

TULLETT LIBERTY TELECOMMUNICATIONS LIMITED

Report and Financial Statements
31 December 2004



Tullett Liberty Telecommunications Limited

DIRECTOR'S REPORT

The director presents his report and accounts for the year ended 31 December 2004.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £9,910 (2003: loss of £38) and will be transferred from reserves.

The directors do not recommend the payment of a dividend (2003 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company was the development of electronic trading systems for the telecommunications market. This business was subsequently transferred into a joint venture. The Company's activities have accordingly been classified as discontinued. It is now the intention of the Directors to liquidate this Company within the next year.

FUTURE DEVELOPMENTS

The directors' do not anticipate any change to the Company's activities for the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year:

S R Corker

S C Duckworth (appointed 24 September 2004)

R G Taylor (resigned 24 September 2004)

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

The disclosable interest of the directors of Tullett Liberty (European Holdings) Limited in the share capital of Collins Stewart Tullett plc for the year under review and the movement during the year under these share schemes was as follows:

SHARES IN COLLINS STEWART TULLETT PLC

	<i>Shares at 1 January 2004*</i>	<i>Additions in year</i>	<i>Sold during 31 December the year</i>	<i>Shares at 31 December 2004</i>
S R Corker	19,905	-	-	19,905
S C Duckworth	57,373	-	-	57,373
Total	<u>77,278</u>	<u>-</u>	<u>-</u>	<u>77,278</u>

* or date of appointment, if later

Tullett Liberty Telecommunications Limited

DIRECTOR'S REPORT

DIRECTORS AND THEIR INTERESTS

OPTIONS IN COLLINS STEWART TULLETT PLC

	<i>Exercise price</i>	<i>At 1 January 2004*</i>	<i>Granted in year</i>	<i>Exercised during the year</i>	<i>Cancelled in year</i>	<i>At 31 December 2004</i>
S R Corker	£3.49	60,000	-	-	-	60,000
S C Duckworth	£3.49	90,000	-	-	-	90,000
Total		150,000	-	-	-	150,000

* or date of appointment, if later

The options listed above are exercisable between 29 April 2006 and 28 April 2013.

TL EQUITY INCENTIVE PLAN DETAILS

	<i>Exercise price</i>	<i>At 1 January 2004*</i>	<i>Granted in year</i>	<i>Exercised during the year</i>	<i>Cancelled in year</i>	<i>At 31 December 2004</i>
S R Corker	£1.00 in total	-	47,057	-	(20,546)	26,511
S C Duckworth	£1.00 in total	-	175,858	-	(65,748)	110,110
		-	222,915	-	(86,294)	136,621

* or date of appointment, if later

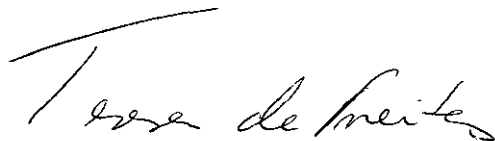
The options listed above are exercisable between 13 January 2007 and 12 January 2014.

AUDITORS

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 16 March 2005 dispensing with the requirement to appoint auditors annually. Therefore, Deloitte & Touche LLP are deemed to continue as auditors.

Signed on behalf of the Board of Directors:

Registered office:
Cable House
54-62 New Broad Street
London
EC2M 1ST
Company Number:
2197855



Teresa de Freitas
Company Secretary

Date 27 October 2005

Tullett Liberty Telecommunications Limited

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

United Kingdom 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 as at the end of the financial year, and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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 the system of internal control, 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 LIBERTY TELECOMMUNICATIONS LIMITED

We have audited the financial statements of Tullett Liberty Telecommunications Ltd for the year ended 31 December 2004, which comprise the profit and loss account, the balance sheet and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of director's responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the director's report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

We draw your attention to note 1 to the accounts, which states that the financial statements have been prepared on the basis that the Company is no longer a going concern. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

28th October 2005

Tullett Liberty Telecommunications Limited

PROFIT & LOSS ACCOUNT for the year ended 31 December 2004

		<i>Discontinued 2004</i>	<i>Discontinued 2003</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Administrative expenses		-	(38)
OPERATING PROFIT/ LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	(38)
Tax charge on ordinary activities	5	(9,910)	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	8	(9,910)	(38)

There were no recognised gains or losses other than the loss for the current and preceding years.

All amounts derive from discontinued operations.

Tullett Liberty Telecommunications Limited

BALANCE SHEET

for the year ended 31 December 2004

	Notes	2004 £	2003 £
CREDITORS: amounts falling due within one year	6	(463,452)	(453,542)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(463,452)</u>	<u>(453,542)</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	(463,552)	(453,642)
EQUITY SHAREHOLDERS' FUNDS	8	<u>(463,452)</u>	<u>(453,542)</u>

The financial statements were approved and signed on behalf of the directors on 27 October 2005.

SRGWL,

S Corker

Director

Date 27 October 2005

Tullett Liberty Telecommunications Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2004

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention, and in accordance with applicable United Kingdom law and accounting standards.

Going concern basis

The accounts have not been prepared on a going concern basis reflecting the decision to cease the operations of the joint venture, to which Tullett Liberty Telecommunications Limited is a holding Company, on 18 January 2001. Accordingly, adjustments have been made to provide for any further liabilities which will arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the last day of the previous month. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Related party transactions

The Company has taken advantage of reporting exemptions in accordance with FRS 8 since it is a subsidiary of a group where greater than 90% of the voting rights are controlled within the group and the groups' parent financial statements are publicly available.

2. FIXED ASSET INVESTMENTS

	2004 £	2003 £
Cost at 1 January	60,001	60,001
Provision for impairment	(60,001)	(60,001)
Net Book Value at 31 December	-	-

Company Name	Country of Incorporation	Nature of Business	Class of share held	Holding
Tirex Global Trading Company	England & Wales	Trading System Development	Ordinary	50%

Tullett Liberty Telecommunications Limited

NOTES TO THE ACCOUNTS

for the year ended 31 December 2004

3. STAFF COSTS

There were no employees in the year (2003 - nil).

All the directors are employees of Tullett Prebon Limited (formerly Tullett Liberty Limited). Where directors of the Company are also directors of the parent undertaking or fellow subsidiary undertakings, their remuneration is received directly from that Company. The directors do not believe it is practicable to apportion this amount between their services as directors of fellow subsidiary undertakings and this Company. No management charge was made to the Company in 2004 (2003 - £nil) to represent a recharge of the services to the Company of all directors. It is not possible to separately identify the amounts attributable to the directors of this Company.

4. OPERATING LOSS

Operating loss is arrived at after charging:

	2004	2003
	£	£
Other operating charges – bank charges	-	38

A material proportion of the Company's expenditure, including auditors' remuneration, is incurred by Tullett Prebon Limited, a parent undertaking.

5. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

The tax charge of £9,910 (2003 - £nil) comprises an adjustment to tax in respect of previous periods.

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 30% (2003 – 30%). The differences are reconciled below.

	2004	2003
	£	£
Loss on ordinary activities before tax	-	(38)
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30%	-	11
Expenses not deductible for tax purposes	-	(11)
Adjustment to tax in respect of previous years	9,910	-
Current tax charge for the year	9,910	-

Tullett Liberty Telecommunications Limited

NOTES TO THE ACCOUNTS for the year ended 31 December 2004

6. CREDITORS: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	463,452	453,542
	<u>463,452</u>	<u>453,542</u>

7. SHARE CAPITAL

	2004 £	2003 £
Authorised: 100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	£	£
Allotted, called up and fully paid: 100 @ £1 each	100	100
	<u>100</u>	<u>100</u>

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 January 2003	100	(453,604)	(453,504)
Loss for the year	—	(38)	(38)
Balance at 31 December 2003	<u>100</u>	<u>(453,642)</u>	<u>(453,542)</u>
Loss for the year	—	(9,910)	(9,910)
Balance at 31 December 2004	<u>100</u>	<u>(463,552)</u>	<u>(463,452)</u>

9. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tullett Liberty (European Holdings) Limited.

The Company's ultimate parent undertaking and controlling party is Collins Stewart Tullett plc.

The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Collins Stewart Tullett plc.

Copies of Collins Stewart Tullett plc's group financial statements are available from the registered office: 9th Floor, 88 Wood Street, London, EC2V 7QR.