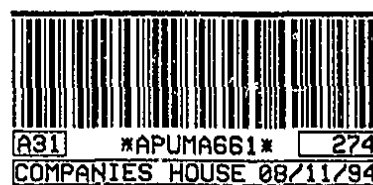


Tullett & Tokyo (Options) Ltd.
Company Registration Number 2212121
Report and Accounts
December 31, 1993



TULLETT & TOKYO (OPTIONS) LTD.

1

DIRECTORS' REPORT

The directors submit their report and accounts for the year ended December 31, 1993.

Results and dividends

The trading profit for the year ended December 31, 1993, after taxation, amounted to £609,227 (1992 - £1,058,986).

The directors do not recommend payment of a dividend. (1992 - £1,000,000).

Review of the business and future developments

As a result of market competitiveness income and profits declined during the year.

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:

A. J. Styant	(Chairman)
C. D. Heck	
D. L. Lowe	(Resigned January 28, 1993)
M. P. Perkins	

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

A. J. Styant and D. L. Lowe 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 accounts of Tullett & Tokyo Forex International Limited.

Auditors

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


P.H. Mapplebeck
Secretary

Date

15th April 1994

STATEMENT OF DIRECTOR'S 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 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; 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 MEMBERS OF**TULLETT & TOKYO (OPTIONS) LTD.**

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.

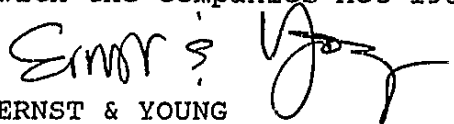
Basis of opinion

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 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 at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


ERNST & YOUNG

Chartered Accountants
Registered Auditor
London

Date 15.4.94

TULLETT & TOKYO (OPTIONS) LTD.

4

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1993

	<u>Notes</u>	<u>£</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Turnover				
Continuing operations	2		4,069,213	4,468,171
Net operating expenses				
Other operating income		-		(31,194)
Staff costs	4	1,975,292		1,803,039
Other operating charges		1,194,048		1,179,941
		-----		-----
			3,169,340	2,951,786
			-----	-----
Operating profit				
Continuing operations	3		899,873	1,516,385
Net interest	5		87,349	131,344
			-----	-----
Profit on ordinary				
activities before taxation			987,222	1,647,729
Tax on profit on				
ordinary activities	6		(377,995)	(588,743)
			-----	-----
Profit on ordinary				
activities after taxation			609,227	1,058,986
Dividends - Interim paid			-	(1,000,000)
Retained profit brought forward			391,578	332,592
			-----	-----
Retained profit carried forward			1,000,805	391,578
			=====	=====

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

The notes on pages 6 to 10 form part of these accounts.

TULLETT & TOKYO (OPTIONS) LTD.

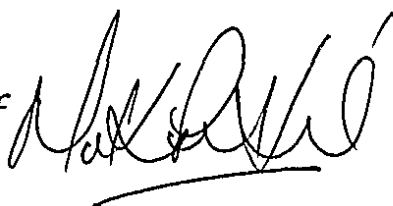
5

BALANCE SHEET AT DECEMBER 31, 1993

	<u>Notes</u>	<u>£</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Fixed assets:				
Investments	7		10	10
Current assets:				
Debtors	8	1,920,289		1,567,854
		-----		-----
		1,920,289		1,567,854
Creditors: amounts falling due within one year	9	(319,492)		(576,284)
		-----		-----
Net current assets			1,600,797	991,570
			-----	-----
Total assets less current liabilities			1,600,807	991,580
			=====	=====
Capital and reserves:				
Called up share capital	10		600,002	600,002
Profit and loss account			1,000,805	391,578
			-----	-----
			1,600,807	991,580
			=====	=====


M. P. PERKINS - Director

Date 15. 4. 94.



The notes on pages 6 to 10 form part of these accounts.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 19931. Accounting policiesAccounting convention

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

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.

2. Turnover

Turnover represents net brokerage income stated net of value added tax.

Turnover arose within the following geographical segments:

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Europe	2,290,089	3,199,825
North America	1,635,149	1,264,167
Far East & Australia	138,863	4,179
Other	5,112	-
	-----	-----
	4,069,213	4,468,171
	=====	=====

3. Operating profit

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
(a) This is stated after charging:		
Directors' remuneration (see below)	194,480	240,289
	=====	=====

A material proportion of the company's expenditure, including auditors' remuneration, is incurred by Tullett & Tokyo Forex International Limited, the ultimate parent undertaking. This is recovered from Tullett & Tokyo (Options) Limited by way of a management charge, which passes through the intermediary holding company, Tullett & Tokyo Securities (Holdings) Limited.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993
(continued)3. Operating profit

(continued)

(b) Directors' remuneration:

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 totalled £194,480 (1992 - £240,289) (including pension contributions) all of which were charged to the company as a direct allocation of expenses.

Where directors of the company are also directors of the ultimate parent undertaking and fellow 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 the holding company and fellow subsidiary undertakings. A management charge of £120,000 (1992 - £40,000) in respect of administration costs has been made by Tullett & Tokyo Securities (Holdings) Limited (1992 - Tullett & Tokyo Forex International Limited), which includes directors' emoluments, which it is not possible to identify separately.

The emoluments, excluding pension contributions, of the chairman were £Nil (1992 - £Nil) and of the highest paid director were £184,980 (1992 - £230,790). The directors' emoluments, excluding pension contributions, fell within the following ranges:

	<u>1993</u> Number	<u>1992</u> Number
£ Nil - £ 5,000	3	4
£180,001 - £185,000	1	-
£230,001 - £235,000	-	1

4. Staff costs

	<u>1993</u> £	<u>1992</u> £
Wages and salaries	1,792,832	1,592,761
Social security costs	124,837	150,674
Other pension costs	57,623	59,604
	-----	-----
	1,975,292	1,803,039
	=====	=====

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993
(continued)4. Staff costs
(continued)

The company's operations are carried out by employees of the ultimate parent undertaking. Staff costs represent amounts charged to the company as a direct allocation of expenses by the ultimate parent undertaking. During the year, the average weekly number of employees identified as being directly involved in the operations of the company was 18 (1992 - 16).

A group pension scheme is operated for the employees of Tullett & Tokyo Forex International Limited. The scheme previously provided benefits based on final pensionable pay, but effective November 1, 1991 the scheme was converted to one of the defined contribution type. Employees in service at the date of the change receive benefits on the better of the two bases.

The assets of the scheme are held separately from those of the group in a trustee administered fund. The contributions are determined by a qualified actuary on the basis of triennial valuations. The most recent valuation was as at May 1, 1992 and the details of this actuarial valuation are disclosed in the accounts of Tullett & Tokyo Forex International Limited.

The pension charge for the year was £57,623 (1992 - £59,604) which represents a direct allocation of expenses by Tullett & Tokyo Forex International Limited, calculated in accordance with Statement of Standard Accounting Practice No. 24. The surplus in the group pension scheme is being eliminated by a pension contribution holiday.

5. <u>Net interest</u>	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Interest receivable		
Bank deposits	20,150	15,008
Loan to parent undertaking	67,199	116,336
	-----	-----
Net Interest	87,349	131,344
	=====	=====

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993
(continued)6. Tax on profit on ordinary activities

The taxation charge is made up as follows:

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
Corporation tax payable at 33 % (1992 - 33 %)	377,995	588,743
	-----	-----
	377,995	588,743
	=====	=====

The effective tax rate is higher than the corporation tax rate as a result of disallowable expenses.

7. Investments

	Shares in Group Undertakings <u>£</u>
Cost:	
At January 1, 1993	10
Additions	-

At December 31, 1993	10

During the year the company held investments in the following money broking companies:

	<u>Country of incorporation</u>	<u>Company interest</u>
Tullett & Tokyo (Futures & Traded Options) Paris S.A.		
1 ordinary share of FFr 100 each	France	0.04%

8. Debtors

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Trade debtors	500,331	525,562
Amounts owed by the parent undertaking	1,416,480	1,042,292
Prepayments & accrued income	3,478	-
	-----	-----
	1,920,289	1,567,854
	=====	=====

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993
(continued)9. Creditors: amounts falling due within one year

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Accruals	30,480	51,402
Corporation tax payable	289,012	524,832
	-----	-----
	319,492	576,284
	=====	=====

10. Share capital

	<u>Authorised</u>	<u>Allotted, called up</u>		
		<u>and fully paid</u>		
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	<u>Number</u>	<u>Number</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	5,000,000	5,000,000	600,002	600,002
	=====	=====	=====	=====

12. Reconciliation of shareholder's funds and movement on reserves

	<u>Share</u>	<u>Profit &</u>	<u>Total</u>
	<u>Capital</u>	<u>Loss a/c</u>	
	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January 1992	600,002	332,592	932,594
Profit for the year		1,058,986	1,058,986
Dividend		(1,000,000)	(1,000,000)
	-----	-----	-----
At 1 January 1993	600,002	391,578	991,580
Profit for the year		609,227	609,227
	-----	-----	-----
At 31 December 1993	600,002	1,000,805	1,600,807
	=====	=====	=====

11. Ultimate parent undertaking

The ultimate parent undertaking of Tullett & Tokyo (Options) Ltd. is Tullett & Tokyo Forex International Limited, a company registered in England & Wales. Copies of these group accounts can be obtained from Tullett & Tokyo Forex International Limited, 54-62 New Broad Street, London, EC2M 1JJ.