

Prebon Learning Limited
Report and Accounts
31 March 2003
Registered Number: 3442804



Prebon Learning Limited
Report and Accounts
Year ended 31 March 2003

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Directors

S C Cifelli
A M Hughes

Secretary

J M Dearlove

Registered Office

2nd Floor
155 Bishopsgate
London EC2N 3DA

Auditors

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London SE1 9SY

Directors' Report

The directors have pleasure in submitting their report and accounts of the Company for the year ended 31 March 2003.

Principal Activity

The principal activity of the Company is to provide formalised training within the financial services industry.

Business review

During the year under review the Company continued to provide a range of training opportunities, however the emphasis was moved from a central focus on internal training within the group of companies to which the Company belongs to the provision of training throughout other organisations.

This change of focus has led to a move to bespoke training programmes, tailored to the requirements of each client company.

Likely Future Developments

The Company's strategy as outlined above is expected to continue.

Results and dividends

The profit on ordinary activities after taxation for the year was £45,000 (2002: loss £747,000). The loss has been transferred to reserves.

The directors do not recommend payment of a dividend (2002: £nil).

Directors' Responsibilities

Company law requires 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 and of the profit and 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 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 2003 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' Report continued

Directors and their interests

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

T C R C Hawes

A M Hughes

Mr T Hawes resigned as a director of the Company on 9 May 2003. Mrs S Cifelli was appointed as a director of the Company on 5 June 2003.

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

Mr A M Hughes is a director of the ultimate holding company and details of his interest in that company are disclosed in its financial statements.

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

PricewaterhouseCoopers resigned on 24 February 2003 and the Company's shareholder appointed its successor, PricewaterhouseCoopers LLP, as the Company's auditors, with immediate effect.

The Company has elected pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually and PricewaterhouseCoopers LLP, having indicated their willingness to do so, will therefore continue in office as auditors.

By Order of the Board



J M Dearlove
Secretary

25 June 2003

**Independent auditors' report to the members of
Prebon Learning Limited**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

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.

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 report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving our opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into 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.

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

Basis of audit opinion

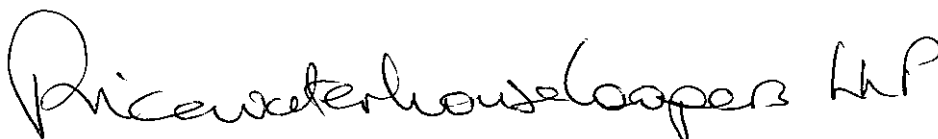
We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors



London
25 June 2003

Prebon Learning Limited
Year ended 31 March 2003

| Profit and Loss Account | | Year ended 31 March 2003 £'000 | Year ended 31 March 2002 £'000 |
|--|-------------|---|---|
| | Note | | |
| Turnover | | 743 | 479 |
| Operating expenses | 3 | <u>(690)</u> | <u>(1,343)</u> |
| Profit/(loss) on ordinary activities before taxation | | 53 | (864) |
| Taxation | 6 | <u>(8)</u> | <u>117</u> |
| Profit/(loss) on ordinary activities after taxation | 12 | <u><u>45</u></u> | <u><u>(747)</u></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.

The notes on pages 8 to 11 form an integral part of these accounts.

Prebon Learning Limited

31 March 2003

Balance Sheet

| | | 31 March 2003 £'000 | 31 March 2002 £'000 |
|--|------|---------------------------|---------------------------|
| | Note | | |
| Current assets | | | |
| Debtors | 8 | 118 | 221 |
| Creditors (amounts falling due within one year) | 9 | <u>(795)</u> | <u>(943)</u> |
| Net current liabilities | | <u>(677)</u> | <u>(722)</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | - | - |
| Profit and loss account | 12 | <u>(677)</u> | <u>(722)</u> |
| Total shareholders' funds | 13 | <u>(677)</u> | <u>(722)</u> |

Approved by the board on ²⁵June 2003
and signed on their behalf by:



A M Hughes - Director

The notes on pages 8 to 11 form an integral part of these accounts.

Notes to the Financial Statements

1 Accounting policies

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

Turnover

Turnover represents revenues realised on the provision of formalised training services within the financial services industry.

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

Deferred tax is recognised as an asset or a liability if transactions have occurred at the balance sheet date that give rise to a right to pay less taxation in the future or an obligation to pay more taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities which are recognised are not discounted.

2 Cash flow statement and related parties

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 as allowed under the provisions of FRS1 (Revised), Cash flow statements.

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.

3 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:-

| | Year ended 31 March 2003 £'000 | Year ended 31 March 2002 £'000 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation charge for owned assets | - | 166 |
| Loss on disposal of fixed assets | - | 331 |
| Auditors remuneration | 5 | 5 |

Notes to the Financial Statements *continued*

4 Staff Costs

| | Year ended 31 March 2003 £'000 | Year ended 31 March 2002 £'000 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Wages and salaries | 425 | 600 |
| Social Security costs | 46 | 55 |
| Other pension costs | 12 | 13 |
| | <u>483</u> | <u>668</u> |
| | Number | Number |
| Average number of employees | <u>8</u> | <u>9</u> |

5 Directors emoluments

It is the policy of the Prebon group to disclose the emoluments of its Directors in the most senior company for which a directorship is held. In the case of Mr A Hughes the most senior company is the ultimate holding company, FPG Holdings Limited.

| | Year ended 31 March 2003 £'000 |
|---|--------------------------------------|
| Directors' remuneration in respect of services as directors was as follows: | |
| Emoluments, salary and bonuses | 107 |
| Pension contributions to money purchase schemes | - |
| | <u>107</u> |

The emoluments of the highest paid director were £107,000. None of the directors held any options in the shares of the Company.

Notes to the Financial Statements *continued*

6 Taxation

| | Year ended 31 March 2003 £'000 | Year ended 31 March 2002 £'000 |
|---|--------------------------------------|--------------------------------------|
| Current Tax: | | |
| UK corporation tax on profits of the period | - | - |
| Adjustments in respect of previous periods | (8) | 117 |
| Total current tax | <u>(8)</u> | <u>117</u> |

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%).
The differences are explained below:

| | Year ended 31 March 2003 £'000 | Year ended 31 March 2002 £'000 |
|--|--------------------------------------|--------------------------------------|
| Profit/(loss) on ordinary activities before tax | 53 | (864) |
| Profit/(loss) on ordinary activities multiplied by standard rate in the UK of 30% (2002: 30%) | 16 | (259) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1 | 2 |
| Deferred tax movement not recognised | (9) | 149 |
| Utilisation of tax losses | (8) | - |
| Adjustment to tax charge in respect of previous periods | (8) | 225 |
| Current tax (charge)/credit for the period | <u>(8)</u> | <u>117</u> |

Factors that may affect future tax charges:

The company has unutilised trading losses and other timing differences that are available for offset against future trading profits. A deferred tax asset has not been recognised in respect of these items as their future recovery is uncertain. The total amount that has not been provided is £169,000 (2002: £178,000).

7 Investments

The Company has a 40% holding in Prebon Training Services (South Africa) (Proprietary) Limited, a training company registered in the Republic of South Africa. The investment represents the purchase of 40 ordinary shares of 1 Rand each.

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.

8 Debtors

| | 31 March 2003 £'000 | 31 March 2002 £'000 |
|----------------------------------|---------------------------|---------------------------|
| Trade debtors | 18 | 18 |
| Amounts due from group companies | 100 | 108 |
| VAT recoverable | - | 75 |
| Other debtors | - | 20 |
| | <u>118</u> | <u>221</u> |

Notes to the Financial Statements *continued***9 Creditors (amounts falling due within one year)**

| | 31 March 2003 £'000 | 31 March 2002 £'000 |
|--------------------------------|---------------------------|---------------------------|
| Amounts due to group companies | 795 | 913 |
| Accruals and deferred income | - | 30 |
| | <u>795</u> | <u>943</u> |

10 Financial Support

The fellow group undertaking of which the Company is a creditor has indicated that it has no present intention of seeking settlement of any amounts due to it from the Company for at least the next twelve months.

11 Called up share capital

| | 31 March 2003 £ | 31 March 2002 £ |
|---|-----------------------|-----------------------|
| Authorised: 100,000 ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |
| Issued and fully paid: 1 ordinary share of £1 each | <u>1</u> | <u>1</u> |

12 Reserves

| | £'000 |
|------------------------------|--------------|
| At 1 April 2002 | (722) |
| Retained profit for the year | <u>45</u> |
| At 31 March 2003 | <u>(677)</u> |

13 Reconciliation of movements in shareholders' funds

| | 31 March 2003 £'000 | 31 March 2002 £'000 |
|---|---------------------------|---------------------------|
| Opening Shareholders' funds | (722) | 25 |
| Profit/(loss) on ordinary activities after taxation | <u>45</u> | <u>(747)</u> |
| Closing Shareholders' funds | <u>(677)</u> | <u>(722)</u> |

14 Ultimate holding company

At 31 March 2003 and throughout the year then ended, the ultimate holding company was FPG Holdings Limited ("FPGH"), a company registered in England and Wales. FPGH is the parent undertaking of the largest group of companies and Prebon Group Limited is the parent undertaking of the smallest group of companies for which group financial statements are drawn up and of which the Company is a member. Copies of these financial statements can be obtained from the Company Secretary, Prebon Group Limited, Hill House, Heron Square, Richmond, Surrey TW9 1EP.