

2197855

TULLETT & TOKYO TELECOMMUNICATIONS
LIMITED

Report and Accounts
31 December 2000



Tullett & Tokyo Telecommunications Limited

Registered No. 2197855

DIRECTORS

R G Taylor (appointed 2 January 2001)

S R Corker

SECRETARY

C A N Burt

AUDITORS

Ernst & Young LLP

Rolls House

7 Rolls Buildings

Fetter Lane

London

EC4A 1NH

REGISTERED OFFICE

Cable House

54-62 New Broad Street

London

EC2M 1JJ

 **ERNST & YOUNG**

Tullett & Tokyo Telecommunications Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2000.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £453,511 (1999 - £32,526).

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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 and the business took on the activities of a holding and service company for the joint venture. The directors do not anticipate any change in the foreseeable future.

During the year, the company changed its name from Tullett & Tokyo (CL No.1) Limited to Tullett & Tokyo Telecommunications Limited.

DIRECTORS AND THEIR INTERESTS

The following directors held office during the year:

I Goldsmith (resigned 31 January 2001)
C Reeve (resigned 31 January 2001)
S R Corker

The directors' beneficial interest in the issued share capital of the company during the year was as follows:

At 31 December 2000
Ordinary shares

C Reeve	25
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The interests of the company directors in the share capital of Tullett & Tokyo Liberty plc are as follows:

At 31 December 2000
Ordinary shares

I Goldsmith	2,000
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AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board



S R Corker

Director

Date: 30 AUG 2001

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 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 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 shareholders of Tullett & Tokyo Telecommunications Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

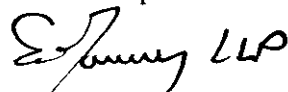
Basis of opinion

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 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its loss 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 LLP', written over the printed name.

Ernst & Young LLP
Registered Auditor
London

Tullett & Tokyo Telecommunications Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

	<i>Notes</i>	<i>2000</i> £	<i>1999</i> £
Administrative expenses		(825,423)	(334,356)
Other operating income		178,290	287,890
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(647,133)	(46,466)
Tax on loss on ordinary activities	3	193,622	13,940
RETAINED LOSS FOR THE FINANCIAL YEAR		(453,511)	(32,526)

There were no recognised gains or losses other than the loss for the year.

Tullett & Tokyo Telecommunications Limited

BALANCE SHEET at 31 December 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Investments	4	-	60,000
CURRENT ASSETS			
Debtors	5	-	41,824
Cash at bank & in hand		1,008	193,148
		<u>1,008</u>	<u>234,972</u>
CREDITORS: amounts falling due within one year	6	(486,945)	(327,398)
NET CURRENT (LIABILITIES)/ASSETS		<u>(485,937)</u>	<u>(92,426)</u>
		<u>(485,937)</u>	<u>(32,426)</u>
CAPITAL AND RESERVES: EQUITY			
Called up share capital	7	100	100
Profit and loss account	8	(486,037)	(32,526)
		<u>(485,937)</u>	<u>(32,426)</u>

The accounts were approved at a meeting of the board of directors on

30 AUG 2001

S R Corker

S R Corker
Director

Tullett & Tokyo Telecommunications Limited

NOTES TO THE ACCOUNTS

at 31 December 2000

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards. The accounts have been prepared on a going concern basis because the ultimate parent undertaking has agreed to provide financial support to assist in meeting liabilities as and when they fall due, for a period of at least twelve months.

Investments

Investments held as fixed assets are recorded at cost adjusted for any diminution in value.

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.

Group Accounts

The company is exempt from the obligation to prepare and deliver group accounts. It is a wholly owned subsidiary of Tullett & Tokyo Liberty plc, a company registered in England and Wales.

Related party transactions

The directors have taken advantage of the exemption in paragraph 3(c) of FRS8 from disclosing transactions with related parties.

Cash flow statement

The directors have taken advantage of the exemption in paragraph 5(a) of FRS1 (revised) from producing a cash flow statement.

2. OPERATING LOSS

Auditors' remuneration is borne by the ultimate parent undertaking.

The company has no employees. All the directors are employees of the ultimate parent undertaking. Where directors of the company are also directors of the ultimate parent undertaking, 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 the parent undertaking, fellow subsidiary undertakings and this company.

3. TAX ON LOSS ON ORDINARY ACTIVITIES

The taxation credit is made up as follows:

	2000 £	1999 £
Based on the loss for the year:		
Group relief receivable	193,622	13,940

Tullett & Tokyo Telecommunications Limited

NOTES TO THE ACCOUNTS

at 31 December 2000

4. FIXED ASSET INVESTMENT

	2000 £
At 1 January 2000	60,000
Addition	10
Provision	(60,010)
At 31 December 2000	0

The investment has been revalued in the accounts as the directors consider that the value at 31 December 2000 was nil.

5. DEBTORS

	2000 £	1999 £
Amounts owed by group undertakings	–	41,824
	–	41,824

6. CREDITORS

	2000 £	1999 £
Trade creditors	–	7,788
Amounts owed to group undertakings	387,246	100,633
Amounts owed to fixed asset investment	–	18,722
Other creditors	29,699	65,997
Accruals	70,000	134,208
	486,945	327,398

7. SHARE CAPITAL

Authorised
Allotted, called up
and fully paid

Tullett & Tokyo Telecommunications Limited

NOTES TO THE ACCOUNTS at 31 December 2000

	2000	1999	2000	1999
	No.	No.	£	£
Ordinary shares of £1 each	100	100	100	100

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 January 2000	100	(32,526)	(32,426)
Loss for the year	—	(453,511)	(453,511)
Balance at 31 December 2000	100	(486,037)	(485,937)

9. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Tullett & Tokyo Liberty plc, a company registered in England and Wales. Copies of the group accounts are available from the registered office: Cable House, 54-62 New Broad Street, London EC2M 1JJ.