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Tullett & Tokyo

(Data) Limited

Report and Financial Statements

December 31, 1989



TULLETT & TOKYO (DATA) LIMITED

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DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended December 31, 1989.

Results and dividends

The trading loss for the year, after taxation, amounted to £251,070.

The directors do not recommend the payment of a dividend.

Review of the business and future developments

The company trades as a provider of financial data.

The directors do not anticipate any significant changes in the company's activities during the forthcoming year.

Directors and their interests

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

| | |
|-----------------|-----------------------------|
| S. J. Otterburn | |
| B. Glibbery | (Appointed January 1, 1989) |
| P. R. Doney | (Resigned May 4, 1990) |

In addition, G. Grossman was appointed a director on January 1, 1990.


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

At December 31, 1989 S. J. Otterburn and P. R. Doney were directors of Tullett & Tokyo Forex International Limited, the ultimate holding company, and their interests in the share capital of group companies are disclosed in the financial statements of Tullett & Tokyo Forex International Limited.

Auditors

Arthur Young merged their practice with Ernst & Whinney on September 1, 1989 and now practise in the name of Ernst & Young. Accordingly, they have signed their audit report in their new name. Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD

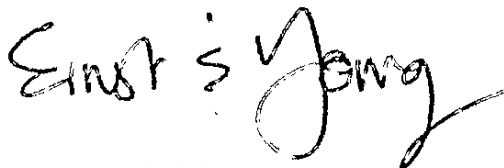

D. L. LOWE
Secretary

June 15, 1990

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

We have audited the financial statements on pages 3 to 9 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at December 31, 1989 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', is written over the printed name.

ERNST & YOUNG

Chartered Accountants

London

June 15, 1990

TULLETT & TOKYO (DATA) LIMITED

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1989

| | <u>Notes</u> | <u>£</u> | <u>1989</u> <u>£</u> | <u>1988</u> <u>£</u> |
|--|--------------|----------|-------------------------|-------------------------|
| Turnover | 2 | | 86,604 | 94,990 |
| Staff costs | 4 | 119,687 | | 97,595 |
| Other operating charges | | 353,345 | | 269,394 |
| | | | (473,032) | (366,989) |
| Loss on ordinary activities before taxation | 3 | | (386,428) | (271,999) |
| Tax on loss on ordinary activities | 5 | | 135,358 | 94,777 |
| Loss on ordinary activities after taxation | | | (251,070) | (177,222) |
| Accumulated loss brought forward | | | (177,222) | - |
| Accumulated loss carried forward | | | (428,292) | (177,222) |

The notes on pages 6 to 9 form part of these financial statements

TULLETT & TOKYO (DATA) LIMITED

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BALANCE SHEET AT DECEMBER 31, 1989

| | <u>Notes</u> | <u>1989</u> £ | <u>1988</u> £ |
|---|--------------|---------------------------|---------------------------|
| Current assets: | | | |
| Prepayments | | 4,107 | 4,107 |
| Creditors: amounts falling due within one year | 6 | (432,397) | (181,327) |
| Net current liabilities | | <u>(428,290)</u> | <u>(177,220)</u> |
| Capital and reserves: | | | |
| Called up share capital | 7 | ² (428,292) | ² (177,222) |
| Profit and loss account | | <u>(428,290)</u> | <u>(177,220)</u> |

S. J. OTTERBURN)
) Directors
B. GLIBBERY)
June 15, 1990

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The notes on pages 6 to 9 form part of these financial statements

TULLETT & TOKYO (DATA) LIMITED

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1989

| | <u>1989</u> <u>£</u> | <u>1988</u> <u>£</u> |
|--|-------------------------|-------------------------|
| Application of funds: | | |
| Loss on ordinary activities before taxation | (386,428) | (271,999) |
| Total absorbed by operations | (386,428) | (271,999) |
| Sources of funds: | | |
| Proceeds of share issue | - | 2 |
| Group tax relief | 135,358 | 94,777 |
| | 135,358 | 94,779 |
| Working capital decrease | (251,070) | (177,220) |
| Components of decrease in working capital: | | |
| Debtors | - | 4,107 |
| Creditors | (251,070) | (181,327) |
| | (251,070) | (177,220) |

The notes on pages 6 to 9 form part of these financial statements

TULLETT & TOKYO (DATA) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 1989

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention.

Accounting period

The current year refers to the twelve months ended December 31, 1989. The company commenced trading on February 17, 1988 and therefore the comparative figures include only ten and a half months of operations.

Foreign currencies

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

Group support

Tullett & Tokyo Forex International Limited has undertaken to continue to support the company for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

2. Turnover

Turnover represents fee income derived from the provision of financial information and is stated net of value added tax.

3. Loss on ordinary activities before taxation

| | <u>1989</u> | <u>1988</u> |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| (a) This is stated after charging: | | |
| Directors' remuneration (see below) | 41,715 | - |
| | ===== | ===== |

A material proportion of the company's expenditure, including auditors' remuneration, is incurred by Tullett & Tokyo Forex International Limited, the ultimate holding company, and recovered from Tullett & Tokyo (Data) Limited by way of a management charge, which represents a reasonable estimate of such expenditure.

TULLETT & TOKYO (DATA) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 1989
(continued)

3. Loss on ordinary activities before taxation
(continued)

| | <u>1989</u> £ | <u>1988</u> £ |
|---|------------------|------------------|
| (b) Directors' remuneration: Emoluments (including pension contributions) | 41,715 ===== | - ===== |

All directors are employees of the ultimate holding company. Amounts paid to the directors by the ultimate holding company in respect of services as directors of the company or in connection with the management of the company totalled £41,715 (1988 - £Nil) (including pension contributions) all of which was charged to the company as a direct allocation of expenses.

The emoluments, excluding pension contributions, of the chairman were £Nil (1988 - £Nil) and of the highest paid director were £37,811 (1988 - £Nil). Other directors' emoluments, excluding pension contributions, fell within the following ranges:

| | <u>1989</u> Number | <u>1988</u> Number |
|-----------------|-----------------------|-----------------------|
| £ Nil - £ 5,000 | 1 | - |

4. Staff costs

| | <u>1989</u> £ | <u>1988</u> £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 100,699 | 80,564 |
| Social security costs | 7,908 | 5,987 |
| Other pension costs | 11,020 | 11,044 |
| | ----- | ----- |
| | 119,687 ===== | 97,595 ===== |

The company's operations are carried out by employees of the ultimate holding company. Staff costs represent amounts charged to the company as a direct allocation of expenses by the ultimate holding company. During the year, the average weekly number of employees identified as being directly involved in the operations of the company was 8 (1988 - 6).

A group pension scheme is operated for the employees of Tullett & Tokyo Forex International Limited. The scheme provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was as at May 1, 1987 and the details of this actuarial valuation are disclosed in the accounts of Tullett & Tokyo Forex International Limited.

TULLETT & TOKYO (DATA) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 1989
(continued)

4. Staff costs
(continued)

The pension charge for the year was £11,080 (1988 - £11,044) which represents a direct allocation of expenses by Tullett & Tokyo Forex International Limited, calculated in accordance with Statement of Standard Accounting Practice No. 24.

5. Tax on loss on ordinary activities

The taxation credit is made
up as follows:

| | <u>1989</u> £ | <u>1988</u> £ |
|---|------------------|------------------|
| Based on the loss for the year: Group relief receivable at 35% (1988 - 35%) | 135,358 ===== | 94,777 ===== |

The company's tax losses are surrendered to other companies in the Tullett & Tokyo Forex International Limited group. Group relief receivable for the year has been calculated at the corporation tax rate based on the loss for the year, adjusted for disallowable expenses.

6. Creditors: amounts falling due within one year

| | <u>1989</u> £ | <u>1988</u> £ |
|--|------------------|------------------|
| Amounts owed to the ultimate holding company | 431,415 | 176,277 |
| Accruals | 982 | 5,050 |
| | ----- | ----- |
| | 432,397 | 181,327 |
| | ===== | ===== |

7. Share capital

| | <u>Authorised</u> | | <u>Allotted, called up and fully paid</u> | |
|----------------------------|-----------------------|-----------------------|---|------------------|
| | <u>1989</u> Number | <u>1988</u> Number | <u>1989</u> £ | <u>1988</u> £ |
| Ordinary shares of £1 each | 100 === | 100 === | 2 = | 2 = |

TULLETT & TOKYO (DATA) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 1989
(continued)

8. Ultimate holding company

The ultimate holding company is Tullett & Tokyo Forex International Limited, a company incorporated in Great Britain.

Not for publication

TULLETT & TOKYO (DATA) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1989

| | <u>1989</u> | <u>1988</u> |
|---|-------------|-------------|
| | £ | £ |
| Turnover | 86,604 | 94,990 |
| Staff costs: | | |
| Staff salaries | 100,699 | 80,564 |
| Social security costs | 7,908 | 5,987 |
| Pension costs | 11,080 | 11,044 |
| | (119,687) | (97,595) |
| | (33,083) | (2,605) |
| Other operating charges: | | |
| Rate transmission | (4,000) | 50,934 |
| Computer running costs | 35,787 | 34,537 |
| Courses & seminars | 300 | - |
| Entertainment - UK directors | (146) | 472 |
| - Overseas | (300) | 664 |
| - Restaurant | 459 | 609 |
| General | 541 | 452 |
| Insurance | 6,190 | 4,635 |
| Legal and professional | 60 | 514 |
| Light and heat | 3,063 | 4,936 |
| Motor running | 7,065 | 2,467 |
| Printing and stationery | 2,014 | 2,921 |
| Rent and rates | 59,816 | 54,742 |
| Repairs | 4,218 | 7,696 |
| Staff introduction | 2,880 | 3,090 |
| Subscriptions and donations | 108 | 261 |
| Telephone and postage | 19,894 | 16,182 |
| Travel | 155 | 4,538 |
| VAT irrecoverable | 13,981 | 5,667 |
| Managements charges | | |
| Accounts | 7,000 | 14,185 |
| Audit | 6,082 | - |
| Administration | 9,300 | 23,400 |
| Communications | - | 1,616 |
| Data processing | - | 800 |
| Finance | 103,662 | 18,402 |
| Asset management | 73,016 | 15,674 |
| Personnel | 2,200 | - |
| | (353,345) | (269,394) |
| Loss on ordinary activities before taxation | (386,428) | (271,299) |