

Prebon Investments Limited
Report & Accounts
31 March 2002
Registered Number: 2627770



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The directors have pleasure in submitting their report and accounts of the Company for the year ended 31 March 2002.

Business review

The principal activity of the Company is that of an intermediate holding company. The directors anticipate that there will not be any changes to the Company's activities in the short term.

Results and dividends

The profit on ordinary activities after taxation for the year was £3,354 (2001: £528). The profit for the year of £3,354 (2001: £528) has been transferred to reserves.

The directors do not recommend payment of a dividend (2001: £nil).

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.

Statement of directors' responsibilities

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 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 inappropriate to presume that the company will continue in business.

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

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 for the year ended 31 March 2002 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.

Directors and their interests

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

S A Collis (resigned, 27 July 2001)
A M Hughes
P M Keenan
G R Mayhill
K M Taylor (appointed, 27 July 2001)

Mr K M Taylor resigned as a director on 25 April 2002 and Mr C I Cowan was appointed, as a director of the Company, on 30 April 2002.

No director had any interest in the issued share capital of the Company.

None of the directors who held office at 31 March 2002 had any interest as at that date in the shares of group companies except for Messrs Hughes and Keenan, who are directors of the ultimate holding company, FPG Holdings Limited, and details of their interests in that company are disclosed in its financial statements.

Directors' interests in contracts entered into by the Company, are disclosed in the accounts of the parent company, FPG Holdings Limited.

Auditors

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

By Order of the Board



J M Dearlove
Secretary

30 January 2003

Registered Office:
Hill House
Heron Square
Richmond
Surrey TW9 1EP

Registered number
2627770

Independent auditor's report to the members of Prebon Investments Limited

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the auditing practices board. This opinion has been prepared for and only for the company's members in accordance with section 235 of the companies act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 is not disclosed.

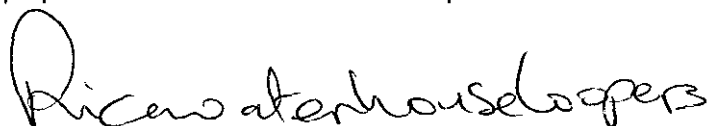
Basis of audit opinion

We conducted our audit in accordance with the 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 group'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 affairs of the company at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered accountants
and registered auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY

30 January 2003

Prebon Investments Limited
Profit and Loss Account
Year ended 31 March 2002

	Note	31 March 2002 £	31 March 2001 £
Operating (expenses)/income	2	<u>(460)</u>	<u>187</u>
Operating (loss)/profit		(460)	187
Interest receivable	4	<u>40</u>	<u>567</u>
(Loss)/Profit on ordinary activities before taxation		(420)	754
Taxation credit/(charge)	3	<u>3,774</u>	<u>(226)</u>
Profit on ordinary activities after taxation	8	<u><u>3,354</u></u>	<u><u>528</u></u>

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

There were no gains or losses in the financial year other than those shown above.

The results above are in respect of continuing operations.

Reconciliation of movements in shareholders' funds

	31 March 2002 £	31 March 2001 £
Profit for the year	3,354	528
Opening Shareholders' funds	<u>(1,702,888)</u>	<u>(1,703,416)</u>
Closing Shareholders' funds	<u><u>(1,699,534)</u></u>	<u><u>(1,702,888)</u></u>

The notes on pages 8 to 10 form an integral part of these accounts.

Prebon Investments Limited
Balance Sheet
31 March 2002

	Note	31 March 2002 £	31 March 2001 £
Fixed assets			
Investments	5	<u>5,166,380</u>	<u>5,166,380</u>
Current assets			
Cash at bank and in hand		5,427	5,396
Creditors (amounts falling due within one year)	6	<u>(6,871,341)</u>	<u>(6,874,664)</u>
Net current liabilities		<u>(6,865,914)</u>	<u>(6,869,268)</u>
Total assets less current liabilities		<u>(1,699,534)</u>	<u>(1,702,888)</u>
Net liabilities		<u>(1,699,534)</u>	<u>(1,702,888)</u>
Capital and reserves			
Share capital	7	100	100
Profit and loss account	8	<u>(1,699,634)</u>	<u>(1,702,988)</u>
Equity shareholders' funds		<u>(1,699,534)</u>	<u>(1,702,888)</u>

Approved by the board on ~~30~~ 30 January 2003
and signed on their behalf by:



C I Cowan - Director

The notes on pages 8 to 10 form an integral part of these accounts.

1 Accounting policies

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

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 in subsidiary undertakings

The values of investments in subsidiary undertakings are shown at cost. The profit or loss on disposal of investments is dealt with through the profit and loss account and any permanent diminution of value is charged to the profit and loss account.

Foreign currency

Transactions in foreign currencies are converted at exchange rates ruling at the transaction dates. Assets and liabilities, denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at the year end. Exchange gains and losses are taken to the profit and loss account.

Deferred taxation

No provision is made for deferred taxation in respect of timing differences except where, in the opinion of the directors, it is expected that a tax payment or credit will crystallise in the foreseeable future.

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 "Cash flow statements" and is not required to present a cash flow statement in these accounts.

Related parties

The Company has taken advantage of the exemption granted to wholly owned and controlled subsidiary undertakings by FRS 8, Related Party Disclosures, not to disclose related party transactions with members of the Group or associates of other group members.

2 Operating (expenses)/income

No fees or other emoluments have been paid to directors of the Company for services during the year. The audit fee of £3,000 (2001: £3,000) is borne by the immediate parent company.

The company has no employees (2001: nil).

3a Taxation

	2002 £	2001 £
The tax credit/(charge) comprises:		
Corporation tax, adjustments in respect of prior years	3,774	(226)
	<u>3,774</u>	<u>(226)</u>

3b Factors Affecting the Tax Charge for the Period

	2002 £	2001 £
(Loss)/Profit on Ordinary Activities before taxation	(420)	754
Corporation tax on ordinary activities before taxation, standard corporation tax rate 30%	126	(226)
Deferred tax asset not recognised	(126)	-
Adjustment in respect of prior years	3,774	-
	<u>3,774</u>	<u>(226)</u>

4 Interest receivable

	31 March 2002 £	31 March 2001 £
External interest receivable	<u>40</u>	<u>567</u>

5 Investments

	£
Investment in subsidiary undertakings at cost, 31 March 2002 and 2001	<u>5,166,380</u>

Investment in subsidiary undertakings comprises investments that are wholly owned by the Company in respect of ordinary shares and voting rights. The principal subsidiary undertakings are as follows:

LCF Limited
Onlymatch Leasing Limited
Prebon (Financial Futures) Limited

The above subsidiary undertakings are incorporated in the United Kingdom, are registered in England and Wales and are all non-trading.

6 Creditors (amounts falling due within one year)

	31 March 2002 £	31 March 2001 £
Amounts due to group undertakings	93,627	93,176
Amounts due to subsidiary undertakings	5,273,752	5,239,432
Amounts due to immediate parent undertaking	1,503,510	1,537,830
Amounts due to intermediate parent undertaking	452	-
Other Accruals	-	4,000
Taxation	-	226
	<u>6,871,341</u>	<u>6,874,664</u>

7 Share capital

**31 March 2002
& 31 March 2001**
£

Authorised:

1,000 Ordinary Shares of £1 each

1,000

Issued and fully paid:

100 Ordinary Shares of £1 each

100

8 Profit and loss account

£

At 1 April 2001

(1,702,988)

Profit for the year

3,354

At 31 March 2002

(1,699,634)

9 Financial Support

The directors of Prebon Group Limited have confirmed their intention to ensure that sufficient financial resources are available to the Company to enable it to satisfy its liabilities as they fall due for at least a year from the date of approval of these financial statements.

10 Ultimate holding company

At 31 March 2002 and throughout the year then ended, the ultimate holding company was FPG Holdings Limited ("FPGH"), a company registered in England and Wales.

Prebon Group Limited and its parent, FPGH, both consolidate the results of the Company and copies of the consolidated accounts can be obtained from the Company Secretary, Prebon Group Limited, Hill House, Heron Square, Richmond, Surrey TW9 1EP.