

Tullett & Tokyo (Futures Holdings) Limited

Company Registration Number 1837209

Report & Accounts

31st December 1997



TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31st December 1997.

Results & Dividends

The trading profit for the year, after taxation, amounted to £ 2,695 (1996 - profit £3,915).
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 1997. The directors do not anticipate any change in the foreseeable future.

With effect from 1st January 1998, this company will become dormant.

Directors & Their Interests

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

P.P.C. Gregory

A.J. Styant

Retired 30 Jan 98


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

24 APR 1998

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 1997 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' followed by a stylized flourish.

ERNST & YOUNG

Chartered Accountants
Registered Auditor
London

24-4-98

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

PROFIT & LOSS ACCOUNT

for the year ended 31st December 1997

	<i>Notes</i>	1997 £	1996 £
Turnover		-	-
Other operating charges		(75,812)	(53,787)
Other operating income		72,490	45,738
Operating loss	2	<u>(3,322)</u>	<u>(8,049)</u>
Loss on ordinary activities before taxation		(3,322)	(8,049)
Tax on loss on ordinary activities	3	6,017	11,964
Profit retained for the financial year		<u>2,695</u>	<u>3,915</u>

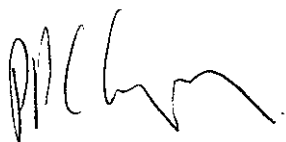
During the year there were no other recognised gains or losses other than the profit for the period.

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

BALANCE SHEET

at 31st December 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible fixed assets	4	-	69,049
Investments	5	2,844,000	2,844,000
		<hr/> 2,844,000	<hr/> 2,913,049
CURRENT LIABILITIES			
Amounts falling due within one year	6	1,209,261	1,281,006
		<hr/> (1,209,261)	<hr/> (1,281,006)
		<hr/> 1,634,739	<hr/> 1,632,043
CAPITAL AND RESERVES			
Called up share capital	7	1,700,000	1,700,000
Profit and loss account	8	(65,261)	(67,957)
		<hr/> 1,634,739	<hr/> 1,632,043
		<hr/> <hr/>	<hr/> <hr/>



P P C Gregory
Director

24 APR 1998

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31st December 1997

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 (1996 - £ 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.

3 TAX ON LOSS ON ORDINARY ACTIVITIES

The taxation credit is made up as follows:

	1997 £	1996 £
Based on the loss for the year:		
Corporation tax @ 31 1/2% (1995 - 33%)	(6,017)	(11,964)

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1997

4 TANGIBLE FIXED ASSETS

	Fixtures, fittings and computer equipment £	Total £
Cost:		
At 1st January 1997	1,051,023	1,051,023
Additions	109,148	109,148
Disposals	-1,160,171	-1,160,171
At December 31, 1997	0	0
Depreciation		
At 1st January 1997	981,974	981,974
Provided during the year	72,490	72,490
Disposals	-1,054,464	-1,054,464
At December 31, 1997	0	0
Net book value:		
At December 31, 1997	0	0
Net book value:		
At 1st January 1997	69,049	69,049

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1997

5 FIXED ASSET INVESTMENTS

	£
At 1st January 1997 and 31st December 1997	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 Share of £1 each		50%

The investments have not been revalued in the accounts but the directors consider that their aggregate value as at 31st December 1997 was not less than the net book value shown in the accounts.

6. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Amounts owed to ultimate parent undertaking	1,209,261	1,281,006
	<u>1,209,261</u>	<u>1,281,006</u>

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1997

7 SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	1997 Number	1996 Number	1997 £	1996 £
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 1996	1,700,000	(71,872)	1,628,128
Profit for the year		3,916	3,916
Balance at 1st January 1997	<u>1,700,000</u>	<u>(67,956)</u>	<u>1,632,044</u>
Profit for the year		2,695	2,695
Balance at 31st December 1997	<u>1,700,000</u>	<u>(65,261)</u>	<u>1,634,739</u>

9 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 £17,600,000 (1996 - £22,000,000) medium term syndicated loan facility, of which £Nil (1996 £Nil) was drawn down at 31 December 1997.

TULLETT & TOKYO (FUTURES HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS (continued) for the year ended 31st December 1997

10 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.