

PREBON INVESTMENTS LIMITED

Report & Financial Statements for the Year ended 30 September 1994

Registered Company Number 2627770



PREBON INVESTMENTS LIMITED

Report and Financial Statements for the Year ended 30 September 1994

Contents	Page No
Directors	1
Report of the Directors	2
Report of the Auditors	4
Accounting Policies	5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8
Principal Subsidiaries	11

PREBON INVESTMENTS LIMITED

**Report and Financial Statements
for the Year ended 30 September 1994**

Directors

Directors:

S A Collis (Mrs)
A M Hughes
P M Keenan
G R Mayhill

Secretary:

Prebon Secretaries Limited

Registered Office:

2nd Floor
155 Bishopsgate
London EC2N 3DA

Auditors:

Price Waterhouse
Southwark Towers
32 London Bridge Street
London SE1 9SY

PREBON INVESTMENTS LIMITED

Report and Financial Statements for the Year ended 30 September 1994

Report of the Directors

Company Registration No 2627770

The directors present their report and the audited financial statements for the year ended 30 September 1994.

Principal Activity and Business Review

The principal activity of the company is that of a holding company in respect of those subsidiaries of Fulton Prebon Group Limited not engaged in the business of international money and foreign exchange broking.

Statement of Directors' Responsibilities

Company law requires the directors to prepare the financial statements for each financial year which 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. 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, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Results and Dividends

The result on ordinary activities after taxation was a loss of £13,879 (1993: £154,748).

Overall the directors are satisfied with the company's prospects for the future.

Directors and their Interests

The directors who held office during the year ended 30 September 1994 are as follows:

S A Collis (Mrs)	(appointed 1 October 1993)
A M Hughes	
G R Mayhill	

On 6 March 1995 Mr P M Keenan was appointed as a director of the company.

None of the directors who held office at 30 September 1994 had any interests in the shares of group companies except for Mr A M Hughes, who is a director of the ultimate parent company and whose interests are disclosed in the financial statements of that company.

Insurance

The company purchases insurance cover for the directors and officers against liabilities in relation to the company.

BY ORDER OF THE BOARD



for Prebon Secretaries Limited
2nd Floor
155 Bishopsgate
London EC2N 3DA

21 June, 1995

PREBON INVESTMENTS LIMITED

Report of the Auditors to the Shareholders of Prebon Investments Limited for the Year ended 30 September 1994

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 at 30 September 1994 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

**Price Waterhouse
Chartered Accountants
and Registered Auditors**

**Southwark Towers
32 London Bridge Street
London SE1 9SY**

21 June 1995

PREBON INVESTMENTS LIMITED

Report and Financial Statements for the Year ended 30 September 1994

Accounting Policies

Basis of Accounting

The financial statements 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.

Taxation

Corporation Tax payable is provided on taxable profits at the current rate. Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for the purpose of the financial statements and the treatment for taxation purposes. No provision is made to the extent that it is probable that a liability or asset will not crystallise in the foreseeable future. Any liability for Advance Corporation Tax is disclosed to the extent that it is not offsettable against taxation payable.

Foreign Currency

Profits and losses in foreign currencies are translated into sterling at the average rates of exchange for the period. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Exchange differences arising from trading activities and on the translation of monetary assets and liabilities are included in the profit and loss account.

PREBON INVESTMENTS LIMITED

Profit and Loss Account for the Year ended 30 September 1994

	Notes	Year ended 30 September 1994 £	Year ended 30 September 1993 £
Administrative expenses	1	(15,354)	(154,748)
Interest receivable	2	<u>1,475</u>	<u>-</u>
Loss on ordinary activities before taxation		(13,879)	(154,748)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(13,879)</u>	<u>(154,748)</u>

Statement of total recognised gains and losses.

Loss for the financial year	<u>(13,879)</u>	<u>(154,748)</u>
Total recognised gains and losses relating to the year	<u>(13,879)</u>	<u>(154,748)</u>

There is no difference between the loss on ordinary activities before taxation and the loss sustained for the year stated above and their historical cost equivalents.

The reconciliation of movement in shareholders' funds is found in Note 9.

PREBON INVESTMENTS LIMITED

Balance Sheet as at
30 September 1994

	Notes	1994 £	1994 £	1993 £	1993 £
FIXED ASSETS					
Investments	3		5,390,046		5,390,046
CURRENT ASSETS					
Debtors	4	5,983,601		7,873,338	
Cash at bank in hand		<u>834</u>		<u>-</u>	
		5,984,435		7,873,338	
CREDITORS:					
Amounts falling due within one year	5	<u>4,780,739</u>		<u>4,953,474</u>	
NET CURRENT ASSETS			<u>1,203,696</u>		<u>2,919,864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,593,742		8,309,910
CREDITORS:					
Amounts falling due after one year	6		(6,897,407)		(8,599,696)
NET ASSETS			<u>(303,665)</u>		<u>(289,786)</u>
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account	8		<u>(303,765)</u>		<u>(289,886)</u>
SHAREHOLDERS FUNDS			<u>(303,665)</u>		<u>(289,786)</u>

Signed on behalf of the Board:

P. M. Keenan
Director

21 June, 1995

PREBON INVESTMENTS LIMITED

Notes to the Financial Statements for the Year ended 30 September 1994

1. ADMINISTRATIVE EXPENSES

Directors emoluments were nil during the year (1993: nil). Auditors' remuneration is paid by the parent company. The foreign exchange gain for the year is £1,747 (1993 : (£154,748))

2. INTEREST RECEIVABLE

	Year ended 30 September 1994 £	Year ended 30 September 1993 £
External interest receivable	<u>1,475</u>	<u>—</u>

3. INVESTMENTS

The movement in fixed asset investments during the year was as follows:

<u>Shares in subsidiary undertakings:</u>	£
At 1 October 1993	5,390,046
Acquired during the year	-
Disposals during the year	-
At 30 September 1994	<u>5,390,046</u>

A list of principal subsidiary undertakings at 30 September 1994 is given on page 11.

PREBON INVESTMENTS LIMITED

Notes to the Financial Statements for the Year ended 30 September 1994 (continued)

Year ended 30 September 1994 (continued)	At 30 September 1994 £	At 30 September 1993 £	
4. DEBTORS			
Other debtors	<u>5,983,601</u>	<u>7,873,338</u>	
5. CREDITORS: Amounts falling due within one year			
Amounts due to group undertakings	<u>4,780,739</u>	<u>4,953,474</u>	
6. CREDITORS: Amounts falling due after one year			
Bank loans and overdrafts			
- repayable within 5 years by instalments	6,897,407	6,915,696	
- repayable after 5 years by instalments	<u>-</u>	<u>1,684,000</u>	
	<u>6,897,407</u>	<u>8,599,696</u>	
7. CALLED UP SHARE CAPITAL			
Authorised			
100,000 Ordinary Shares of £1 each	<u>£100,000</u>	<u>£100,000</u>	
Allotted and fully paid			
100 Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>	
8. RESERVES			
	Share Capital £	Profit and Loss Account £	Total £
Balance at 1 October 1993	100	(289,886)	(289,786)
Loss for the period	<u>-</u>	<u>(13,879)</u>	<u>(13,879)</u>
Balance at 30 September 1994	<u>100</u>	<u>(303,765)</u>	<u>(303,665)</u>

PREBON INVESTMENTS LIMITED

Notes to the Financial Statements for the Year ended 30 September 1994 (continued)

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 30 September 1994 £	Year ended 30 September 1993 £
Loss for financial year	(13,879)	(154,748)
Opening shareholders' funds	<u>(289,786)</u>	<u>(135,038)</u>
Closing shareholders' funds	<u>(303,665)</u>	<u>(289,786)</u>

10. CONTINGENT LIABILITIES

Bank loans and overdrafts granted to certain group undertakings amounting as at 30 September 1994 to £15,623,000 (1993: £20,935,000) have been guaranteed by the company and secured by fixed and floating charges over the assets and undertakings of the company.

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Fulton Prebon Group Limited, a company registered in England. Fulton Prebon Group Limited is the parent undertaking of the largest and smallest group of companies for which group accounts are drawn up and of which the company is a member.

In the event that Prebon Investments Limited requires further financing, Fulton Prebon Group Limited would continue to support the company.

12. CASHFLOW STATEMENT

The financial statements for Fulton Prebon Group Limited include a Group statement of cash flows and consequently no disclosure is required or has been made of company cash flows.

PREBON INVESTMENTS LIMITED

Principal Subsidiaries **30 September 1994**

Subsidiaries wholly owned by the Company.

Financial Futures Broking

LCF Limited
Prebon (Financial Futures) Limited

Lease Packaging and Project Finance

Onlymatch Leasing Limited