Registered No 2670499

TULLETT PREBON (SECURITIES) LIMITED

Report and Financial Statements
31 December 2009

DIRECTORS' REPORT

The dırectors present theır annual report and financıal statements for the year ended 31 December 2009

RESULTS AND DIVIDENDS

The profit for the year, after taxatıon, amounted to £31,573,000 (2008 £18,514,000) and wıll be transferred to reserves

The dırectors paıd an ınterım dıvıdend for 2009 of £26,000,000 (2008 £22,000,000) on 27 August 2009 The dırectors recommend a final dıvıdend for 2009 of £10,000,000 (2008 £nıl) The final dıvıdend, ıf approved, wıll be paıd on 12 March 2010

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company ıs a wholly owned subsıdıary of Tullett Prebon plc, operatıng as part of the Group's European ınter-dealer broker ("IDB") busıness

The Company ıs a corporate member of The Internatıonal Capıtal Markets Assocıatıon, Eurex, Euronext Parıs, Euronext Lıffe, Euronext Amsterdam, European Clımate Exchange and the European Energy Exchange It ıs authorısed and regulated by the Fınancıal Servıces Authorıty

The Company's prıncıpal actıvıty durıng the year contınued to be that of an IDB There have not been any sıgnıficant changes ın the Company's prıncıpal actıvıtıes ın the year under revıew and the dırectors are not aware, at the date of thıs report, of any lıkely major changes ın the Company's actıvıtıes ın the next year

The Company contınues to hıre new brokers to enhance ıts capabılıtıes ın certaın product areas and to seek out new areas to develop ıts product offerıng ın the wholesale financıal markets

As shown ın the Company's profit and loss account on page 6, the Company's revenue has ıncreased by 10 7% over the prıor year to £172,085,000 The Company's operatıng profit for the year ended 31 December 2009 was £45,045,000, a £19,330,000 ıncrease over 2008 Thıs equates to an operatıng margın of 26 2% for the busıness compared wıth the 16 5% achıeved ın 2008

The balance sheet on page 8 of the financıal statements shows that the Company's net assets have ıncreased to £43,568,000 (2008 £38,136,000) prımarıly as a result of ıncreased retaıned earnıngs Cash generatıon from operatıons remaıns strong The net current assets have ıncreased to £47,606,000 (2008 £42,134,000) and are suffıcıent to meet all exıstıng lıabılıtıes as they fall due

The Company's Frankfurt branch contınued ın operatıon throughout 2009

The Tullett Prebon plc Group manages ıts European IDB operatıons on a regıonal basıs For thıs reason, the Company's dırectors belıeve that further key performance ındıcators at company level are not necessary or approprıate for an understandıng of the development, performance or posıtıon of the busıness The performance of the European IDB regıon, whıch ıncludes the Company, ıs dıscussed ın the Group's annual report whıch does not form part of thıs report The Pıllar Three dısclosure for the Company ıs contaıned wıthın the dısclosures provıded ın the Group financıal statements of Tullett Prebon plc

PRINCIPAL RISKS AND UNCERTAINTIES

The key rısks whıch the Company faces ın ıts day to day operatıons can broadly be categorısed as credıt, market, operatıonal, lıquıdıty and reputatıonal rısk

Credıt rısk ıs the rısk of financıal loss to the Company ın the event of non performance by a clıent or counterparty wıth respect to ıts contractual oblıgatıons to the Company As the Company's busıness ıs contracted on an agency or ıntermedıary basıs, the maın credıt rısk ıs actually more akın to a market rısk, as the exposure ın such cases ıs to movements ın securıtıes prıces and foreıgn currency A sıgnıficant proportıon of transactıons brokered by the Company ıs on a name gıve up basıs, where the Company acts as agent ın arrangıng the trade Whılst the Company does not suffer any exposure ın relatıon to the underlyıng ınstrument brokered (gıven that the Company ıs not a prıncıpal to the trade), ıt ıs exposed to the rısk that the clıent faıls to pay the brokerage ıt ıs charged

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Market risk is the vulnerability of the Company to movements in the value of financial instruments Market risk can arise in those instances where one or both counterparties in a matched principal transaction fail to fulfil their obligations (i e an initially unsettled transaction) or through trade mismatches or other errors The risk in these situations is restricted to short-term price movements in the underlying securities held or to be delivered by the Company and movements in foreign exchange rates

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms Cash and equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns Funding requirements and cash and equivalent exposures are monitored by the Group Risk and Treasury Committee

Reputational risk is the risk that the Company's ability to do business might be damaged as a result of its reputation being tarnished

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

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 11

The Company participates in the Group's policies and practices relating to current and prospective employees These policies and procedures are outlined in the Group's Annual Report which does not form part of this report

DIRECTORS

The following directors held office during the year

J M Binns (appointed 5 October 2009)
J Birkholz
M P Bolton (resigned 5 March 2009)
S M Clark
S L Drake
S C Duckworth
P Dunkley (appointed 11 March 2009)
J F Ely
A C Hadley
S Horkulak (resigned 6 August 2009)
R Osborne (appointed 5 October 2009)
A A Polydor
N J J Potter
R B Stevens
A Thouvenot
A J D Wink

DIRECTORS' INDEMNITIES

The Company's ultimate parent, Tullett Prebon plc, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

POLICY OF PAYMENT TO SUPPLIERS

It is the Group's policy that all transactions are settled in accordance with relevant terms and conditions of business agreed with the supplier, provided all such terms and conditions have been complied with

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 s418 of the Companies Act 2006

Pursuant to s386 of the Companies Act 1985, an elective resolution was passed on 16 March 2005 dispensing with the requirement to appoint auditors annually This election was in force immediately before 1 October 2007 Therefore Deloitte LLP are deemed to continue as auditors

This report was approved by the Board of Directors and signed on its behalf by

N. Chall

N L Challen
Company Secretary
Date 8 March 2010

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

Registered No
2670499

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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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 PREBON (SECURITIES) LIMITED

We have audited the financial statements of Tullett Prebon (Securities) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Manbhinder Rana (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
Date 8 March 2010

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
TURNOVER	2	172,085	155,421
Staff costs	4,5	(97,658)	(97,744)
Other administration expenses		(29,679)	(23,856)
Exceptional items	3	-	(8,608)
Total administration expenses		(127,337)	(130,208)
Other operating income	6	297	502
OPERATING PROFIT	3	45,045	25,715
Interest receivable and similar income	7	309	1,587
Interest payable and similar charges	8	(124)	(326)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,230	26,976
Tax charge on profit on ordinary activities	9	(13,657)	(8,462)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	31,573	18,514

Profit for the current and preceding year results solely from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2009

	2009	*2008*
	£000	*£000*
Profit for the financial year	31,573	18,514
Foreign exchange translation differences on foreign currency net investment in branches	(141)	233
Total recognised gains for the year	31,432	18,747

BALANCE SHEET
as at 31 December 2009

	Notes	2009 £000	2008 £000
FIXED ASSETS			
Intangible assets	10	97	132
Tangible assets	11	65	70
		162	202
CURRENT ASSETS			
Debtors due within one year	12	1,506,454	1,315,322
Cash at bank and in hand	14	45,280	38,058
		1,551,734	1,353,380
CREDITORS: amounts falling due within one year	15	(1,504,128)	(1,311,246)
NET CURRENT ASSETS		47,606	42,134
TOTAL ASSETS LESS CURRENT LIABILITIES		47,768	42,336
CREDITORS amounts falling due after more than one year			
Subordinated loans	16	(4,200)	(4,200)
NET ASSETS		43,568	38,136
CAPITAL AND RESERVES			
Called-up share capital	17	11,605	11,605
Share premium account	18	1,895	1,895
Profit and loss account	18	30,068	24,636
SHAREHOLDERS' FUNDS	18	43,568	38,136

The financial statements of Tullett Prebon (Securities) Limited (registered number 2670499) were approved by the Board of Directors and authorised for issue on 8 March 2010

Signed on its behalf by

A J D Wink
Director

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)

Going Concern
After consideration of the Company's business review and the risks and uncertainties as set out on page 1 and 2 of the directors' report, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, the going concern basis continues to be used in preparing these financial statements

Goodwill
Goodwill arising on the acquisition of subsidiary undertaking and businesses representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years Provision is made for any impairment

Tangible fixed assets
The cost of fixed assets is their purchase cost, together with any incidental costs at acquisition Fixed assets are stated at cost less accumulated depreciation and provision for any impairment The cost is written off in equal annual instalments based on the estimated useful lives, which are

Plant and machinery, fixtures and fittings	4 years

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

Turnover
Turnover comprises

Name give up brokerage, where counterparties to a transaction settle directly with each other Invoices are raised monthly for the provision of the service of matching buyers and sellers of financial instruments Turnover is stated net of VAT, rebates and discounts and is recognised in full on trade date

Matched Principal brokerage, turnover being the net of the buy and sell proceeds from counterparties who have simultaneously committed to buy and sell the financial instrument Turnover is recognised on trade date

Trade date accounting
Security transactions and related income are recorded on a trade date basis

Employee contract signing incentives
Contract signing incentives are amortised over the lesser of the contract or recoverable period Such assets are subject to annual review

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

1. ACCOUNTING POLICIES (continued)

Foreign currencies (continued)
For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date Exchange differences arising are classified as equity

Taxation
Current taxation 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 taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not 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 wholly owned subsidiary of a group where the voting rights are controlled within the group and the groups parent financial statements are publicly available

Segmental reporting
The Company has taken advantage of reporting exemptions in accordance with SSAP 25 Segmental Reporting, since it is a subsidiary of a group which provides segmental information in compliance with this accounting standard.

Share-based payments
FRS 20 Share-based Payment has been applied to all grants of equity instruments after 7 November 2002 that had not vested as of 1 January 2006 in accordance with the provisions of that standard

The Group issues equity-settled share-based payments to certain employees Equity-settled share-based payments are measured at fair value at the date of the grant The fair value determined at the grant date of the equity-settled share-based payments are expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest

The fair value of share options is determined using a Black-Scholes valuation model The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations

2. TURNOVER

Turnover is analysed by geographic area as follows

	2009	*2008*
	£000	*£000*
Europe	172,085	155,421

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

3. OPERATING PROFIT

This is stated after charging

	2009 £000	2008 £000
Exceptional items	-	8,608
Depreciation of owned fixed assets (Note 11)	37	43
Goodwill amortisation (Note 10)	35	34
Auditors' remuneration for audit of the Company's statutory accounts	83	77

A material proportion of the Company's expenditure, including auditors' remuneration in respect of audit work, is incurred by Tullett Prebon Administration Limited This is recovered by Tullett Prebon Administration Limited by way of a management charge

Exceptional items in prior years reflect the cost of actions taken to reduce operating costs, including the costs of desk closures, redundancies and the write down of related balance sheet items

4. STAFF COSTS

	2009 £000	2008 £000
Wages and salaries	87,022	86,854
Social security costs	10,177	10,443
Other pensions costs	459	447
	97,658	97,744

The Company's operations are carried out by employees of Tullett Prebon Group Limited Staff costs represent amounts charged to the Company as a direct allocation of expenses by Tullett Prebon Group Limited During the year, the average monthly number of employees identified as being directly involved in the operation of the Company was 159 (2008 157)

A Group pension scheme is operated for the employees of Tullett Prebon Group Limited The scheme previously provided benefits based on final pensionable pay, but effective 1 November 1991 the scheme was converted to a defined contribution scheme Employees in service at the date of the change receive benefits on the better of the two bases

Full details of the defined benefit scheme including the main financial assumptions, are disclosed in accordance with FRS 17 Retirement Benefits, in the financial statements of Tullett Prebon Group Limited

The pension charge for the year was £459,000 (2008 £447,000) which represents a direct allocation of expenses by Tullett Prebon Group Limited

5. DIRECTORS' EMOLUMENTS

	2009 £000	2008 £000
Emoluments (including pension contributions)	10,995	10,254
Company contributions paid to pension schemes	22	25

At 31 December 2009 retirement benefits were accruing to 8 directors (2008 12) under a defined contribution scheme

The number of directors who exercised options in Tullett Prebon plc were nil (2008 5)

The amount in respect of the highest paid director is as follows

	2009 £000	2008 £000
Emoluments (excluding pension contributions)	2,963	2,509
Company contributions paid to pension schemes	7	-

6. OTHER OPERATING INCOME

	2009 £000	2008 £000
Intercompany income	297	324
Insurance proceeds received	-	178
	297	502

Intercompany income relates to income from brokerage services provided to North America

Insurance proceeds are in respect of revenues lost as a result of a fire at the Company's premises in January 2008

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £000	2008 £000
On bank deposits	250	1,396
Group interest receivable	59	191
	309	1,587

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£000	*£000*
Group interest payable	40	197
Bank loans and overdrafts	84	129
	124	326

9. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2009	2008
	£000	*£000*
Current tax		
UK corporation tax charge on profit for the year	13,387	8,316
Double taxation relief	(1,186)	(674)
	12,201	7,642
Foreign Tax	1,446	674
Adjustment to tax in respect of prior years	10	(58)
	13,657	8,258
Deferred tax		
Reversal of timing differences	-	204
Tax charge on profit on ordinary activities	13,657	8,462

Factors affecting the current tax charge
The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 28 5%) The differences are reconciled below

	2009	2008
	£000	*£000*
Profit on ordinary activities before tax	45,230	26,976

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	12,664	7,688
Expenses not deductible for tax purposes	814	814
Stock options expensed in excess of stock option charge	-	(186)
Foreign tax paid	261	-
Other timing differences movements	(92)	-
Adjustment to tax in respect of previous periods	10	(58)
Current tax charge for the year	13,657	8,258

10. INTANGIBLE ASSETS

Intangible assets relate to goodwill (the fair value of assets acquired less the cost of acquisition) from the acquisition of businesses from Tullett Liberty GmbH, another group company, on 1 November 2002 Goodwill is being amortised over its estimated useful life of 10 years

	Goodwill
	£000
Cost	
At 1 January 2009 and 31st Dec 2009	344
Amortisation	
At 1 January 2009	212
Charge for the year	35
At 31 December 2009	247
Net book value	
At 31 December 2009	97
At 31 December 2008	132

11 TANGIBLE FIXED ASSETS

	Plant and machinery, fixtures and fittings
	£000
Cost	
At 1 January 2009	343
Additions	39
Disposals	-
Exchange adjustments	(44)
At 31 December 2009	338
Depreciation	
At 1 January 2009	273
Charge for the year	37
Exchange adjustments	(37)
At 31 December 2009	273
Net book value	
At 31 December 2009	65
At 31 December 2008	70

12. DEBTORS

	2009	2008
	£000	*£000*
Amounts fallıng due withın one year		
Trade debtors	8,002	10,131
Amounts payable by settlement offices	1,490,109	1,301,244
Amounts owed by group undertakıngs	1,183	852
Other debtors	2,349	2
Prepayments and accrued ıncome	4,811	3,093
	1,506,454	1,315,322

Included ın amounts payable by settlement offices ıs an amount of £1,442,025,000 (2008 £1,264,800,000) ın respect of transactıons not yet due for settlement Thıs amount represents sale of securıtıes where settlement wıll take place on a delıvery versus payment basıs The form of these transactıons ıs that the Company takes temporary control untıl the transactıons are settled

Included ın amounts payable by settlement offices are faıled to delıver balances of £48,084,000 (2008 £36,444,000) In ıts role as ınter-dealer broker, the Company ıs ınterposed between buyers and sellers of securıtıes The faılure of clıents to delıver securıtıes to the Company and the correspondıng faılure of the Company to redelıver such securıtıes on the settlement date results ın faıled transactıons

13. DEFERRED TAX ASSET

The deferred tax asset arısıng from share optıons ıs £nıl (2008 £nıl)

	2009	2008
	£000	*£000*
Movements durıng the year		
At 1 January	-	204
Charged to the profit and loss account	-	(204)
At 31 December	-	-

14. CASH AT BANK AND IN HAND

Of the £45,280,000 (2008 £38,058,000) cash at bank, £19,906,000 (2008 £19,906,000) ıs maıntaıned on deposıt to secure an offsettable overdraft facılıty At 31 December 2009 clıent money held, representıng balances owed to customers, was £2,053,000 (2008 £1,911,000)

15. CREDITORS: amounts fallıng due withın one year

	2009	2008
	£000	*£000*
Trade credıtors	39	54
Other credıtors	700	775
Amounts owed to settlement offices	1,490,509	1,302,752
Amounts owed to group undertakıngs	1,100	1,328
Corporatıon tax	6,571	3,861
Other taxatıon and socıal securıty	503	1,247
Accruals and deferred ıncome	4,706	1,229
	1,504,128	1,311,246

Included ın amounts payable to settlement offices ıs an amount of £1,442,437,000 (2008 £1,264,511,000) ın respect of transactıons not yet due for settlement and faıled to receıve balances of £48,072,000 (2008 £38,241,000)

16. SUBORDINATED LOANS

A loan of £4,200,000 (2008 £4,200,000) from Tullett Lıberty Brokerage Ltd ıs repayable at a date not less than five years from the lender gıvıng notıce ın wrıtıng to the Company and the Fınancıal Servıces Authorıty Interest ıs beıng charged at the Natıonal Westmınster Bank Plc base rate

The loan ıs subordınated to all other credıtors

17. CALLED-UP SHARE CAPITAL

	2009	2008
	£000	*£000*
Authorısed		
20,000,000 ordınary shares of £1 each	20,000	20,000

	£000	*£000*
Allotted, called up and fully paıd 11,605,500 ordınary shares of £1 each	11,605	11,605

Although the concept of companıes beıng requıred to have an authorısed share capıtal was abolıshed on 1 October 2009 by the Companıes Act 2006, the Company's Artıcles of Assocıatıon contınue to ınclude a restrıctıon on the Company allottıng shares ın excess of ıts authorısed share capıtal ımmedıately before 1 October 2009

18. RECONCILIATION OF SHAREHOLDERS' FUNDS

	Share capital £000	*Share premium account £000*	*Profit and loss account £000*	*Total equity shareholders' funds £000*
At 1 January 2008	11,605	1,895	28,359	41,859
Profit for the year	–	–	18,514	18,514
Dividend paid in the year	–	–	(22,000)	(22,000)
Foreign exchange translation differences on foreign currency net investment in branches	–	–	233	233
Exercise of share options at fair value			(470)	(470)
At 1 January 2009	11,605	1,895	24,636	38,136
Profit for the year	–	–	31,573	31,573
Dividend paid in the year	–	–	(26,000)	(26,000)
Foreign exchange translation differences on foreign currency net investment in branches	–	–	(141)	(141)
Exercise of share options at fair value	–	–	–	–
At 31 December 2009	11,605	1,895	30,068	43,568

19. SHARE-BASED PAYMENTS

As at 31 December 2009 the Group had three equity-based long term incentive plans for the granting of non-transferable options to certain employees and executives Options granted under these plans, once vested, typically become exercisable three years after grant date The exercise of certain options is dependent on option holders meeting performance criteria, all of which are non-market conditions The maximum life of the options is ten years after grant date Options are settled in equity once exercised

There were no share awards outstanding to employees of the Company at 31 December 2009

The following tables show the number and weighted average exercise price for share awards during 2008

	2008 Number of options	*2008 Weighted average exercise price (p)*
Outstanding at start of the year	217,632	nil
Exercised during the year	(217,632)	nil
Outstanding at end of year	nil	-

There was no expense arising from share option plans in 2009 (2008 nil)

20. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tullett Liberty (Number 2) Limited - In Liquidation

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

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

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

Copies of Tullett Prebon Group Holdings plc and Tullett Prebon plc financial statements are available from the registered office Tower 42, Level 37, 25 Old Broad Street, EC2N 1HQ