

Prebon Investments Limited
Report & Accounts
31 March 2001
Registered Number: 2627770



Prebon Investments Limited
Report & Accounts
Year ended 31 March 2001

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Directors

C I Cowan
A M Hughes
P M Keenan
G R Mayhill

Secretary

J M Dearlove

Registered Office

Hill House
Heron Square
Richmond
Surrey TW9 1EP

Auditors

PricewaterhouseCoopers
Southwark Towers
32 London Bridge Street
London SE1 9SY

The directors have pleasure in submitting their report and accounts of the Company for the year ended 31 March 2001.

Business review

The principal activity of the Company is that of an intermediate holding company.

Results and dividends

The profit on ordinary activities after taxation for the year was £528 (12 months ended 31 March 2000: profit £55). The profit for the year of £528 (12 months ended 31 March 2000: profit £55) has been transferred to reserves.

The directors do not recommend payment of a dividend (2000: £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.

Responsibilities of the directors

It is the responsibility of 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 as at the end of the financial year and of the profit or loss for that year. The directors are responsible for ensuring that applicable accounting standards have been followed, and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of the financial statements. It is also the responsibility of the directors to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business and to ensure those financial statements comply with the Companies Act 1985. The directors are also responsible for maintaining adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

Directors and their interests

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

S A Collis
A M Hughes
P M Keenan
G R Mayhill

Mrs S A Collis resigned, and Mr K M Taylor was appointed, as a director of the Company, on 27 July 2001. Mr Taylor resigned on 25 April 2002. Mr C I Cowan was appointed as a director of the Company on the 30 April 2002.

None of the directors who held office at 31 March 2001 had any interest as at that date in the shares of group companies except for Messrs Hughes and Keenan 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 (see Note 24).

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

9 July 2002

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

Registered number
2627770

Auditors' Report to the Members of Prebon Investments Limited

We have audited the financial statements on pages 6 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the director's 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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 of the state of the Company's affairs as at 31 March 2001 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

9 July 2002

Prebon Investments Limited
Profit and Loss Account
Year ended 31 March 2001

		12 months to 31 March 2001	12 months to 31 March 2000
	Note	£	£
Operating Income		187	55
Operating Profit		187	55
Interest receivable	3	567	-
Profit on ordinary activities before taxation	7	754	55
Taxation		(226)	-
Profit on ordinary activities after taxation		<u>528</u>	<u>55</u>

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

	12 months to 31 March 2001	12 months to 31 March 2000
	£	£
Profit for the year	528	55
Opening Shareholders' funds	<u>(1,703,416)</u>	<u>(1,703,471)</u>
Closing Shareholders' funds	<u>(1,702,888)</u>	<u>(1,703,416)</u>

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

Balance Sheet
31 March 2001

	Note	31 March 2001 £	31 March 2000 £
Fixed assets			
Investments	4	<u>5,166,380</u>	<u>5,166,380</u>
Current assets			
Cash at bank and in hand		5,396	4,642
Creditors (amounts falling due within one year)	5	<u>(6,874,664)</u>	<u>(6,874,438)</u>
Net current liabilities		<u>(6,869,268)</u>	<u>(6,869,796)</u>
Total assets less current liabilities		<u>(1,702,888)</u>	<u>(1,703,416)</u>
Net liabilities		<u>(1,702,888)</u>	<u>(1,703,416)</u>
Capital and reserves			
Share capital	6	100	100
Profit and loss account	7	<u>(1,702,988)</u>	<u>(1,703,516)</u>
Equity shareholders' funds		<u>(1,702,888)</u>	<u>(1,703,416)</u>

Approved by the board on 9 July 2002
and signed on their behalf by:



A Hughes - 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 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

No fees or other emoluments have been paid to directors of the Company for services during the year. The audit fee of £3,000 (2000: £3,000) is borne by the immediate parent company. The Company had no employees during the year.

The company has no employees (2000: nil).

3 Interest receivable

	12 months to 31 March 2001 £	12 months to 31 March 2000 £
External interest receivable	<u>567</u>	<u>-</u>

4 Investments

	£
Investment in subsidiary undertakings at cost, 31 March 2001 and 2000	<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.

5 Creditors (amounts falling due within one year)

	31 March 2001 £	31 March 2000 £
Amounts due to group undertakings	93,176	93,176
Amounts due to subsidiary undertakings	5,239,432	5,239,432
Amounts due to parent undertaking	1,537,830	1,537,830
Accruals and deferred income	4,000	4,000
Taxation	226	-
	<u>6,874,664</u>	<u>6,874,438</u>

6 Share capital

	31 March 2000 & 31 March 2001 £
Authorised: 1,000 Ordinary Shares of £1 each	<u>1,000</u>
Issued and fully paid: 100 Ordinary Shares of £1 each	<u>100</u>

7 Profit and loss account

	£
At 1 April 2000	(1,703,516)
Profit for the year	528
At 31 March 2001	<u>(1,702,988)</u>

8 Ultimate holding company

At 31 March 2001 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.

9 Financial Support

The directors of PGL have confirmed their intention to ensure that 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.