

Company Registration No 4323818

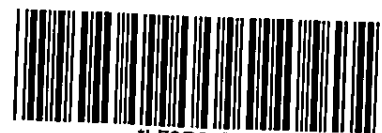
ASYMMETRIC CAPITAL MANAGEMENT LIMITED

Directors' Report and Financial Statements



31 December 2007

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activities and business review

The Profit and Loss account for the year is set out on page 5

The company has not traded during the year. The directors will be seeking an orderly winding up of the company as soon as is practical after the year end. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The directors are of the opinion that there is no material difference between the carrying value of assets and their net realisable value.

As the company qualifies as a small company (as defined by the Companies Act 1985), it is eligible for the exemption that does not require a business review to be prepared.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend for the year ended 31 December 2007 (2006 £nil). The loss for the financial year of £26,386 (2006 profit of £188,818) will be transferred to reserves.

Directors and directors' interests

The directors who held office during the year were as follows:

C A Siegel	(resigned 31 December 2007)
J L Conroy	(resigned 31 December 2007)
D W Weaver	(appointed 20 November 2007)
J J van Wijngaarden	(appointed 20 November 2007)

All directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Creditor payment policy

The company agrees payment terms and conditions with individual suppliers, once agreed it is the policy of the company to abide by the terms of payment.

Charitable donations

Charitable donations amounting to £nil (2006 £nil) were made by the company during the financial year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



J J van Wijngaarden
Director

Vintners Place
68 Upper Thames Street
London
EC4V 3BJ
30 October 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASYMMETRIC CAPITAL MANAGEMENT LIMITED

We have audited the financial statements of Asymmetric Capital Management Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, Balance Sheet, and the related notes. These financial statements have been prepared under 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 whether 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASYMMETRIC CAPITAL MANAGEMENT LIMITED (CONTINUED)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- 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

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
United Kingdom
30 October 2008

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover		-	-
Administrative (expenses) / credits		<u>(4,898)</u>	<u>1,606</u>
Operating (loss) / profit		<u>(4,898)</u>	<u>1,606</u>
Interest payable and similar charges		<u>(361)</u>	<u>-</u>
(Loss) / profit on ordinary activities before taxation	2	<u>(5,259)</u>	<u>1,606</u>
Tax on (loss) / profit on ordinary activities	5	<u>(21,127)</u>	<u>187,212</u>
Retained (loss) / profit for the year	9	<u>(26,386)</u>	<u>188,818</u>

The notes on pages 7 to 9 form part of these financial statements

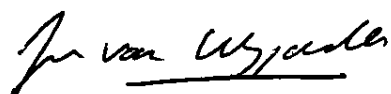
The company has no recognised gains or losses other than those included in the Profit and Loss account above and therefore, no separate statement of total recognised gains and losses has been presented

BALANCE SHEET
at 31 December 2007

	Notes	£	2007 £	£	2006 £
Current assets					
Debtors	6	605,965		638,668	
Cash at bank and in hand		<u>29,061</u>		<u>28,788</u>	
		635,026		667,456	
Creditors amounts falling due within one year	7	(22,425)		(28,469)	
Net current assets			<u>612,601</u>		<u>638,987</u>
Net assets			<u>612,601</u>		<u>638,987</u>
Capital and reserves					
Called up share capital	8		300		300
Share premium account	9		438,978		438,978
Profit and loss account	9		<u>173,323</u>		<u>199,709</u>
Shareholders' funds	10		<u>612,601</u>		<u>638,987</u>

The notes on pages 7 to 9 form part of these financial statements

These financial statements were approved by the board of directors on 30 October 2008 and were signed on its behalf by



J J van Wijngaarden
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The directors will be seeking an orderly winding up of the company as soon as is practical after the year end. As it is intended to liquidate the company following the settlement of the remaining net assets, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

As permitted by Financial Reporting Standard 1, no cash flow statement is presented in these accounts as the company is a wholly owned subsidiary of Jefferies Group, Inc., which presents such a statement in its own published consolidated financial statements. In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions or balances with Jefferies Group, Inc. or any other group or associated undertakings, as the consolidated accounts of Jefferies Group, Inc. in which the company is included are publicly available.

Foreign currency translation

Transactions denominated in foreign currencies are recorded in sterling at the ruling rates of exchange on the dates of the transaction. Assets and liabilities are translated using the rate of exchange ruling at the balance sheet date.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 (Loss) / profit on ordinary activities before taxation

	2007	2006
	£	£
(Loss) / profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration for the audit of the company's accounts	3,500	6,000

The profit on ordinary activities before taxation for the year ended 31 December 2006 includes a write back of excess accruals from prior years of £27,000, net expenses paid during 2006 of £7,136 and expenses accrued during 2006 of £18,258. The net result of these items equates to £1,606, and this has been disclosed as administrative (expenses) / credits on the face of the Profit and Loss account.

3. Remuneration of directors

There were no emoluments paid to directors for services as director to the company during the year ended 31 December 2007 (2006: £nil) and there were no contributions made to money purchase pension schemes during the year ended 31 December 2007 (2006: £nil).

4. Staff numbers and costs

There were no employees (including directors) employed by the company during the year ended 31 December 2007 (2006: nil) and there were no payroll costs during the year ended 31 December 2007 (2006: £nil).

5 Taxation

	2007 £	2006 £
UK corporation tax at 30% on the (loss) / profit for the year	(1,578)	(482)
Amount receivable from fellow subsidiaries in respect of group relief	1,578	188,499
Adjustment to UK corporation tax in respect of prior years	<u>(21,127)</u>	<u>(805)</u>
Tax on (loss) / profit on ordinary activities	<u>(21,127)</u>	<u>187,212</u>

Tax reconciliation

	2007 £	2006 £
(Loss) / profit on ordinary activities before taxation	<u>(5,259)</u>	<u>1,606</u>
Tax on (loss) / profit on ordinary activities before taxation at the standard rate of corporation tax in the United Kingdom of 30% (2006 30%)	(1,578)	(482)
Adjustment in respect of prior years	(21,127)	(805)
Movement in taxable losses carried forward and available for group relief	<u>1,578</u>	<u>188,499</u>
Total current tax	<u>(21,127)</u>	<u>187,212</u>

6 Debtors

	2007 £	2006 £
Amounts falling due within one year		
Amounts owed by parent undertaking	604,886	638,668
Other debtors	<u>1,079</u>	<u>-</u>
	<u>605,965</u>	<u>638,668</u>

7 Creditors: amounts falling due within one year

	2007 £	2006 £
Other creditors including taxation and social security		
- Corporation tax	-	1,287
- Other creditors	-	8,924
- Accruals and deferred income	<u>22,425</u>	<u>18,258</u>
	<u>22,425</u>	<u>28,469</u>

8. Share capital

	2007	2006
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and partially paid:		
300 ordinary shares of £1 each	<u>300</u>	<u>300</u>

9. Share premium account and reserves

Share premium account	£
As at 1 January 2007 and at 31 December 2007	<u>438,978</u>
Profit and loss account	£
As at 1 January 2007	199,709
(Loss) for the financial year	<u>(26,386)</u>
As at 31 December 2007	<u>173,323</u>

10 Reconciliation of movements of shareholders' funds

	2007	2006
	£	£
Opening shareholders' funds	638,987	450,169
(Loss) / profit for the financial year	<u>(26,386)</u>	<u>188,818</u>
Closing shareholders' funds	<u>612,601</u>	<u>638,987</u>

11. Immediate and ultimate holding company

The smallest group in which results of the company are consolidated is Jefferies International (Holdings) Limited which is incorporated in England & Wales. The ultimate holding company is Jefferies Group, Inc., which is incorporated in the United States of America. Group accounts are available from 520 Madison Avenue, New York, New York 10022. This company also heads the largest group in which these results are incorporated.