

TP HOLDINGS LIMITED

Report and Financial Statements
31 December 2009

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2009.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £50,450,000 (2008: £76,477,000) and will be transferred to reserves.

The directors paid an interim dividend for 2009 of £42,428,000 (2008: £74,582,000), £30,000,000 of which was paid on 27 March 2009 and £12,428,000 on 22 April 2009. The directors do not propose a final dividend for 2009 (2008: £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Tullett Prebon plc.

The principal activity of the Company is that of a parent undertaking within the Tullett Prebon plc group (the "Group"). There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's profit and loss account on page 5, the administration expenses and the subsequent operating loss has been consistent with last year

The Company's profit before tax was £51,944,000 compared to a profit of £77,232,000 in 2008. The profit in 2009 includes dividends received from subsidiary undertakings amounting to £46,607,000 which is a decrease of £27,976,000 from 2008.

The balance sheet on page 6 of the financial statements shows that the Company's Net assets have increased to £274,789,000 (2008: £266,767,000) primarily as a result of reduced dividend payments compared to the previous year.

The Group manages its European IDB operations on a regional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the European IDB region, which includes the Company, is discussed in the Group's annual report which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day to day operations can broadly be categorised as operational, liquidity and reputational risk.

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 requirement and cash and equivalent exposures are monitored by the Group Risk and Treasury Committee. In event of a liquidity issue arising, the Company has recourse to Group funds.

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 to mitigate 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.

DIRECTORS' 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.

DIRECTORS

The following directors held office during the year:

P R Mainwaring
G Martin (appointed 13 March 2009)
T C Smith

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 12 March 1997 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 L Challen
Company Secretary

Date: 8 March 2010

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

Registered No:
3118553

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; and
- 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 TP HOLDINGS LIMITED

We have audited the financial statements of TP Holdings Limited for the year ended 31 December 2009 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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.

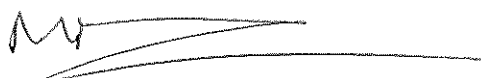
Opinion on other matter prescribed by the Companies Act 2006

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

TP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	<i>Notes</i>	<i>2009</i> <i>£000</i>	<i>2008</i> <i>£000</i>
Administration expenses		(25)	(25)
OPERATING LOSS	2	(25)	(25)
Dividends received from subsidiaries	3	46,607	74,583
Interest receivable and similar income	5	12,236	24,070
Interest payable and similar charges	6	(6,874)	(21,396)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		51,944	77,232
Tax charge on profit on ordinary activities	7	(1,494)	(755)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	50,450	76,477

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

The Company had no recognised gains or losses other than the profit from the current year and the profit for the preceding year. Accordingly, no separate statement of total recognised gains and losses is presented.

TP HOLDINGS LIMITED

BALANCE SHEET
as at 31 December 2009

	<i>Notes</i>	<i>2009</i> <i>£000</i>	<i>2008</i> <i>£000</i>
FIXED ASSETS			
Investments	8	287,936	287,936
		<u>287,936</u>	<u>287,936</u>
CURRENT ASSETS			
Debtors: due within one year	9	1	37,746
due after one year	9	261,430	241,520
Cash at bank and in hand		57,565	11,623
		<u>318,996</u>	<u>290,889</u>
CREDITORS: amounts falling due within one year	10	(48,051)	(73,553)
		<u>270,945</u>	<u>217,336</u>
NET CURRENT ASSETS			
		<u>270,945</u>	<u>217,336</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		558,881	505,272
CREDITORS: amounts falling due after more than one year	11	(284,092)	(238,505)
		<u>274,789</u>	<u>266,767</u>
NET ASSETS			
		<u>274,789</u>	<u>266,767</u>
CAPITAL AND RESERVES			
Called-up share capital	12	1	1
Share premium account	13	259,172	259,172
Profit and loss account	13	15,616	7,594
		<u>274,789</u>	<u>266,767</u>
SHAREHOLDERS' FUNDS			
	13	<u>274,789</u>	<u>266,767</u>

The financial statements of TP Holdings Limited (registered number 3118553) were approved by the Board of Directors and authorised for issue on 8 March 2010

Signed on behalf of the Board of Directors:



P R Mainwaring
Director

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

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.

Group accounts

TP Holdings Limited is exempt from the obligation to prepare and deliver group accounts. It is a wholly-owned subsidiary of Tullett Prebon plc, a company registered in England and Wales.

Fixed asset investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment.

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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

1. ACCOUNTING POLICIES (continued)

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.

Dividend policy

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

2. OPERATING LOSS

The Company incurred an operating loss of £25,000 in 2009 (2008: £25,000).

A material proportion of the Company's expenditure, including auditors' remuneration of £16,000 (2008: £16,000) for audit of the Company's statutory accounts is incurred by Tullett Prebon Administration Limited.

Employees during the year were nil (2008: nil).

3. DIVIDENDS RECEIVED

	2009 £000	2008 £000
Received from Tullett Liberty (European Holdings) Limited	6,901	4,471
Received from Tullett Prebon Group Limited	39,706	70,112
	<u>46,607</u>	<u>74,583</u>

4. DIRECTORS' EMOLUMENTS

	2009 £000	2008 £000
Emoluments (including pension contributions)	<u>330</u>	<u>92</u>
Company contributions paid to pension schemes	<u>7</u>	<u>5</u>

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

	2009 £000	2008 £000
Emoluments (including pension contributions)	<u>330</u>	<u>92</u>
Company contributions paid to pension schemes	<u>7</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

4. DIRECTORS' EMOLUMENTS (continued)

P R Mainwaring and T C Smith are directors of Tullett Prebon plc, the ultimate parent undertaking at 31 December 2009. Their total emoluments for the year are disclosed in the financial statements of Tullett Prebon plc.

During the year no director exercised share options in the Company's ultimate parent undertaking Tullett Prebon plc.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £000	2008 £000
Group interest receivable	12,236	24,070

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £000	2008 £000
Group interest payable	1,748	3,234
Interest on bank loan	5,069	17,779
Interest on overdraft facility	57	383
	<u>6,874</u>	<u>21,396</u>

7. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2009 £000	2008 £000
Current tax:		
UK corporation tax charge on profit for the year	1,494	755
Tax charge on profit on ordinary activities	<u>1,494</u>	<u>755</u>

Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is less than the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The differences are reconciled below:

	2009 £000	2008 £000
Profit on ordinary activities before tax	51,944	77,232
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	14,544	22,011
Non taxable UK dividends	(13,050)	(21,256)
Current tax charge for the year	<u>1,494</u>	<u>755</u>

TP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

8. FIXED ASSET INVESTMENTS

	<i>Subsidiary Investment £'000</i>
Cost:	
At 1 January 2009 and 31 December 2009	287,936
Net book value:	
At 31 December 2009 and 31 December 2008	287,936

At 31 December 2009, the Company held principal investments in the issued share capital of the following companies:

<i>Company</i>	<i>Business</i>	<i>Country of incorporation</i>	<i>% held</i>
Prebon Group Limited	Holding company	England & Wales	100%
Prebon Technology Group Limited	Holding company	England & Wales	100%
Tullett Prebon Group Limited	Holding company	England & Wales	100%
Tullett Liberty (European Holdings) Limited	Holding company	England & Wales	9.72%

9. DEBTORS

	<i>2009 £000</i>	<i>2008 £000</i>
Amounts owed by group undertakings: due within one year	1	37,746
due after one year	261,430	241,520
	<u>261,431</u>	<u>279,266</u>

10. CREDITORS: amounts falling due within one year

	<i>2009 £000</i>	<i>2008 £000</i>
Accruals	-	234
Accrued interest	174	750
Bank loan	30,000	30,000
Amounts owed to group undertakings	17,877	42,569
	<u>48,051</u>	<u>73,553</u>

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

11. CREDITORS: amounts falling due after more than one year

	2009 £000	2008 £000
Bank loan	209,134	238,505
Amounts owed to group undertakings	74,958	-
	<u>284,092</u>	<u>238,505</u>

Bank loan

The Company has a banking facility until 30 January 2012 consisting of a £300m amortising term loan and a £50m committed revolving credit facility. The £300m term loan was drawn on 19 March 2007 and is subject to repayments of £30m in each year until and including 2011 with the remaining £180m repayable in January 2012. The revolving credit facility is undrawn as at 31 December 2009.

The average effective interest rate on the Bank loan was 1.9% during 2009 (2008: 6.5%).

As at 31 December 2009 the carrying value of the loan approximates to the fair value.

12. CALLED-UP SHARE CAPITAL

	2009 £	2008 £
Allotted, called-up and fully paid: 121,706 ordinary shares of 1p each	1,217	1,217
	<u>1,217</u>	<u>1,217</u>

On 4 February 2010, a resolution was passed, that the issued share capital of £1,217.06, divided into 106,556 ordinary shares of 1p each and 15,150 A ordinary shares of 1p each, be re-designated as 121,706 ordinary shares of 1p each. Accordingly the 15,150 A ordinary shares were re-designated as ordinary shares of 1p each.

The authorised share capital article in the Company's Articles of Association was removed by shareholder resolution on 4 February 2010.

13. RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share capital account £000</i>	<i>Share premium account £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 1 January 2008	1	259,172	5,699	264,872
Profit for the year	-	-	76,477	76,477
Dividend paid during the year	-	-	(74,582)	(74,582)
At 1 January 2009	1	259,172	7,594	266,767
Profit for the year	-	-	50,450	50,450
Dividend paid during the year	-	-	(42,428)	(42,428)
At 31 December 2009	<u>1</u>	<u>259,172</u>	<u>15,616</u>	<u>274,789</u>

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2009

14. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tullett Prebon Group Holding plc.

The Company's ultimate parent undertaking 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: Level 37, Tower 42, 25 Old Broad Street, EC2N 1HQ.