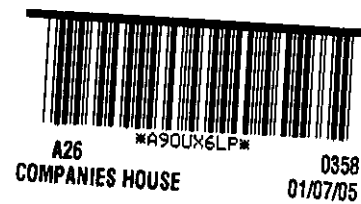


TULLETT FINANCIAL TRADER LIMITED

Report and Financial Statements

31 December 2004



# Tullett Financial Trader Limited

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## DIRECTORS' REPORT

The directors submit their report and accounts for the year ended 31 December 2004.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £606,477 (2003 - £745,866).

The directors do not recommend the payment of a dividend (2003- £2,000,000)

The retained profit for the year, after taxation and dividends amounted to £606,477 (2003 - loss £1,254,134) and will be transferred to reserves.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is the provision of finance to group associated undertakings.

### FUTURE DEVELOPMENTS

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

### DIRECTORS AND THEIR INTERESTS

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

S R Corker  
D A Holmes

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 the Company 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 the year</i>	<i>Shares at 31 December 2004</i>
S R Corker	19,905	-	-	19,905
D A Holmes	11,257	-	(3,750)	7,507
Total	<u>31,162</u>	<u>-</u>	<u>(3,750)</u>	<u>27,412</u>

# Tullett Financial Trader Limited

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS (continued)

#### 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
D A Holmes	£4.51	-	6,651	-	-	6,651
D A Holmes	£4.49	-	18,349	-	-	18,349
		<u>60,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>

If not listed above, the director's share options in Collins Stewart Tullett plc under this scheme were nil at the beginning and at the end of the year.

The options are exercisable between 29 April 2006 and 28 April 2013 and between 22 April 2007 and 21 April 2014.

#### OPTIONS IN COLLINS STEWART TULLETT PLC

##### 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

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:



**Juliet Dearlove**  
Company Secretary  
24 June 2005

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

Registered No: 2539347

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

United Kingdom company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss of the Company for that period. In preparing those financial statements, 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; and
- prepare the financial statements 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 financial statements 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 FINANCIAL TRADER LIMITED**

We have audited the financial statements of Tullett Financial Trader Limited for the year ended 31 December 2004, which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 directors' 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 directors' 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.

### **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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

*29<sup>th</sup> June 2005*

# Tullett Financial Trader Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2004

	<i>Note</i>	<i>2004</i> £	<i>2003</i> £
Turnover		-	-
Operating charges		(2,937)	-
<b>OPERATING LOSS</b>	<b>2, 3</b>	<b>(2,937)</b>	<b>-</b>
Interest receivable	<b>4</b>	868,150	1,065,480
Interest payable		(356)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>864,857</b>	<b>1,065,480</b>
Tax charge on profit on ordinary activities	<b>5</b>	(258,380)	(319,614)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>606,477</b>	<b>745,866</b>
<b>DIVIDENDS:</b> Equity dividends payable on ordinary shares	<b>6</b>	-	(2,000,000)
<b>RETAINED PROFIT / (LOSS) FOR THE YEAR</b>		<b>606,477</b>	<b>(1,254,134)</b>

The Company had no recognised gains or losses other than the profit for the financial year and loss for the preceding year.

All amounts derive from continuing operations.

# Tullett Financial Trader Limited

## BALANCE SHEET at 31 December 2004

	Notes	2004 £	2003 £
<b>CURRENT ASSETS</b>			
Debtors	7	38,072,295	37,753,340
<b>CREDITORS: amounts falling due within one year</b>	8	(260,446)	(547,968)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>37,811,849</u>	<u>37,205,372</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	36,688,164	36,688,164
Profit and loss account	10	1,123,685	517,208
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<u>37,811,849</u>	<u>37,205,372</u>

The financial statements were approved by the Board of Directors on 24 June 2005

Signed on behalf of the Board of Directors:



**S R Corker**  
Director

24 June 2005

# Tullett Financial Trader Limited

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## 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.

#### *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.

#### *Related party transactions*

The directors have taken advantage of the exemption 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 accounts are publicly available.

#### *Cash flow statement*

The Company is not required to produce a cash flow statement in accordance with FRS 1 (revised), as the Company is a wholly owned subsidiary of Collins Stewart Tullett plc which is registered in England and Wales and which prepares group accounts which are publicly available.

#### *Taxation*

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

#### *Deferred taxation*

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the crystallise based on current tax rates and law. Timing differences arise from the inclusion of item or income and expenditure in taxation computations in periods different from those in which they are included in financial statement. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 2. OPERATING LOSS

A material proportion of the Company's expenditure, including auditors' remuneration, is incurred by Tullett Prebon Limited (formerly Tullett Liberty Limited). A recharge of £2,937 was made by Tullett Prebon Limited in respect of auditors' remuneration in the current year (2003 - £nil).

### 3. STAFF COSTS

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

Where directors of the Company are also directors of Tullett Prebon Limited, their remuneration is received directly from that company. The directors do not believe it is practicable to apportion this amount between their services as the 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 of the parent undertaking or fellow subsidiary undertakings. It is not possible to separately identify the amounts attributable to the directors of this company.



# Tullett Financial Trader Limited

## NOTES TO THE ACCOUNTS for the year ended 31 December 2004

### 4. INTEREST RECEIVABLE

	2004 £	2003 £
Interest receivable from group undertakings	868,150	1,065,480

### 5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
United Kingdom corporation tax	260,445	319,644
Adjustment to tax in respect of previous years	(2,065)	(30)
	258,380	319,614

#### *Factors affecting the current tax charge*

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003 – 30%). The differences are reconciled below:

	2004 £	2003 £
Profit on ordinary activities before tax	864,857	1,065,480
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	259,457	319,644
Expenses not deductible for tax purposes	988	-
Adjustment to tax in respect of previous years	(2,065)	(30)
	258,380	319,614

### 6. DIVIDENDS

	2003 £	2003 £
Dividend declared and paid - £nil (2003: 5.45p per share)	-	2,000,000

### 7. DEBTORS

	2004 £	2003 £
Amounts owed by group undertakings	38,072,295	37,753,340

# Tullett Financial Trader Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 December 2004

### 8. CREDITORS: amounts falling due within one year

	2004 £	2003 £
Corporation tax	260,446	547,968

### 9. SHARE CAPITAL

	2004 £	2003 £
Authorised: 40,000,000 ordinary shares of £1 each	40,000,000	40,000,000
	£	£
Allotted, called up and fully paid: 36,688,164 Ordinary shares of £1 each	36,688,164	36,688,164

### 10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2003	36,688,164	1,771,343	38,459,507
Profit for the year	—	745,865	745,865
Dividends	—	(2,000,000)	(2,000,000)
At 31 December 2003	36,688,164	517,208	37,205,372
Profit for the year	—	606,477	606,477
At 31 December 2004	36,688,164	1,123,685	37,811,849

### 11. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tullett Liberty B.V. (Netherlands).

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 plc.

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