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TFS-ICAP Currency Options Limited

Report and Financial Statements

31 December 2006

THURSDAY



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COMPANIES HOUSE

TFS-ICAP Currency Options Limited

Registered No 03895107

Directors

V E Cruwys
D Gelber
M Leibowitz
D C Pinchin
S A Saffadi
M A Spencer

Secretary

P Weston

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

NatWest
15 Bishopsgate
London
EC2P 2AP

Solicitors

Mayer Brown Rowe & Maw
11 Pilgrim Street
London
EC4V 6RW

Registered Office

East India House
4th Floor
109-117 Middlesex Street
London
E1 7JF

Directors' report

The directors present their report and financial statements for the year ended 31 December 2006

Results and dividends

The company has not traded during the year and has made neither profit nor loss. No profit and loss account has therefore been prepared. No dividend is proposed.

Principal activities and review of the business

The principal activity of the company was the operation of an electronic inter-dealer trading platform for foreign exchange options.

In July 2002 the company's holding company, Volbroker.com Ltd., sold its entire shareholding in the company to TFS-ICAP Limited, a United Kingdom registered company.

In February 2003 the business within the company was transferred to TFS-ICAP Ltd.

The intention of the directors is to commence winding up proceedings for this company in 2007. As such the financial statements have not been prepared on a going concern basis, however the directors do not consider that this has any impact on the results or financial position of the company.

Directors and their interests

The directors who served during the year were as follows:

V E Cruwys
D Gelber
M Leibowitz
D C Pinchin
S A Saffadi
M A Spencer

None of the directors had any beneficial interest in the share capital of the company or any other UK group company at any time during the year.

Audit information

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information being information needed by the auditor in connection with preparing its report of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A written elective resolution is in effect dispensing with the need to reappoint the auditors on an annual basis.

By order of the board



Secretary

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). The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Tradition Financial Services Limited

We have audited the Company's financial statements (financial statements) for the year ended 31 December 2006 which comprise the Balance Sheet and the related notes 1 to 8. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for the preparing of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

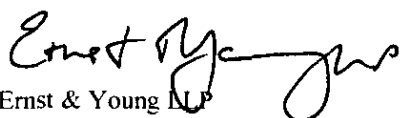
Independent auditors' report

to the members of TFS-ICAP Currency Options Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2006
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the directors' report is consistent with the financial statements


Ernst & Young LLP
Registered Auditor
London
Date 21 August 2007

Balance sheet

as at 31 December 2006

	Notes	2006 £000	2005 £000
Current assets			
Debtors	3	146	153
Cash at bank and in hand		31	31
		<u>177</u>	<u>184</u>
Creditors: amounts falling due within one year	4	–	(7)
Net current assets		<u>177</u>	<u>177</u>
Total assets less current liabilities		<u>177</u>	<u>177</u>
Capital and reserves			
Called up share capital	5	550	550
Share premium	6	4	4
Profit and loss account	6	(377)	(377)
Shareholders' funds		<u>177</u>	<u>177</u>

The financial statements were approved by the board of directors and were signed on its behalf by

Director



Date

13 August 2007

Notes to the financial statements

at 31 December 2006

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with United Kingdom Generally Accepted Accounting Practice

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Statement of cash flows

Since the company is more than 90% owned and is included within consolidated financial statements which are publicly available, the directors have decided to utilise the exemption provided under Financial Reporting Statement 1 (revised) from preparing a cash flow statement.

2. Operating profit

Auditor's remuneration was paid and borne by the holding company.

No directors received any emoluments for their services to the company.

There are no staff costs as the company has no employees.

3 Debtors, due within one year

	2006 £000	2005 £000
Amounts due from group companies	146	153
	<u>146</u>	<u>153</u>

4. Creditors: amounts falling due within one year

	2006 £000	2005 £000
Corporation tax	—	7
	<u>—</u>	<u>7</u>

Notes to the financial statements

at 31 December 2006

5. Called up share capital

		2006 £000	2005 £000
<i>Authorised</i>			
550 000 ordinary shares of £1 each		550	550
<i>Allotted called up and fully paid</i>			
	2006 No	2006 £000	2005 No £000
Ordinary shares of £1 each	550 000	550	550 000 550

6. Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium account £000	Profit and loss account £000	Total share- holders' funds £000
As at 31 December 2004	550	4	(377)	177
Profit for the year	-	-	-	-
As at 31 December 2005	550	4	(377)	177
Profit for the year	-	-	-	-
As at 31 December 2006	550	4	(377)	177

7. Related parties

During the year the company entered into the following transactions in the ordinary course of business with the following related parties

	2006 £	2005 £
<i>Amounts owed from</i>		
TFS-ICAP Ltd	146 281	299 867
	146 281	299 867

Additional voluntary disclosures have been made in respect of related parties for 2006 and 2005 comparatives to provide greater clarity

TFS-ICAP Ltd and Volbroker.com

TFS-ICAP Currency Options Limited is a wholly owned subsidiary of TFS-ICAP Limited. TFS-ICAP Limited is a joint venture between Tradition Financial Services Limited, Intercapital Plc and Volbroker.com Limited, hence these entities exercise combined control over TFS-ICAP Limited. All these entities are perceived to be related parties as they exercise common control.

Notes to the financial statements

at 31 December 2006

8. Parent undertaking

The company's parent undertaking is TFS-ICAP Limited. Copies of its financial statements are available from its registered office East India House 4th Floor, 109-117 Middlesex Street London E1 7JF. No group financial statements have been prepared for TFS ICAP group as in the opinion of the directors the subsidiaries are immaterial.