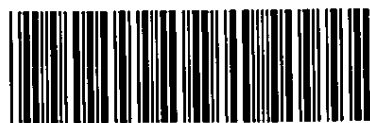


GNI HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

Registered No 1245273

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GNI HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and the audited financial statements of the Company for the year ended 31st March 2007

Principal activities

The Company is an investment holding Company. Its principal subsidiary does not currently trade and is not expected to resume trading in the foreseeable future.

On 19 July 2007, Man Group plc separated its brokerage business, of which the Company is a part, under MF Global Ltd by means of an initial public offering on the New York Stock Exchange of a majority interest in MF Global. As part of this restructuring the immediate parent company changed its name to MF Global Holdings Europe Limited, with effect from the date of the initial public offering.

Business review

The directors consider that in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year, were satisfactory. The directors do not expect any development in the Company's business in the current year significantly different from its present activities.

The directors of Man Group plc ("the Group") managed the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the brokerage division of Man Group plc, which includes the Company, is discussed on page 33 of the Group's annual report which does not form part of this report.

Results and dividends

During the year under review the Company made a loss after taxation of \$247,000 (2006: loss \$696,000). The directors do not recommend payment of a dividend for the year ended 31 March 2007 (2006: \$nil).

Directors

S R Cochrane

K R Davis (resigned 19 July 2007)

K F Harbour

S P Healy

J R Seaman

C J R Smith (resigned 19 July 2007)

The directors named above are now in office and have been members of the Board throughout the year under review except where indicated.

After the year end Mr B J Wakefield resigned as Secretary of the Company and Mr S R Cochrane was appointed.

GNI HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007 (Continued)

Statement of directors' responsibilities

Company Law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the financial year. 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 31st March 2007 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.

Statutory Accounts

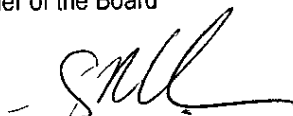
The financial statements of the Company have been presented in US Dollars. This reflects the underlying business, which has for many years been conducted in that currency.

Auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting of the Company.

By order of the Board



S R Cochrane
Secretary

24 January 2008

GNI HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of GNI Holdings Limited

We have audited the financial statements of GNI Holdings Limited for the year ended 31 March 2007, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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). 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 this 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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.

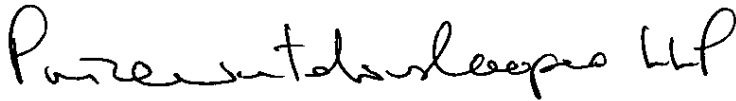
GNI HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (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 March 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

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written over the printed name of the firm.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, 29 January 2008

GNI HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 \$'000	2006 \$'000
Administrative expenses		(334)	(1,593)
Operating loss		(334)	(1,593)
Other income		-	754
Loss on ordinary activities before taxation	2	(334)	(839)
Tax on loss on ordinary activities	5	87	143
Loss for the financial year		(247)	(696)

All the items above relate to continuing operations

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the periods stated above and their historical cost equivalents

There are no recognised gains or losses other than the profit for the periods stated above and hence no statement of total recognised gains and losses has been presented

The notes on pages 7 to 13 form an integral part of the financial statements

GNI HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2007

	Note	2007	2006
		\$'000	\$'000
Fixed assets			
Tangible assets	6	-	10
Investment in subsidiaries	7	1,579	1,579
		<u>1,579</u>	<u>1,589</u>
Current assets			
Debtors	8	10,538	10,755
Creditors amounts falling due within one year	9	(34)	(14)
Net current assets		10,504	10,741
Total assets less current liabilities		<u>12,083</u>	<u>12,330</u>
Capital and reserves			
Called up share capital	10	2,086	2,086
Share premium	11	2,021	2,021
Capital redemption reserve	11	5,387	5,387
Profit and loss account	11	2,589	2,836
Equity shareholders' funds	12	<u>12,083</u>	<u>12,330</u>

The notes on pages 7 to 13 form an integral part of the financial statements

The financial statements on pages 5 to 13 were approved by the board of directors on 26 January 2008 and signed on its behalf by



Director

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the going concern basis, under the historical cost convention except as explained below, in accordance with applicable accounting standards in the United Kingdom and the requirements of the Companies Act 1985 ("the Act"). As at the balance sheet date the directors regarded Man Group plc, a company registered in England, as the Company's ultimate parent undertaking and controlling party and is therefore exempt from the requirement under the Companies Act 1985 to produce consolidated financial statements.

The Company continues to review and update its accounting policies, in accordance with the requirements of FRS 18 "Accounting Policies". There were no significant changes in accounting policies in the year.

Depreciation

Depreciation is provided on a straight line basis to write off tangible fixed assets over their expected useful economic lives. When determining the expected useful economic life of any asset, the Company takes into account the expected rate of technological developments and the intensity at which the asset is expected to be used. The periods used are as follows:

Furniture and fittings	5 years
Computer equipment	3-4 years

Deferred taxation

Deferred taxation is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. A deferred tax asset is only recognised to the extent that it is likely that it can be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The Company does not discount its deferred tax balances.

Currencies

Transactions in currencies, other than the functional currency of the Company, are recorded at the rate appropriate at the time of accounting for the transaction. Currency balances at the year-end are converted at the rate ruling at that date, except where covered by an open foreign exchange contract, in which case the rate specified in the contract is used. Sterling balances have been translated at the year-end rate of \$1.9687 (31 March 2006: \$1.7365). Foreign exchange gains and losses are taken to the profit and loss account.

Investments

Investments are classified as fixed assets where the intention is to hold the investment for the long-term for use in the business or where the Company's ability to dispose of the investment is restricted.

Fixed asset investments are carried at their purchase price. Where an investment has diminished in value, the diminution is charged to the profit and loss account if it is permanent. If the circumstances giving rise to the diminution have reversed to any extent, the charge to the profit and loss account is written back to the extent that it is no longer necessary.

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (Continued)

Cash Flow Statement

During the period the Company was a wholly owned subsidiary of Man Group plc and is included in the consolidated financial statements of Man Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement contained in FRS1.

Shares in Subsidiary Undertakings

The Company's shares in subsidiary undertakings are stated in the balance sheet of the Company at cost less provisions for any impairment in value.

Related Party Transactions

During the period the Company was a wholly owned subsidiary of Man Group plc. Consequently, the Company has taken advantage of the exemption in Financial Reporting Standard 8 (FRS 8) not to disclose transactions with Man Group plc and its subsidiaries.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 \$'000	2006 \$'000
Loss on ordinary activities before taxation is		
stated after charging		
- Depreciation	<u>10</u>	<u>458</u>

The audit fee for the Company was borne by a fellow subsidiary.

3 EMPLOYEES

The average number of people (including directors) employed by the Company during the period was 6 (2006: 6). No employment costs were incurred by or allocated to the Company in respect of the period (2006: \$ nil).

4 DIRECTORS' EMOLUMENTS

No director was paid in respect of services to the Company for the period (2006: \$ nil).

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 TAX ON LOSS ON ORDINARY ACTIVITIES

	2007 \$'000	2006 \$'000
(a) Analysis of credit in period		
Current tax		
UK corporation tax at 30% on loss of the period	(637)	(546)
Adjustment in respect of prior period	13	-
Total current tax	<u>(624)</u>	<u>(546)</u>
Deferred Taxation		
Timing differences during the current year	537	295
Adjustment in respect of prior periods	-	108
Total deferred tax (note 13)	<u>537</u>	<u>403</u>
Tax (credit)/loss on ordinary activities	<u>(87)</u>	<u>(143)</u>
(b) Factors affecting the tax credit for the period		
Loss on ordinary activities before tax	<u>(334)</u>	<u>(839)</u>
UK Corporation tax at 30% (2006 30%)	(100)	(252)
Effect of		
Adjustments in respect of prior periods	13	-
Other timing differences	29	352
Capital allowances for the period in excess of depreciation	<u>(566)</u>	<u>(646)</u>
Total current tax credit for the period	<u>(624)</u>	<u>(546)</u>

6 TANGIBLE FIXED ASSETS

	Furniture And Fittings \$'000	Computer Equipment \$'000	Total \$'000
Cost			
At 1 April 2006	336	10,411	10,747
Write off in the period	-	(4,227)	(4,227)
At 31 March 2007	336	6,184	6,520
Depreciation			
As at 1 April 2006	336	10,401	10,737
Charge for the period	-	10	10
Write off in the period	-	(4,227)	(4,227)
At 31 March 2007	336	6,184	6,520
Net book value			
At 31 March 2007	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2006	<u>-</u>	<u>10</u>	<u>10</u>

Computer equipment to the value of \$4,227,223, that was previously fully depreciated, was written off in the period, as it is no longer in use by the business

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 INVESTMENT IN SUBSIDIARIES

	\$'000
Cost	
At 1 April 2006 and at 31 March 2007	<u>1,579</u>

The investment in subsidiaries comprises an investment in GNI Limited, a former derivatives and foreign exchange broker and matched principal stock borrower and lender and Clachan Nominees Limited, a nominee company. Both companies are registered in England & Wales and, in both cases, 100% of the shares and voting rights are held by the Company.

8 DEBTORS

	2007	2006
	\$'000	\$'000
Amounts owed by group undertakings	337	884
Overseas tax recoverable	7,218	6,442
Corporation tax	637	546
Deferred tax asset (Note 13)	<u>2,346</u>	<u>2,883</u>
	<u>10,538</u>	<u>10,755</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	\$'000	\$'000
Other creditors and accruals	<u>34</u>	<u>14</u>
	<u>34</u>	<u>14</u>

The amounts owed to group undertakings are unsecured and repayable on demand.

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 CALLED UP SHARE CAPITAL

	2007	2006
	£'000	£'000
AUTHORISED		
Deferred Ordinary Shares of 10p each	1,514	1,514
Ordinary Shares of \$0.01 each	82	82
6½% "C" Convertible Redeemable Preference Shares of £1 each	1,727	1,727
6½% "D" Convertible Redeemable Preference Shares of £1 each	2,273	2,273
	<u>5,596</u>	<u>5,596</u>
Converted to United States Dollars	\$'000	\$'000
Deferred Ordinary Shares of 10p each	2,391	2,391
Ordinary Shares of \$0.01 each	129	129
6½% "C" Convertible Redeemable Preference Shares of £1 each	2,727	2,727
6½% "D" Convertible Redeemable Preference Shares of £1 each	3,590	3,590
	<u>8,837</u>	<u>8,837</u>
ALLOTTED AND FULLY PAID	£'000	£'000
Deferred Ordinary Shares of 10p each	1,239	1,239
Warrants over Ordinary Shares of US\$0.01 each	82	82
	<u>1,321</u>	<u>1,321</u>
	\$'000	\$'000
Converted to United States Dollars		
Deferred Ordinary Shares of 10p each	1,957	1,957
Warrants over Ordinary Shares of US\$0.01 each	129	129
	<u>2,086</u>	<u>2,086</u>

The sterling share capital is converted into US dollars at the fixed rate at 31 March 2003 of \$1.5792 to £1. The ultimate liability to shareholders, however, remains in sterling.

The Deferred Ordinary Shares of 10p each carry no rights to dividends, no voting rights and receive a return on liquidation only after the Ordinary Shareholders have received their entitlement.

The Ordinary Shares each carry a vote and are entitled to dividends and a return on liquidation after the Preference Shareholders have received their entitlement. The rights of the Ordinary Shares have been transferred to the warrants over the Ordinary Shares.

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 RESERVES

	Capital Redemption Reserve \$'000	Share Premium Account \$'000	Profit and Loss Account \$'000
At 1 April 2006	5,387	2,021	2,836
Retained loss for the period	-	-	(247)
At 31 March 2007	<u>5,387</u>	<u>2,021</u>	<u>2,589</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 \$'000	2006 \$'000
Loss for the financial period	(247)	(696)
Opening shareholders' funds	<u>12,330</u>	<u>13,026</u>
Closing shareholders' funds	<u>12,083</u>	<u>12,330</u>

13 DEFERRED TAX ASSET

	2007 \$'000	2006 \$'000
Accelerated capital allowances	1,700	2,267
Other timing differences	<u>646</u>	<u>616</u>
	<u>2,346</u>	<u>2,883</u>
Asset at start of period	2,883	3,022
Transfer from group Company	-	264
Deferred tax charge in the period (note 5)	<u>(537)</u>	<u>(403)</u>
Asset at end of period	<u>2,346</u>	<u>2,883</u>

GNI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 ULTIMATE PARENT COMPANY

As at the balance sheet date the directors regarded Man Group plc, a company registered in England, as the Company's ultimate parent undertaking and controlling party. At the balance sheet date the immediate parent undertaking was E D & F Man Group Limited, a company registered in England & Wales. The financial statements of Man Group plc are available from

Man Group plc
Sugar Quay
Lower Thames Street
London
EC3R 6DU

As at the balance sheet date, the smallest and largest group of undertakings of which the Company is a member and that draws up group financial statements is that of Man Group plc.

On 19 July 2007, Man Group plc separated its brokerage business, of which the Company is a part, under MF Global Ltd by means of an initial public offering on the New York Stock Exchange of a majority interest in MF Global. As part of this restructuring the immediate parent company changed its name to MF Global Holdings Europe Limited, with effect from the date of the initial public offering.