

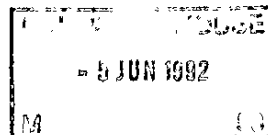
Tullett & Tokyo

(Options) Ltd.

Company Registration Number 2212121

Report and Accounts

December 31, 1991



DIRECTORS' REPORT

The directors submit their report and accounts for the year ended December 31, 1991.

Results and dividends

The trading profit for the year ended December 31, 1991, after taxation, amounted to £1,257,866 (1990 - £587,299).

The directors authorised the payment of an interim dividend of £1,800,000 (1990 - £ Nil).

Review of the business and future developments

The company has had sustained growth in income and profits during the year. The market continues to be very competitive and it is anticipated that growth will slow in 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	(Appointed March 21, 1991)
M. J. Byrnes	(Appointed May 3, 1991)

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.

The interests of other company directors in the share capital of Tullett & Tokyo Forex International Limited, are as follows:


	<u>At</u> <u>December 31, 1991</u>	<u>At</u> <u>January 1, 1991</u>
	<u>Ordinary shares</u>	<u>Ordinary shares</u>
C. D. Heck	-	6,000

DIRECTORS' REPORT
(continued)

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

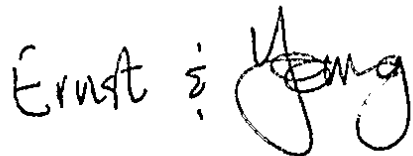

I. G. K. LEIGHTON
Secretary

April 10, 1992

REPORT OF THE AUDITORS TO THE MEMBERS OF
TULLETT & TOKYO (OPTIONS) LTD.

We have audited the accounts on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at December 31, 1991 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

April 10, 1992

TULLETT & TOKYO (OPTIONS) LTD.

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1991

	<u>Notes</u>	<u>£</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Turnover	2		4,605,322	3,471,118 -----
Staff costs	4	1,542,783		1,472,214
Other operating charges		<u>1,289,957</u>		<u>1,182,554</u>
			(2,832,740)	(2,654,768) -----
Operating profit	3		1,772,582	816,350
Interest receivable	5		<u>183,524</u>	<u>152,431</u>
Profit on ordinary activities before taxation			1,956,106	968,781
Tax on profit on ordinary activities	6		<u>(698,240)</u>	<u>(381,482)</u>
Profit on ordinary activities after taxation			1,257,866	587,299
Dividends - Interim paid			(1,800,000)	-
Retained profit brought forward			<u>874,726</u>	<u>287,427</u>
Retained profit carried forward			<u>332,592</u> =====	<u>874,726</u> =====

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

TULLETT & TOKYO (OPTIONS) LTD.

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BALANCE SHEET AT DECEMBER 31, 1991

	<u>Notes</u>	<u>£</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Fixed assets:				
Investments	7		10	-
Current assets:				
Debtors	8	1,253,038		1,580,953
		<u>1,253,038</u>		<u>1,580,953</u>
Creditors: amounts falling due within one year	9	(320,454)		(106,225)
		<u></u>		<u></u>
Net current assets			932,584	1,474,728
			<u>932,584</u>	<u>1,474,728</u>
Capital and reserves:				
Called up share capital	10		600,002	600,002
Profit and loss account			332,592	874,726
			<u>932,594</u>	<u>1,474,728</u>

D. L. LOWE

C. D. HECK

April 10, 1992

Directors

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

NOTES TO THE ACCOUNTS AT DECEMBER 31, 19911. 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>1991</u> £	<u>1990</u> £
Europe	3,371,085	2,323,947
North America	1,234,237	1,147,171
	-----	-----
	4,605,322	3,471,118
	=====	=====

3. Operating profit

	<u>1991</u> £	<u>1990</u> £
(a) This is stated after charging:		
Directors' remuneration (see below)	356,421	176,032
	=====	=====

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 (Options) Ltd. by way of a management charge, which represents a reasonable estimate of such expenditure.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991
(continued)

3. Operating profit
(continued)

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
(b) Directors' remuneration:		
Emoluments		
(including pension contributions)	356,421 =====	176,032 =====

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 £356,421 (1990 - £176,032) (including pension contributions) all of which were charged to the company as a direct allocation of expenses.

The emoluments, excluding pension contributions, of the chairman were £Nil (1990 - £Nil) and of the highest paid director were £186,518 (1990 - £167,032). The directors' emoluments, excluding pension contributions, fell within the following ranges:

	<u>1991</u> Number	<u>1990</u> Number
£ Nil - £ 5,000	2	2
£150,001 - £155,000	1	-
£165,001 - £170,000	-	1
£185,001 - £190,000	1	-

4. Staff costs

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Wages and salaries	1,435,464	1,303,289
Social security costs	83,876	107,811
Other pension costs	23,443	61,114
	-----	-----
	1,542,783 =====	1,472,214 =====

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 15 (1990 - 12).

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991
(continued)4. Staff costs
(continued)

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. A guarantee was given to all members at October 31, 1991 that their benefits under the new defined contribution scheme would not be less than those available to them under the previous defined benefit scheme. The guarantee is not available to members joining the pension scheme after this date.

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, 1989 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 £23,443 (1990 - £61,114) which represents a direct allocation of expenses by Tullett & Tokyo Forex International Limited, calculated in accordance with Statement of Standard Accounting Practice No. 24. On the actuary's recommendation the contributions to the scheme have been reduced to eliminate the pension fund surplus over 8 years.

5. <u>Interest receivable</u>	<u>1991</u> £	<u>1990</u> £
Interest receivable on bank deposits	7,681	23,816
Interest receivable from parent undertaking	175,843	128,615
	-----	-----
	183,524	152,431
	=====	=====

6. Tax on profit on ordinary activities

The taxation charge is made up as follows:

	<u>1991</u> £	<u>1990</u> £
Based on the profit for the year:		
Corporation tax payable at 33.25% (1990 - 34.25%)	698,467	381,144
Tax under-provided in previous years	-	338
Tax over-provided in previous years	(227)	-
	-----	-----
	698,240	381,482
	=====	=====

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

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991
(continued)7. Investments

	Shares in Group Undertakings £	Total £
Cost:		
At January 1, 1991	-	-
Additions	10	10
	-----	-----
At December 31, 1991	10	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%

The investment in Tullett & Tokyo (Futures & Traded Options) Paris S.A. was made on March 8, 1991 for a consideration equal to the par value of the share.

8. Debtors

	<u>1991 £</u>	<u>1990 £</u>
Trade debtors	778,540	682,031
Amounts owed by the parent undertaking	474,498	898,922
	-----	-----
	1,253,038	1,580,953
	=====	=====

9. Creditors: amounts falling due within one year

	<u>1991 £</u>	<u>1990 £</u>
Other creditors	-	2,843
Corporation tax payable	320,454	103,382
	-----	-----
	320,454	106,225
	=====	=====

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1991
(continued)10. Share capital

		<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</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	
	=====	=====	=====	=====	

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.

Not for publication

TULLETT & TOKYO (OPTIONS) LTD.
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 1991

		<u>1991</u>	<u>1990</u>
	£	£	£
Turnover		4,605,322	3,471,118
Staff costs:			
Staff Salaries	1,435,464		1,303,289
Social Security costs	83,876		107,811
Pension costs	23,443		61,114
		(1,542,783)	(1,472,214)
		3,062,539	1,998,904
Other operating charges:			
Computer running costs	5,633		1,912
Courses and seminars	1,724		4,212
Desk moves	15,740		-
Entertainment	146,382		118,766
Exchange differences	(27,258)		83,089
General	(870)		5,175
Insurance	16,680		9,940
Legal - medical	60		-
Legal and professional	9,406		1,400
Light and heat	6,777		4,706
Management charges	417,517		368,641
Motor running	33,468		19,407
Printing and stationery	5,735		1,875
Publicity	491		100
Rent and rates	85,810		71,366
Repairs	4,152		2,441
Staff restaurant	8,534		9,282
Subscriptions and donations	-		800
Telephone and postage	507,516		377,010
Travel	41,411		41,707
Vending	(103)		260
VAT irrecoverable	11,152		60,465
		(1,289,957)	(1,182,554)
Operating profit		1,772,582	816,350
Interest receivable		183,524	152,431
Profit on ordinary activities before taxation		1,956,106	968,781