

M.W. Marshall (UK) Limited
Report and Accounts
31 March 2003
Registered Number: 213626



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M.W. Marshall (UK) Limited
Report and Accounts
Year ended 31 March 2003

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Directors

A M Hughes
P M Keenan
A N Verrier

Secretary

J M Dearlove

Registered Office

Hill House
Heron Square
Richmond, Surrey TW9 1EP

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.

Business review

The Company did not trade during the year. It formerly acted as a broker on behalf of financial institutions trading in the foreign exchange and currency deposit markets.

Results and dividends

The company made a loss of £1,000 during the year (2002: profit £72,000).

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 and their interests

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

A M Hughes
P M Keenan
S D Plunkett
A N Verrier

Mr S D Plunkett resigned as a director of the Company on 19 June 2003.

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

Mr Hughes and Mr Keenan are directors of the ultimate holding company and details of their interests 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.

Directors' Report *continued*

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

A handwritten signature in black ink, appearing to read 'J M Dearlove', with a stylized flourish at the end.

J M Dearlove
Secretary

25 June 2003

**Independent auditors' report to the members of
M.W. Marshall (UK) 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

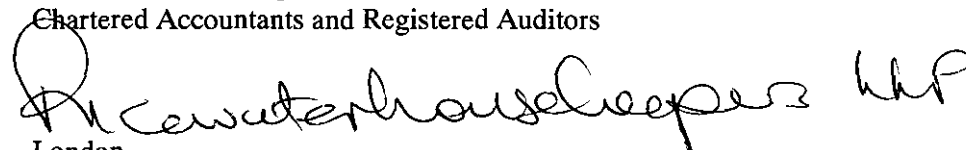
We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 loss 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

M.W. Marshall (UK) Limited
Year ended 31 March 2003

Profit and Loss Account

		Year ended 31 March 2003	Year ended 31 March 2002
	Note	£'000	£'000
Turnover		-	-
Operating expenses		(2)	-
Operating loss	3	(2)	-
Interest receivable		-	-
Loss on ordinary activities before taxation		(2)	-
Tax on loss on ordinary activities	5	1	72
(Loss)/profit on ordinary activities after taxation	11	(1)	72

There were no gains or losses in the financial year other than those shown above.

The results above are in respect of discontinued operations.

The notes on pages 8 to 10 form an integral part of these accounts.

M.W. Marshall (UK) Limited

31 March 2003

Balance Sheet

		31 March 2003	31 March 2002
	Note	£'000	£'000
Current assets			
Debtors	6	77	77
Cash at bank and in hand		-	22
		<u>77</u>	<u>99</u>
Creditors (amounts falling due within one year)	7	<u>(750)</u>	<u>(771)</u>
Net current liabilities		<u>(673)</u>	<u>(672)</u>
Capital and reserves			
Called up share capital	9	12	12
Profit and loss account	10	<u>(685)</u>	<u>(684)</u>
Total shareholders' funds	11	<u>(673)</u>	<u>(672)</u>

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



A Hughes – Director

The notes on pages 8 to 10 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

Until the Company ceased trading, it followed market practice and took credit for brokerage commission at the time a deal was negotiated.

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 period 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 Operating loss

Operating loss is stated after charging:-

	Year ended 31 March 2003 £'000	Year ended 31 March 2002 £'000
Exchange losses	<u>2</u>	<u>-</u>

The audit fee of £5,000 (2002: £5,000) was borne by a fellow group company.

4 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 Messrs A Hughes and P Keenan the most senior company is the ultimate holding company, FPG Holdings Limited. The remuneration of Messrs S Plunkett and A Verrier is disclosed in Prebon Marshall Yamane (UK) Limited.

Notes to the Financial Statements *continued*

5 Taxation

	Year ended 31 March 2003 £'000	Year ended 31 March 2002 £'000
Current Tax:		
UK corporation tax credit at 30% (2002: 30%)	1	-
Adjustments in respect of previous periods	-	72
Total current tax	<u>1</u>	<u>72</u>

The tax charge for the period is lower (2002: 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
Loss on ordinary activities before tax	(2)	-
Loss on ordinary activities multiplied by standard rate in the UK	1	-
Effects of:		
Adjustments in respect of previous periods	-	72
Current tax credit for the period	<u>1</u>	<u>72</u>

The Company has tax losses that are available for offset against future taxable profits. A deferred tax asset has not been recognized in respect of these losses as their future recovery is uncertain. The total amount that has not been provided is £539 (2002:Nil).

6 Debtors

	31 March 2003 £'000	31 March 2002 £'000
Amounts due from group undertakings	<u>77</u>	<u>77</u>

7 Creditors (amounts falling due within one year)

	31 March 2003 £'000	31 March 2002 £'000
Amounts due to group undertakings	<u>750</u>	<u>771</u>

8 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.

Notes to the Financial Statements *continued*

9 Share capital

	31 March 2003 & 31 March 2002 £'000
Authorised, issued and fully paid:	
200,000 ordinary shares of 1p each	2
200,000 deferred ordinary shares of 5p each	10
	<u>12</u>

The deferred ordinary shares are not entitled to participate in the distribution of profits, nor do they have any rights to receive notices of and attend general meetings of the Company. Upon a return of capital or other asset distribution the deferred ordinary shares rank after the ordinary shares for the repayment of the amount paid up on each share and not entitled to participate in any other capital distributions.

10 Profit and loss account

	£'000
At 1 April 2002	(684)
Loss for the year	(1)
At 31 March 2003	<u>(685)</u>

11 Reconciliation of movements in shareholders' funds

	31 March 2003 £'000	31 March 2002 £'000
Opening Shareholders' funds	(672)	(744)
(Loss)/profit on ordinary activities after taxation	<u>(1)</u>	<u>72</u>
Closing Shareholders' funds	<u>(673)</u>	<u>(672)</u>

12 Ultimate holding company

At 31 March 2003, 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.