8 March 2010

Signed on its behalf by

A J D Wink
Director

1. ACCOUNTING POLICIES

Accounting convention
The financial statements are prepared under the historical cost convention, and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Going Concern
After consideration of the Company's business review and the risks and uncertainties as set out on page 1 and 2 of the directors' report, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, the going concern basis continues to be used in preparing these financial statements

Goodwill
Goodwill arising on the acquisition of subsidiary undertaking and businesses representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years Provision is made for any impairment

Intangible fixed assets
The cost of intangible fixed assets is their purchase cost, together with any incidental costs at acquisition Intangible fixed assets are stated at cost less accumulated amortisation The cost is written off in equal annual instalments based on the estimated useful lives, which are

Computer Software	3 to 5 years

Tangible fixed assets
The cost of fixed assets is their purchase cost, together with any incidental costs at acquisition Fixed assets are stated at cost less accumulated depreciation and provision for any impairment The cost is written off in equal annual instalments based on the estimated useful lives, which are

Motor vehicles	3 to 5 years
Plant and machinery, fixtures and fittings	3 to 5 years
Land and buildings	over the period of the lease

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease

Fixed asset investments
Fixed asset investments including subsidiaries and associates are shown at cost less provision for impairment

Cash flow statement
The Company is exempt from reporting a cashflow statement in accordance with FRS 1 Cash Flows Statement (Revised 1996), as the Company is a wholly owned subsidiary of Tullett Prebon plc, which is registered in England and Wales and which prepares group financial statements which are publicly available

Turnover
Turnover comprises

Name give up brokerage, where counterparties to a transaction settle directly with each other Invoices are raised monthly for the provision of the service of matching buyers and sellers of financial instruments Turnover is stated net of VAT, rebates and discounts and is recognised in full on trade date

1. **ACCOUNTING POLICIES (continued)**

Matched Principal brokerage, turnover being the net of the buy and sell proceeds from counterparties who have simultaneously committed to buy and sell the financial instrument Turnover is recognised on trade date

Trade date accounting
Security transactions and related income are recorded on a trade date basis

Employee contract signing incentives
Contract signing incentives are amortised over the lesser of the contract or recoverable period Such assets are subject to annual review

Foreign currencies
Transactions in foreign currencies are converted at exchange rates ruling at the transaction dates

Monetary assets and liabilities, denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at the balance sheet date Exchange gains and losses are taken to the profit and loss account

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date Exchange differences arising are classified as equity

Leasing and hire purchase commitments
Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease

Taxation
Current taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered Deferred tax assets and liabilities are not discounted

Related party transactions
The Company has taken advantage of reporting exemptions in accordance with FRS 8 Related Party Transactions, since it is a wholly owned subsidiary of a group where the voting rights are controlled within the group and the groups parent financial statements are publicly available

1. ACCOUNTING POLICIES (continued)

Segmental reporting
The Company has taken advantage of reporting exemptions in accordance with SSAP 25 Segmental Reporting, since it is a subsidiary of a group which provides segmental information in compliance with this accounting standard

Share-based payments
FRS 20 Share-based Payment has been applied to all grants of equity instruments after 7 November 2002 that had not vested as of 1 January 2008 in accordance with the provisions of that standard

The Group issues equity-settled share-based payments to certain employees Equity-settled share-based payments are measured at fair value at the date of grant The fair value determined at the grant date of the equity-settled share-based payments are expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest

The fair value of share options issued is determined using a Black-Scholes valuation model The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations

2. TURNOVER

Turnover is analysed by geographic area as follows

	2009	*2008*
	£000	*£000*
Europe	297,194	287,300

3. OPERATING PROFIT

This is stated after charging

	2009	*2008*
	£000	*£000*
Exceptional items	-	3,307
Depreciation of property, plant and equipment (Note 11)		
-owned	200	125
-held under finance leases and hire purchase contracts	47	619
Operating lease rentals		
- land and buildings	242	182
- plant and machinery	23	-
Amortisation of intangible assets (Note 10)	341	309
Auditors' remuneration for the audit of the Company's statutory accounts	90	83

3. OPERATING PROFIT (continued)

Exceptional items in prior year reflect the cost of actions taken to reduce operating costs, including the costs of desk closures, redundancies and the write down of related balance sheet items

A material proportion of the Company's expenditure, including auditors' remuneration in respect of audit work, is incurred by Tullett Prebon Administration Limited This is recovered by Tullett Prebon Administration Limited by way of a management charge

4. STAFF COSTS

	2009	*2008*
	£000	*£000*
Wages and salaries	151,816	142,644
Social security costs	22,290	20,350
Other pensions costs	2,264	1,799
	176,370	164,793

The Company's operations are carried out by employees of Tullett Prebon Group Limited Staff costs represent amounts charged to the Company as a direct allocation of expenses by Tullett Prebon Group Limited During the year, the average monthly number of employees identified as being directly involved in the operation of the Company was 589 (2008 520)

A Group pension scheme is operated for the employees of Tullett Prebon Group Limited The scheme previously provided benefits based on final pensionable pay, but effective 1 November 1991 the scheme was converted to a defined contribution scheme Employees in service at the date of the change receive benefits on the better of the two bases

Full details of the defined benefit scheme including the main financial assumptions, are disclosed in accordance with FRS 17 Retirement Benefits, in the financial statements of Tullett Prebon Group Limited

The pension charge for the year was £2,264,000 (2008 £1,799,000) which represents a direct allocation of expenses by Tullett Prebon Group Limited

5. DIRECTORS' EMOLUMENTS

	2009	*2008*
	£000	*£000*
Emoluments (including pension contributions)	9,460	10,785
Company contributions paid to pension schemes	69	87

5. DIRECTORS' EMOLUMENTS (continued)

At 31 December 2009 retirement benefits were accruing to 17 directors (2008 16) under a defined contribution scheme

The number of directors who exercised options in Tullett Prebon plc were nil (2008 12)

The amount in respect of the highest paid director is as follows

	2009	*2008*
	£000	*£000*
Emoluments (excluding pension contributions)	1,783	1,571
Company contributions paid to pension schemes	1	7

6. OTHER OPERATING INCOME

Other operating income represents receipts other than those earned through broking activities Costs associated with such items are included in other administrative expenses

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009	*2008*
	£000	*£000*
Group interest receivable	385	640
Other interest receivable	274	1,515
	659	2,155

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	*2008*
	£000	*£000*
Interest payable under finance leases	116	236
Group interest payable	113	151
	229	387

9. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2009 *£000*	*2008* *£000*
Current tax		
UK corporation tax charge on profit for the year	21,585	20,617
Adjustment to tax in respect of prior years	418	16
Foreign tax paid	57	-
Total current tax	22,060	20,633
Deferred tax		
Current year deferred tax	(20)	375
Tax charge on profit on ordinary activities	22,040	21,008

Factors affecting the current tax charge
The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are reconciled below

	2009 *£000*	*2008* *£000*
Profit on ordinary activities before tax	70,054	66,287
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	19,615	18,892
Expenses not deductable for tax purposes	1,958	2,280
Tax effect of stock options	-	(555)
Other timing differences	12	-
Foreign tax paid	57	-
Adjustment to tax in respect of previous periods	418	16
Current tax charge for the year	22,060	20,633

10. INTANGIBLE ASSETS

10a. Goodwill

Goodwill (the fair value of assets acquired less the cost of acquisition) relates to acquisition of businesses from Tullett Liberty GmbH and Tullett Prebon (Oil) Limited, both group companies, on 1 November 2002 and 31 October 2009 respectively Goodwill is being amortised over its estimated useful life of 10 years

	Goodwill *£'000*
Cost	
At 1 January 2009	3,025
Recognised on acquisition	1,467
At 31 December 2009	4,492
Amortisation	
At 1 January 2009	(1,865)
Charge for the year	(337)
At 31 December 2009	(2,202)
Net book value	
At 31 December 2009	2,290
At 31 December 2008	1,160

10b. Other Intangible Assets

	Purchased Software *£'000*
Cost	
At 1 January 2009	201
Additions	8
Disposals	(44)
Exchange adjustments	(19)
At 31 December 2009	146
Amortisation	
At 1 January 2009	(197)
Charge for the year	(4)
Disposals	44
Exchange adjustments	18
At 31 December 2009	(139)
Net book value	
At 31 December 2009	7
At 31 December 2008	4

11. TANGIBLE FIXED ASSETS

	Land and Buildings *£'000*	*Plant and Machinery fixtures and fittings* *£'000*	*Motor Vehicles* *£'000*	*Total* *£'000*
Cost				
At 1 January 2009	3,280	579	954	4,813
Additions	204	119	281	604
Disposals	-	-	(192)	(192)
Exchange adjustments	(304)	1	(87)	(390)
At 31 December 2009	3,180	699	956	4,835
Depreciation				
At 1 January 2009	(688)	(201)	(349)	(1,238)
Charge for year	211	(166)	(292)	(247)
Exchange adjustments	66	1	34	101
At 31 December 2009	(411)	(366)	(607)	(1,384)
Net book value				
At 31 December 2009	2,769	333	349	3,451
At 31 December 2008	2,592	378	605	3,575

The net book value of assets under finance leases and hire purchases contracts was £360,500 (2008 £3,197,000)

12. FIXED ASSET INVESTMENTS

	Associate & Other Investments *£'000*
Cost	
At 1 January 2009	922
Additions	30
At 31 December 2009	952
Net book value	
At 31 December 2009	952
At 31 December 2008	922

12. FIXED ASSET INVESTMENTS (continued)

The investment was transferred from Tullett Prebon (Equities) Limited on the 30 November 2009 at book value

At 31 December 2009 the Company held investments in the issued share capital of the following companies

Company	*Business*	*Country of incorporation*	*% held*
Other Investments			
Euroclear plc 1,809 ordinary shares shares of €1 each	Settlement agent	Belgium	<1%
Associate and Joint Ventures			
Tullett Prebon SITICO (China) Limited	Derivatives and money broking	China	33%

The investment in an associate has not been revalued in the financial statements but the directors consider that the market value at 31 December 2009 was not less than the net book value shown in the financial statements

13. DEBTORS

	2009 *£000*	*2008* *£000*
Amounts falling due within one year		
Trade debtors	27,905	30,962
Amounts owed by group undertakings	10,122	1,377
Deferred tax asset (Note 14)	35	15
Prepayments and accrued income	13,013	10,398
Other debtors	189	432
	51,264	43,184

14. DEFERRED TAX ASSET

The deferred tax asset arising from share options is £35,000 (2008 £15,000)

	2009 *£000*	*2008* *£000*
Movements during the year		
At 1 January	15	390
Credited/ (charged) to profit and loss account	20	(375)
At 31 December	35	15

15. CREDITORS: amounts falling due within one year

	2009 £000	2008 £000
Obligations under finance leases and hire purchases (Note 16a)	194	524
Trade creditors	759	1,614
Amounts owed to group undertakings	23	-
Corporation tax	8,749	47
Accruals and deferred income	5,479	8,302
	15,204	10,487

16. CREDITORS: amounts falling due after one year

	2009 £000	2008 £000
Obligations under finance leases and hire purchase	226	3,666

16a. Borrowings are repayable as follows

	2009 £000	2008 £000
Finance Leases		
Between one and two years	126	321
Between two and five years	100	3,240
After five years	-	105
	226	3,666
On demand or within one year	194	524
	420	4,190

17. CALLED–UP SHARE CAPITAL

	2009 £000	2008 £000
Authorised		
23,000,000 ordinary shares of £1 each (2008 23,000,000)	23,000	23,000
Allotted, called-up and fully paid 23,000,000 ordinary shares of £1 each (2008 23,000,000)	23,000	23,000

Although the concept of companies being required to have an authorised share capital was abolished on 1 October 2009 by the Companies Act 2006, the Company's Articles of Association continue to include a restriction on the Company allotting shares in excess of its authorised share capital immediately before 1 October 2009

18. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share capital £000	*Share premium account £000*	*Profit and loss account £000*	*Total equity shareholders' funds £000*
At 1 January 2008	23,000	2,051	34,986	60,037
Profit for the year	-	-	45,279	45,279
Dividend paid in the year	-	-	(21,000)	(21,000)
Exercise of share options at fair value	-	-	(865)	(865)
Foreign exchange translation differences on foreign currency net investment in branches	-	-	(2,003)	(2,003)
At 1 January 2009	23,000	2,051	56,397	81,448
Profit for the year	-	-	48,014	48,014
Dividend paid in the year	-	-	(42,000)	(42,000)
Foreign exchange translation differences on foreign currency net investment in branches	-	-	426	426
At 31 December 2009	23,000	2,051	62,837	87,888

19. SHARE BASED PAYMENTS

As at 31 December 2009 the Group had three equity-based long term incentive plans for the granting of non-transferable options to certain employees and executives Options granted under these plans, once vested, typically become exercisable three years after grant date The exercise of certain options is dependent on option holders meeting performance criteria, all of which are non-market conditions The maximum life of the options is ten years after grant date Options are settled in equity once exercised

The following table summarises the share award schemes that existed at 31 December 2009 and the estimated fair values of options granted

	Notes	*Number*	*Estimated fair value*
Tullett Liberty Equity Incentive Plan	*(1)*	*56,779*	*210 – 249p*

Notes

(1) Grants were on more than one date

There were 56,779 options outstanding and exercisable at the beginning and end of 2009 with a weighted exercise price of nil pence

19. SHARE BASED PAYMENTS (continued)

	2008 Number of options	*2008 Weighted average exercise price (p)*
Outstanding at start of the year	432,942	nil
Exercised during the year	(376,163)	nil
Outstanding at end of year	56,779	nil
Exercisable at end of year	56,779	nil

The estimated fair value of each option granted was calculated by applying a Black-Scholes option pricing model The model inputs were the share price at grant date, exercise price, expected volatility, expected dividends based on historical dividend payment, expected life of the option until exercise and a risk-free interest rate based on government securities with a similar maturity profile

The model inputs for each option scheme are set-out below

	Tullett Liberty Equity Incentive Plan
Share price at date of grant (p)	208-263
Exercise price (p)	nil
Expected volatility	30%
Expected life (years)	3
Risk free rate	4 50%
Expected dividend yield	2%
Proportion meeting performance criteria	100%

The weighted average contractual life for the share options outstanding as at 31 December 2009 is 4 0 years (2008 5 0 years)

There was no expense arising from share option plans in 2009 (2008 nil)

20. FINANCIAL COMMITMENTS

The Company had annual commitments under non-cancellable operating leases as set out below

	2009 Buildings	*2009 Other*	*2008 Buildings*	*2008 Other*
	£'000	*£'000*	*£'000*	*£000*
Annual commitment on leases expiring				
- within one year	107	58	127	25
- in two to five years	353	75	61	141
- after five years	-	-	182	-
31 December	460	133	370	166

21. SUBSEQUENT EVENTS

On 1 February 2010 the business operations of Tullett Prebon (Equities) Limited were transferred into the Company

22. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tullett Liberty (European Holding) limited

The Company's ultimate parent and controlling party is Tullett Prebon plc

The parent undertaking of the smallest group which includes the Company for which group accounts are prepared is Tullett Prebon Group Holdings plc

The parent undertaking of the largest group which includes the Company for which group accounts are prepared is Tullett Prebon plc

Copies of Tullett Prebon Group Holdings plc and Tullett Prebon plc financial statements are available from the registered office Tower 42, Level 37, 25 Old Broad Street, EC2N 1HQ