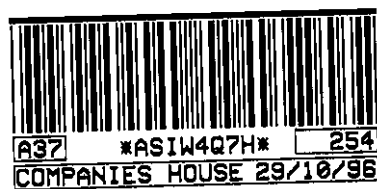


Tullett & Tokyo (Futures Holdings) Limited

Company Registration Number 1837209

Report & Accounts

31st December 1995



DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31st December 1995.

Results & Dividends

The trading loss for the year, after taxation, amounted to £ 25,228 (1994 - £ 16,273).
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 1995. 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 | Appointed 11/4/95 |
| 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



Director

17 JUN 1996

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.

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

We have audited the accounts on pages 4 to 10, 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.

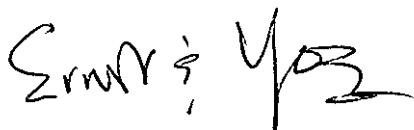
Basis Of Opinion

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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG

Chartered Accountants
Registered Auditor
London

25.6.96

PROFIT & LOSS ACCOUNT
for the year ended 31st December 1995

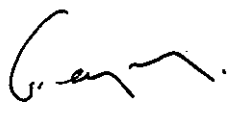
| | <i>Notes</i> | 1995 | 1994 |
|-------------------------------------------------|--------------|------------------------|------------------------|
| | | £ | £ |
| Turnover | | | |
| Continuing operations | | - | - |
| Other operating charges | | (130,208) | (181,198) |
| Other operating income | | <u>108,221</u> | <u>176,521</u> |
| Operating loss : continuing operations | 2 | (21,987) | (4,677) |
| Loss on ordinary activities before taxation | | <u>(21,987)</u> | <u>(4,677)</u> |
| Tax on profit / (loss) on ordinary activities | 3 | (3,241) | (11,596) |
| Profit / (loss) retained for the financial year | | <u><u>(25,228)</u></u> | <u><u>(16,273)</u></u> |

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

BALANCE SHEET

at 31st December 1995

| | Notes | 1995 £ | 1994 £ |
|-------------------------------------|-------|--------------------|--------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 4 | 94,970 | 141,522 |
| Investments | 5 | 2,844,000 | 4,603,995 |
| | | <u>2,938,970</u> | <u>4,745,517</u> |
| CURRENT LIABILITIES | | | |
| Amounts falling due within one year | 6 | 1,310,843 | 3,092,161 |
| | | <u>(1,310,843)</u> | <u>(3,092,161)</u> |
| NET CURRENT ASSETS | | | |
| | | <u>1,628,128</u> | <u>1,653,356</u> |
| NET ASSETS | | | |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 7 | 1,700,000 | 1,700,000 |
| Profit and loss account | 8 | (71,872) | (46,644) |
| | | <u>1,628,128</u> | <u>1,653,356</u> |

PPC G. 

Director

17 JUN 1996

NOTES TO THE ACCOUNTS

for the year ended 31st December 1995

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.

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 (1994 - £351,068) including pension contributions.

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 (1994 - £351,068). Directors' emoluments excluding pension contributions, fell within the following ranges

| | 1995 | 1994 |
|----------------------|------|------|
| £ Nil - £ 5,000 | 2 | 2 |
| £ 350,001 - £355,000 | - | 1 |

NOTES TO THE ACCOUNTS (continued)
for the year ended 31st December 1995

3 TAX ON LOSS ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:

| | 1995 £ | 1994 £ |
|------------------------------------|--------------|---------------|
| Based on the loss for the year: | | |
| Corporation tax @ 33% (1994 - 33%) | <u>3,241</u> | <u>11,596</u> |

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

4 TANGIBLE FIXED ASSETS

| | Fixtures, fittings and computer equipment £ | Total £ |
|--------------------------|------------------------------------------------------|------------------|
| Cost: | | |
| At 1st January 1995 | 939,463 | 939,463 |
| Additions | <u>83,694</u> | <u>83,694</u> |
| At December 31, 1995 | <u>1,023,157</u> | <u>1,023,157</u> |
| Depreciation | | |
| At 1st January 1995 | 797,941 | 797,941 |
| Provided during the year | <u>130,246</u> | <u>130,246</u> |
| At December 31, 1995 | <u>928,187</u> | <u>928,187</u> |
| Net book value: | | |
| At December 31, 1995 | <u>94,970</u> | <u>94,970</u> |
| Net book value: | | |
| At 1st January 1995 | <u>141,522</u> | <u>141,522</u> |

NOTES TO THE ACCOUNTS (continued)
for the year ended 31st December 1995

5 FIXED ASSET INVESTMENTS

| | |
|----------------------------------------|-------------------------|
| | £ |
| At 1st January 1995 | 4,586,785 |
| Amount provided: At 31st December 1995 | <u>(1,742,785)</u> |
| At 31st December 1995 | <u><u>2,844,000</u></u> |

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 (Futures Nominees) Limited | England | |
| 2 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 1995 was not less than the net book value shown in the accounts.

6. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 1995 £ | 1994 £ |
|---------------------------------------------|-------------------------|-------------------------|
| Amounts owed to ultimate parent undertaking | 1,307,602 | 3,081,105 |
| Corporation tax payable | 3,241 | 11,056 |
| | <u><u>1,310,843</u></u> | <u><u>3,092,161</u></u> |

NOTES TO THE ACCOUNTS (continued)
for the year ended 31st December 1995

7 SHARE CAPITAL

| | <u>Authorised</u> | | <u>Allotted, called up and fully paid</u> | |
|----------------------------|-------------------|------------------|-------------------------------------------|------------------|
| | 1995 Number | 1994 Number | 1995 £ | 1994 £ |
| 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 1994 | 1,700,000 | (30,371) | 1,669,629 |
| Profit / (loss) for the year | | (16,273) | (16,273) |
| Balance at 1st January 1995 | <u>1,700,000</u> | <u>(46,644)</u> | <u>1,653,356</u> |
| Profit / (loss) for the year | | (25,228) | (25,228) |
| Balance at 31st December 1995 | <u>1,700,000</u> | <u>(71,872)</u> | <u>1,628,128</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, EC2M 1JJ.

NOTES TO THE ACCOUNTS (continued)
for the year ended 31st December 1995

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 £27,000,000 (1994 £27,000,000) medium term syndicated loan facility, of which £Nil (1994 £2,474,000) was drawn down at 31 December 1995.