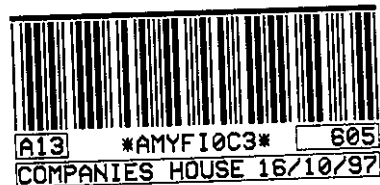


# **Tullett & Tokyo (Futures Holdings) Limited**

Company Registration Number 1837209

Report & Accounts

31st December 1996



# **TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

## **DIRECTORS' REPORT**

The directors submit their report and accounts for the year ended 31st December 1996.

### **Results & Dividends**

The trading profit for the year, after taxation, amounted to £ 3,915 (1995 - loss £ 25,228).  
The directors do not recommend the payment of a dividend.

### **Review Of The Business And Future Developments**

The company provided management services for Tullett & Tokyo (Futures & Traded Options) Limited during the course of the year ended 31st December 1996. The directors do not anticipate any change in the foreseeable future.

### **Directors & Their Interests**

The directors who held office during the year were as follows :

P.P.C. Gregory  
D.J. Tuffley


None of the directors had a beneficial interest in the issued share capital of the company during the year.

The directors are directors of Tullett & Tokyo Forex International Limited, the ultimate parent undertaking, and their interests in the share capital of group companies are disclosed in the financial statements of Tullett & Tokyo Forex International Limited.

### **Auditors**

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re appointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD



P P C Gregory  
Director  
2 May 1997

## **TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company, and of the profit of the company for that period. In preparing those accounts, 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 accounts 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 accounts 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.

# **TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

## **REPORT OF THE AUDITORS TO THE MEMBERS OF TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

We have audited the accounts on pages 4 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

### **Respective Responsibilities Of Directors And Auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material mis-statement, 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written over a horizontal line.

**ERNST & YOUNG**

Chartered Accountants  
Registered Auditor  
London

2 May 1997

# **TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

## **PROFIT & LOSS ACCOUNT**

for the year ended 31st December 1996

	<i>Notes</i>	1996 £	1995 £
Turnover		-	-
Other operating charges		(53,787)	(130,208)
Other operating income		45,738	108,221
Operating loss	2	<u>(8,049)</u>	<u>(21,987)</u>
Loss on ordinary activities before taxation		(8,049)	(21,987)
Tax on loss on ordinary activities	3	<u>11,964</u>	<u>(3,241)</u>
Profit / (Loss) retained for the financial year		<u>3,915</u>	<u>(25,228)</u>

During the year there were no other recognised gains or losses other than the profit for the period.

# TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

## BALANCE SHEET

at 31st December 1996

	Notes	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	4	69,049	94,970
Investments	5	2,844,000	2,844,000
		<hr/> 2,913,049	<hr/> 2,938,970
<b>CURRENT LIABILITIES</b>			
Amounts falling due within one year	6	1,281,006	1,310,842
Net Current Assets		<hr/> (1,281,006)	<hr/> (1,310,842)
		<hr/> 1,632,043	<hr/> 1,628,128
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	1,700,000	1,700,000
Profit and loss account	8	(67,957)	(71,872)
		<hr/> 1,632,043	<hr/> 1,628,128

PPC Gregory

Director

P P C Gregory

2 May 1997

# **TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS**

for the year ended 31st December 1996

### **1 ACCOUNTING POLICIES**

#### **Accounting Convention**

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain assets, and in accordance with applicable accounting standards.

#### **Depreciation**

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Fixtures & fittings and equipment 20 % to 33 1/3 %

#### **Group accounts**

Tullett & Tokyo (Futures Holdings) Limited is exempt from the obligation to prepare and deliver group accounts. It is a wholly owned subsidiary of Tullett & Tokyo Forex International Limited, a company registered in England & Wales.

#### **Cash flow statement**

The directors have taken advantage of the exemption in paragraph 5(a) of FRS 1 (Revised) from producing a cash flow statement.

#### **Related party transactions**

The directors have taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties.

### **2 OPERATING LOSS**

A material proportion of the company's expenditure, including auditors' remuneration, is incurred by Tullett & Tokyo Forex International Limited, the ultimate parent undertaking, and recovered from Tullett & Tokyo (Futures Holdings) Limited by way of a management charge.

Directors' remuneration has not been charged to the profit and loss account as these costs are borne by other group companies.

All directors are employees of the ultimate parent undertaking. Amounts paid to the directors by the ultimate parent undertaking in respect of services as directors of the company or in connection with the management of the company and its subsidiary undertakings totalled £ Nil (1995 - £ Nil) including pension contributions.

# TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1996

Where directors of the company are also directors of the ultimate parent undertaking or subsidiary undertakings, their remuneration is received directly from those companies. The directors do not believe it is practicable to apportion this amount between their services as directors of the company and of the ultimate parent undertaking, subsidiary undertakings and this company.

The emoluments, excluding pension contributions, of the highest paid director were £ Nil (1995 Nil). The directors' emoluments excluding pension contributions, fell within the following range :

		1996	1995
£	Nil - £ 5,000	2	2

### 3 TAX ON LOSS ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:

	1996 £	1995 £
Based on the loss for the year:		
Corporation tax @ 33% (1995 - 33%)	(11,964)	3,241

The effective tax charge is higher than the corporation tax charge due to timing differences between depreciation and capital allowance claim.



# TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1996

### 4 TANGIBLE FIXED ASSETS

	Fixtures, fittings and computer equipment £	Total  £
Cost:		
At 1st January 1996	1,023,157	1,023,157
Additions	27,866	27,866
	<hr/>	<hr/>
At December 31, 1996	1,051,023	1,051,023
	<hr/>	<hr/>
Depreciation		
At 1st January 1996	928,187	928,187
Provided during the year	53,787	53,787
	<hr/>	<hr/>
At December 31, 1996	981,974	981,974
	<hr/>	<hr/>
Net book value:		
At December 31, 1996	69,049	69,049
	<hr/>	<hr/>
Net book value:		
At 1st January 1996	94,970	94,970
	<hr/>	<hr/>

# TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1996

### 5 FIXED ASSET INVESTMENTS

£

At 1st January 1996 and 31st December 1996

2,844,000

The company's interest in subsidiary undertakings comprises :

	Country of Incorporation	Group Interest
Tullett & Tokyo (Futures & Traded Options) Limited	England	
399,600 Ordinary Shares of £1 each		99%
900,000 Preference Shares of £1 each		100%
Tullett & Tokyo (Trading Advisor) Limited	England	
5,999 Ordinary Shares of £1 each		99%
Tullett & Tokyo (The Global Trader) Limited	England	
1 Ordinary Shares of £1 each		100%

The investments have not been revalued in the accounts but the directors consider that their aggregate value as at 31st December 1996 was not less than the net book value shown in the accounts.

### 6. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Amounts owed to ultimate parent undertaking	1,281,006	1,307,602
Corporation tax payable	-	3,241
	<hr/>	<hr/>
	1,281,006	1,310,843
	<hr/>	<hr/>

# TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1996

### 7 SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	1996 Number	1995 Number	1996 £	1995 £
Ordinary shares of £1 each	1,700,000	1,700,000	1,700,000	1,700,000
	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,700,000</u>

### 8 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	Profit & Loss Account £	Total Shareholder Funds £
Balance at 1st January 1995	1,700,000	(46,644)	1,653,356
Loss for the year		(25,228)	(25,228)
Balance at 1st January 1996	<u>1,700,000</u>	<u>(71,872)</u>	<u>1,628,128</u>
Profit for the year		3,915	3,915
Balance at 31st December 1996	<u>1,700,000</u>	<u>(67,957)</u>	<u>1,632,043</u>

### 9 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of Tullett & Tokyo (Futures Holdings) Limited is Tullett & Tokyo Forex International Limited, a company registered in England & Wales. Copies of the group accounts can be obtained from Tullett & Tokyo Forex International Limited, 54-62 New Broad Street, London, EC2M 1JJ.

## **TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED**

### **NOTES TO THE ACCOUNTS (continued)** for the year ended 31st December 1996

#### **10 GUARANTEE NOTE**

The company, along with a number of Tullett & Tokyo subsidiary companies, has guaranteed the obligations of the ultimate parent company in respect of a £22,000,000 (1995 £22,000,000) medium term syndicated loan facility, of which £ Nil (1995 £ Nil) was drawn down at 31 December 1996.