

TULLETT FINANCIAL TRADER LIMITED

Report and Financial Statements  
31 December 2007

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COMPANIES HOUSE

## DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2007

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) (a) of the Companies Act 1985

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1 918,000 (2006 £2,085 000) and will be transferred to reserves

The directors do not recommend payment of a dividend (2006 £nil)

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Tullett Prebon plc

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

There have not been any significant changes in the Company's principal activities in the year under review and the directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year

### PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day to day operations can broadly be categorised as credit operational and reputational risk

Management in front office and support functions have the day to day responsibility for ensuring that the Company operates in accordance with the Group Risk Assessment Framework which includes policies and procedures for these key risks. Further details of the Group Risk Assessment Framework are fully outlined in the Group's Annual Report which does not form part of this report

### ENVIRONMENTAL POLICY

The nature of the Company's activities is such that it has a minimal direct effect on the environment. However, management have agreed to adopt Group policies to safeguard the environment to meet statutory requirements or where such policies are commercially sensible

### DIRECTORS

The following directors held office during the year

S R Corker (resigned 11 January 2008)

A K Evans (appointed 31 July 2007)

D A Holmes (resigned 31 July 2007)

P R Mainwaring (appointed 1 November 2007)

B C B Ward (appointed 1 November 2007)

R B Stevens was appointed a director of the Company on 1 April 2008

DIRECTORS' REPORT

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware there is no relevant audit information of which the Company's auditors are unaware and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Pursuant to s386 of the Companies Act 1985 an elective resolution was passed on 1 August 2003 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



M T de Freitas  
Company Secretary

Date

13/05/08

Registered office  
Tower 42  
Level 37  
25 Old Broad Street  
London  
EC2N 1HQ

Registered No  
2539347

## TULLETT FINANCIAL TRADER LIMITED

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

## **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 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London, United Kingdom

Date

*13 May 2008*

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TULLETT FINANCIAL TRADER LIMITED

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PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Interest receivable and similar income	3	2,793	3 036
Interest payable and similar charges	4	(53)	(57)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>2 740</u>	<u>2 979</u>
Tax charge on profit on ordinary activities	5	(822)	(894)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u><u>1,918</u></u>	<u><u>2 085</u></u>

All amounts derive from continuing operations in the current and prior period

The Company had no recognised gains or losses other than the profit for the current financial year and for the preceding year. Accordingly, no separate statement of total recognised gains and losses is presented

# TULLETT FINANCIAL TRADER LIMITED


## BALANCE SHEET

as at 31 December 2007

	<i>Notes</i>	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
<b>CURRENT ASSETS</b>			
Debtors due within one year	6	45,795	42 967
<b>CREDITORS amounts falling due within one year</b>	7	(2 184)	(1 274)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>43,611</u>	<u>41 693</u>
<b>NET ASSETS</b>		<u>43,611</u>	<u>41 693</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	36 688	36 688
Profit and loss account	9	6,923	5 005
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>43,611</u>	<u>41,693</u>

The financial statements were approved by the Board of Directors on **13** May 2008

Signed on behalf of the Board of Directors

  
A K Evans  
Director

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2007

**1 ACCOUNTING POLICIES**

***Accounting convention***

The financial statements are prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

***Cash flow statement***

The Company is exempt from reporting a cash flow statement in accordance with FRS 1 Cash Flow Statements (Revised 1996) as the Company is a wholly owned subsidiary of Tullett Prebon plc which is registered in England and Wales and which prepares Group financial statements which are publicly available

***Foreign currencies***

Transactions in foreign currencies are converted at exchange rates ruling at the transaction dates

Monetary assets and liabilities, denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are taken to the profit and loss account

***Taxation***

Corporation tax payable is provided on taxable profits at the rate applicable at the balance sheet date

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 they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. 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

***Related party transactions***

The Company has taken advantage of reporting exemptions in accordance with FRS 8 Related Party Disclosures, 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 financial statements are publicly available



# TULLETT FINANCIAL TRADER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2007

### 2 OPERATING PROFIT

Auditors' remuneration in respect of audit work of £5 000 (2006 £3 000) is borne by Tullett Prebon Group Limited

The directors did not receive any remuneration for their services to the Company in 2007 (2006 £nil)

The Company had no employees during the year (2006 nil)

During the year one director exercised share options in the Company's parent company, Tullett Prebon Plc

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £000	2006 £000
Group interest receivable	2,793	3 025
External interest income	-	11
	<u>2,793</u>	<u>3,036</u>

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £000	2006 £000
Group interest payable	<u>53</u>	<u>57</u>

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

	2007 £000	2006 £000
Current tax		
UK corporation tax charge on profit for the year	822	894
Tax charge on profit on ordinary activities	<u>822</u>	<u>894</u>

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

The tax assessed on the profit on ordinary activities for the year is at the standard rate of corporation tax in the UK of 30% (2006 30%)

	2007 £000	2006 £000
Current tax		
Profit on ordinary activities before tax	<u>2 740</u>	<u>2,979</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	822	894
Current tax charge for the year	<u>822</u>	<u>894</u>

TULLETT FINANCIAL TRADER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2007

6. DEBTORS

	2007 £000	2006 £000
Amounts falling due within one year		
Amounts owed by group undertakings	45,795	42,967

7 CREDITORS: amounts falling due within one year

	2007 £000	2006 £000
Tax Payable	1,269	447
Amounts owed to group undertakings	915	827
	2,184	1,274

8 SHARE CAPITAL

	2007 £000	2006 £000
Authorised		
40,000,000 ordinary shares of £1 each	40,000	40,000
	£000	£000
Allotted, called up and fully paid		
36,688,164 ordinary shares of £1 each	36,688	36,688

9 RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share capital £000	Profit and loss account £000	Total equity shareholders' funds £000
At 1 January 2006	36,688	2,920	39,608
Profit for the year	-	2,085	2,085
At 1 January 2007	36,688	5,005	41,693
Profit for the year	-	1,918	1,918
At 31 December 2007	36,688	6,923	43,611

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2007

**10 PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company's immediate parent undertaking is Tullett Liberty B V , a company registered in the Netherlands

The Company's ultimate parent undertaking and controlling party is Tullett Prebon plc

The parent undertaking of the largest and smallest group which includes the Company and for which Group accounts are prepared is Tullett Prebon plc

Copies of Tullett Prebon plc Group financial statements are available from the registered office Tower 42, Level 37 25 Old Broad Street, London EC2N 1HQ (correspondence address Level 3, 155 Bishopsgate, London EC2M 3TQ)