

Registered Number 2619854

PREBON YAMANE INTERNATIONAL LIMITED

Report and Financial Statements  
31 December 2004



## DIRECTORS' REPORT

The directors submit their report and accounts of the Company for the nine months ended 31 March 2004.

### Principal Activities

The Company acts as a holding company for a number of international money, securities and commodities broking subsidiaries. The results for the period are set out in the attached profit and loss account. The Company's activities are not expected to change over the forthcoming year.

### Business review

On 26 May 2004 Collins Stewart Tullett plc ("CST") announced an offer to acquire the entire issued ordinary share capital of FPG Holdings Limited ("FPGH"), parent company of the Prebon group. On 13 October 2004 it was announced that all conditions had been satisfied and the acquisition was completed.

During the period the Company changed its year-end from 31 March to 31 December by shortening the current period.

### Results and dividends

The profit on ordinary activities after taxation for the nine-month period ended 31 December 2004 was £826,411 (year ended 31 March 2004: profit £2,715,351). The surplus for the period ended 31 December 2004 of £826,411 (year ended 31 March 2004: surplus £2,713,023) has been transferred to reserves.

The directors do not recommend payment of a dividend on the ordinary shares (31 March 2004: £nil) nor on the preference shares (31 March 2004: £2,328).

### Directors' and officers' liability

The Company has taken out liability insurance as permitted by Section 310(3) of the Companies Act 1985 to cover directors and officers.

### Directors and their interests

The directors of the Company during the period were as follows:

C I Cowan	(resigned 13 October 2004)
AM Hughes	(resigned 13 October 2004)
PM Keenan	(resigned 13 October 2004)
GR Mayhill	(resigned 13 October 2004)
Y Tanahashi	
S A Jack	(appointed 13 October 2004)
J D Plasco	(appointed 13 October 2004)

None of the directors who held office at 31 December 2004 had any interests as at that date in the shares of Group companies except for Mr S A Jack, who was a director of CST and whose direct or indirect interests are disclosed in the financial statements of that company and Mr J D Plasco, who was a director of FPGH and whose direct and indirect interests are disclosed in the financial statements of that company.

DIRECTORS' REPORT

**Directors and their interests (continued)**

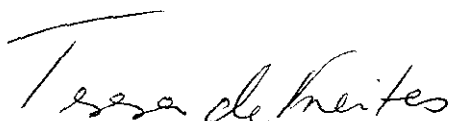
No contracts of significance to which the Company, its fellow subsidiary undertakings or its holding company, was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**Auditors**

By unanimous written resolution passed on 11 November 2004, the Company's shareholder resolved to accept the resignation of PricewaterhouseCoopers LLP and to appoint Deloitte & Touche LLP as the Company's auditors.

The Company has elected pursuant to Section 386 of the Companies Act 1985 to dispense with the requirement to appoint auditors annually and Deloitte & Touche LLP have indicated their willingness to continue in office as auditors.

By order of the board



T de Freitas  
Secretary

14 July 2005

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

*Registered number*  
2619854

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is not appropriate to presume that the Company will continue in business.

The directors confirm that the Company has sufficient financial resources, including bank facilities and other loan arrangements to continue in business for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements and that applicable accounting standards have been followed.

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.

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREBON YAMANE INTERNATIONAL LIMITED**

We have audited the financial statements of Prebon Yamane International Limited for the nine month period ended 31 December 2004, which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. 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 director' 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 period 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.

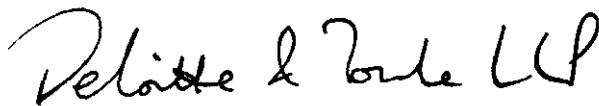
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PREBON  
YAMANE INTERNATIONAL LIMITED (continued)**

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 nine month period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

25<sup>th</sup> July 2005

## PREBON YAMANE INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

		9 month period ended 31 Dec 2004 £	Year ended 31 Mar 2004 £
	Note		
Operating income		161,541	893,543
Administrative expenses		(221,181)	(210,964)
<b>Operating (loss)/profit</b>	<b>2</b>	<b>(59,640)</b>	<b>682,579</b>
Income from shares in group undertakings		763,777	914,597
Interest receivable and similar income	3	1,215,653	1,542,348
Interest payable and similar charges	4	(897,011)	(754,494)
<b>Profit on ordinary activities before taxation</b>		<b>1,022,779</b>	<b>2,385,030</b>
Tax on profit on ordinary activities	5	(196,368)	330,321
<b>Profit on ordinary activities after taxation</b>		<b>826,411</b>	<b>2,715,351</b>
Dividends	6	-	(2,328)
<b>Retained profit for the year</b>	<b>14</b>	<b>826,411</b>	<b>2,713,023</b>

No note of historical cost profits and losses has been presented as there is no difference between the results as shown above and the results on an unmodified historical cost basis.

There were no gains or losses in the period and preceding year other than shown above and therefore no statement of total recognised gains and losses is presented.

The results above are in respect of continuing operations.

## PREBON YAMANE INTERNATIONAL LIMITED

## BALANCE SHEET

	Note	As at 31 Dec 2004 £	As at 31 Mar 2004 £
<b>Fixed assets</b>			
Tangible assets	7	2,083	3,353
Investments	8	23,579,217	23,429,217
		<u>23,581,300</u>	<u>23,432,570</u>
<b>Current assets</b>			
Debtors	9	9,761,102	16,854,707
Cash at bank and in hand		176,872	1,539,894
		<u>9,937,974</u>	<u>18,394,601</u>
Creditors: amounts falling due within one year	10	<u>(21,775,331)</u>	<u>(16,967,739)</u>
<b>Net current (liabilities)/assets</b>		<u>(11,837,357)</u>	<u>1,426,862</u>
<b>Total assets less current liabilities</b>		<u>11,743,943</u>	<u>24,859,432</u>
Creditors: amounts falling due after one year	12	-	(13,941,900)
<b>Net assets</b>		<u>11,743,943</u>	<u>10,917,532</u>
<b>Capital and reserves</b>			
Share capital	13	4,656,304	4,656,304
Profit and loss account	14	7,087,639	6,261,228
<b>Total equity shareholders' funds</b>		<u>11,743,943</u>	<u>10,917,532</u>

The financial statements were approved by the board of directors and signed on its behalf by:



S A Jack  
Director

14 July 2005



NOTES TO THE FINANCIAL STATEMENTS

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

During the period the Company changed its year-end from 31 March to 31 December by shortening the current period.

The Company has taken advantage of the exemption granted under Section 228 of the Companies Act 1985 from the obligation to prepare and deliver group accounts.

**Investments**

Investments in subsidiary and associated undertakings are shown at cost less provision for any impairment.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All other exchange differences are included in the profit and loss account.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, calculated at rates expected to be applicable when the liability or asset crystallises on a non-discounted basis. Deferred tax assets are recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Cash flow statement**

As the Company is a wholly owned subsidiary undertaking of a parent company registered in England and Wales which prepares a consolidated cash flow statement, it has taken the exemption permitted by FRS 1 (revised 1996) "Cash flow statements" and is not required to present a cash flow statement in these accounts.

**Related party transactions**

The Company has taken advantage of reporting exemptions 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 Group's parent financial statements are publicly available.

## NOTES TO THE FINANCIAL STATEMENTS

**Fixed assets**

Fixed assets are stated at cost less depreciation and are written off in equal annual instalments over their estimated useful lives. The principal rates of depreciation used per annum are:

Plant and equipment	10-20%
Leasehold property improvements	10-20%

**2 Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	<b>9 month period ended 31 Dec 2004</b>	<b>Year ended 31 Mar 2004</b>
	<b>£</b>	<b>£</b>
Foreign exchange loss/(gain) on operations	62,141	(764,413)
Depreciation expense	1,354	2,987
Staff costs – wages and salaries	<u>100,215</u>	<u>121,870</u>

The Company has no employees and staff costs represent an amount recharged by a fellow group undertaking. No fees or other emoluments have been paid to directors of the Company for services during the year. The audit fee of £10,000 (31 March 2004: £10,000) is borne by a fellow group undertaking.

The foreign exchange gain shown separately on the face of the profit and loss account for the prior year has been reallocated to operating profit and interest receivable and similar income as appropriate.

**3 Interest receivable and similar income**

	<b>9 month period ended 31 Dec 2004</b>	<b>Year ended 31 Mar 2004</b>
	<b>£</b>	<b>£</b>
Foreign exchange on financing	441,488	1,511,378
Interest receivable from bank balances	15,412	30,970
Interest receivable from group undertakings	<u>758,753</u>	<u>-</u>
	<u>1,215,653</u>	<u>1,542,348</u>

## NOTES TO THE FINANCIAL STATEMENTS

**4 Interest payable and similar charges**

	<b>9 month period ended 31 Dec 2004</b>	<b>Year ended 31 Mar 2004</b>
	<b>£</b>	<b>£</b>
Interest on other loans repayable within five years other than by instalments	223,741	390,847
Interest payable to group undertakings	673,270	363,647
	<u>897,011</u>	<u>754,494</u>

**5a Taxation**

	<b>9 month period ended 31 Dec 2004</b>	<b>Year ended 31 Mar 2004</b>
	<b>£</b>	<b>£</b>
<b>The tax (charge)/credit comprises:</b>		
UK corporation tax for the period	(69,644)	-
UK corporation tax in respect of prior years	-	(540)
	<u>(69,644)</u>	<u>(540)</u>
Deferred taxation	(126,724)	330,861
	<u>(196,368)</u>	<u>330,321</u>

**5b Factors affecting the tax charge for the period**

	<b>9 month period ended 31 Dec 2004</b>	<b>Year ended 31 Mar 2004</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>1,022,779</u>	<u>2,385,030</u>
Corporation tax on ordinary activities at the standard corporation tax rate of 30%	(306,834)	(715,509)
Tax on apportionable income of overseas subsidiary	(354,305)	(378,654)
Timing differences	(201,981)	-
Non-deductible expenses	(7,917)	(6,443)
Double tax relief	232,236	274,379
Utilisation of losses brought forward	569,157	826,227
Adjustments in respect of prior years	-	(540)
	<u>(69,644)</u>	<u>(540)</u>

**6 Dividends**

	<b>9 month period ended 31 Dec 2004</b>	<b>Year ended 31 Mar 2004</b>
	<b>£</b>	<b>£</b>
0.1% preference dividend proposed	<u>-</u>	<u>2,328</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 7 Tangible assets

	Short leasehold improvements £	Plant and equipment £	Total £
<b>Cost</b>			
At 1 April 2004	11,254	15,658	26,912
Additions	-	182	182
Exchange differences	-	(759)	(759)
At 31 December 2004	<u>11,254</u>	<u>15,081</u>	<u>26,335</u>
<b>Accumulated depreciation</b>			
At 1 April 2004	11,254	12,305	23,559
Charge for the year	-	1,354	1,354
Exchange differences	-	(661)	(661)
At 31 December 2004	<u>11,254</u>	<u>12,998</u>	<u>24,252</u>
<b>Net book value at 31 December 2004</b>	<u>-</u>	<u>2,083</u>	<u>2,083</u>
Net book value at 31 March 2004	<u>-</u>	<u>3,353</u>	<u>3,353</u>

## 8 Investments

	Subsidiary undertakings £	Other investments £	Total £
At 1 April 2004	22,851,983	577,234	23,429,217
Additions	<u>150,000</u>	<u>-</u>	<u>150,000</u>
At 31 December 2004	<u>23,001,983</u>	<u>577,234</u>	<u>23,579,217</u>

The addition to subsidiary undertakings relates to the acquisition of shares in Prebon Global Credit LLP (PGC), following which the Company's ownership of PGC was 100%.

A list of principal subsidiary undertakings and associates at 31 December 2004 is given in Note 17.

## 9 Debtors

	As at 31 Dec 2004 £	As at 31 Mar 2004 £
Amounts owed by group undertakings	8,856,953	16,464,061
Prepayments and accrued income	3,230	-
Other debtors	696,782	59,785
Deferred tax asset (Note 11)	<u>204,137</u>	<u>330,861</u>
	<u>9,761,102</u>	<u>16,854,707</u>

## NOTES TO THE FINANCIAL STATEMENTS

**10 Creditors: amounts falling due within one year**

	As at 31 Dec 2004 £	As at 31 Mar 2004 £
Bank loans and overdrafts	-	2,901,838
Amounts owed to group undertakings	21,519,687	13,393,500
Dividends payable	2,328	2,328
Other creditors	253,316	670,073
	<u>21,775,331</u>	<u>16,967,739</u>

**11 Deferred taxation**

	As at 31 Dec 2004 £	As at 31 Mar 2004 £
Future offset tax losses	-	330,861
Other timing differences	204,137	-
Deferred tax asset	<u>204,137</u>	<u>330,861</u>
At 1 April 2004	330,861	-
Profit and loss (charge)/credit for the period/year	(126,724)	330,861
At 31 December 2004, (Note 9)	<u>204,137</u>	<u>330,861</u>

**12 Creditors: amounts due after more than one year**

	As at 31 Dec 2004 £	As at 31 Mar 2004 £
Bank loans and overdrafts:		
Between one and two years by instalments	-	2,854,916
Between two and five years by instalments	-	3,892,064
After more than five years by instalments	-	7,194,920
	<u>-</u>	<u>13,941,900</u>
<b>Bank loans and overdrafts</b>		
<i>Aggregate amounts repayable:</i>		
Within one year	-	2,901,838
After more than one year	-	13,941,900
	<u>-</u>	<u>16,843,738</u>

## NOTES TO THE FINANCIAL STATEMENTS

**12 Creditors: amounts due after more than one year (continued)**

Bank loans and overdrafts were denominated in the following currencies:

	As at 31 Dec 2004	As at 31 Mar 2004
US Dollar	-	8,161,937
Japanese Yen	-	8,681,801
	-	<u>16,843,738</u>

The above loans were repaid during the year. The Japanese Yen loan was repaid in October 2004 and the US dollar loan was repaid in November 2004.

**13 Share capital**

	As at 31 Dec 2004 £	As at 31 Mar 2004 £
Authorised, issued and fully paid:		
2,328,152 Ordinary shares of £1 each	2,328,152	2,328,152
2,328,152 Preferred shares of £1 each	<u>2,328,152</u>	<u>2,328,152</u>
	<u>4,656,304</u>	<u>4,656,304</u>

**14 Reserves**

	Profit and loss account £
At 1 April 2004	6,261,228
Retained profit for the period	<u>826,411</u>
At 31 December 2004	<u>7,087,639</u>

**15 Reconciliation of movements in shareholders' funds**

	As at 31 Dec 2004 £	As at 31 Mar 2004 £
Dividends proposed on preference shares	-	(2,328)
Net increase in shareholders' funds	<u>826,411</u>	<u>2,715,351</u>
	826,411	2,713,023
Opening shareholders' funds	<u>10,917,532</u>	<u>8,204,509</u>
Closing shareholders' funds	<u>11,743,943</u>	<u>10,917,532</u>

## NOTES TO THE FINANCIAL STATEMENTS

**16 Parent undertaking and controlling party**

The Company's immediate parent undertaking is Fulton Prebon Group Limited, a company registered in England and Wales.

The Company's ultimate parent undertaking and controlling party was Fulton Prebon Group Holdings Limited prior to 13 October 2004. From 13 October 2004 the ultimate parent and controlling party is Collins Stewart Tullett plc.

Collins Stewart Tullett plc has included the Company in its group accounts.

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

**17 Principal Subsidiaries and Associates**

At 31 December 2004 the following principal subsidiary and associated undertakings were wholly owned (unless otherwise stated) in respect of the ordinary shares and voting rights held by the Company or through a subsidiary undertaking. The main activity of the undertakings is money broking, with the exception of those subsidiary undertakings marked '#' which hold investments in other subsidiary and associated undertakings.

<b>Principal subsidiary undertakings</b>	<b>Country of Incorporation</b>	<b>Ownership and voting rights %</b>
Prebon Marshall Yamane (UK) Limited	Great Britain	100
#Prebon Administration Limited	Great Britain	100
Patriot Limited	Great Britain	100
Prebon Yamane (Luxembourg) SA	Luxembourg	100
Prebon Yamane (Polska) Sp.z o.o.	Poland	100
#Prebon Holdings BV	The Netherlands	100
Prebon Data Services (Bermuda) Limited	Bermuda	100
Prebon Limited	Great Britain	100
+Fulton Prebon (Malaysia) Sdn Bhd	Malaysia	25
Prebon Yamane (Hong Kong) Limited	Hong Kong	100
Prebon Yamane (Singapore) Limited	Singapore	100
Prebon Energy (Singapore) Pte Limited	Singapore	100
Prebon Yamane Financial Services (Singapore) Limited	Singapore	100
Tappa (Hong Kong) Limited	Hong Kong	60
PT Inti Prebon Moneybrokers	Indonesia	57
Prebon Philippines Inc	Philippines	51
Prebon Yamane (Australia) Pty Limited	Australia	100
+Prebon Yamane (India) Limited	India	48
Tappa Holdings Limited	Hong Kong	100

+Associated companies