

Company Number: 3879508

MARSHALL HARLOW LIMITED
(formerly Questalpine Limited)

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 18 NOVEMBER 1999

TO 31 MARCH 2001



MARSHALL HARLOW LIMITED (formerly Questalpine Limited)

Directors' Report for the period from 18 November 1999 to 31 March 2001

The directors present their report and the audited financial statements of the company for the period from 18 November 1999 to 31 March 2001.

PRINCIPAL ACTIVITY

The company was incorporated on 18 November 1999, and commenced trading on 1 April 2000. The company's principal activity is broking on an agency basis in the spot foreign exchange markets.

CHANGE OF NAME

On 21 January 2000, the company name was changed from Questalpine Limited to Marshall Harlow Limited.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the year end financial position was satisfactory.

RESULTS AND DIVIDENDS

The results of the company are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a final dividend. An interim dividend of £1,600,000 was paid on 20th February 2001 to Prebon Yamane International Limited (£832,000) and Garban Europe Limited (£768,000). The retained profit for the year of £382,000 has been transferred to reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company, who held office during the period were:

Instant Companies Limited	- Appointed 18 November 1999, resigned 21 January 2000
S Keen	- Appointed 21 January 2000, resigned 11 February 2000
M Johns	- Appointed 21 January 2000, resigned 11 February 2000
P Ankers	- Appointed 11 February 2000, resigned 23 March 2000
D P Kelly	- Appointed 11 February 2000, resigned 2 April 2001
A Farrington	- Appointed 23 March 2000
C H Gregson	- Appointed 23 March 2000
G M Munday	- Appointed 23 March 2000
M J Plant	- Appointed 23 March 2000
A N Verrier	- Appointed 23 March 2000
J Herbert	- Appointed 18 June 2001

None of the directors had any interests in the shares of the company during the period.

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)

Directors' Report for the period from 18 November 1999 to 31 March 2001

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each accounting period which 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.

The directors confirm that suitable accounting policies have been used and that these policies have been applied on a consistent basis. The directors also confirm that applicable accounting standards have been followed and that reasonable and prudent judgements and estimates have been made in preparing the financial statements.

The directors are responsible for keeping proper accounting records which 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.

DONATIONS

During the year the company made charitable donations of £19,000.

LAYING OF REPORTS AND ACCOUNTS

The company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the members of the company in general meeting. However, under the provisions of Section 253(2) of the Companies Act 1985 (as amended), any member of the company has the right to require this report and accounts to be laid before the members of the company in general meeting. Any member wishing to exercise this right must deposit notice at the company's registered office within 28 days of the date of this report.

AUDITORS

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The company's auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

By Order of the Board



H Broomfield
Secretary

18 June 2001

MARSHALL HARLOW LIMITED

Auditors' Report to the members of Marshall Harlow Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 apparent misstatements or material inconsistencies with the financial statements.

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2001 and of its profit and cash flows for the period from 18 November 1999 to 31 March 2001 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
LONDON
18 June 2001

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)
Profit and Loss Account for the period from 18 November 1999 to 31 March 2001

	<u>Note</u>	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> <u>£'000</u>
Turnover	1(b)	14,537
Administrative expenses	2	(11,616)
Operating profit		<u>2,921</u>
<i>Interest receivable and similar income</i>	5	160
<i>Interest payable and similar charges</i>	6	(52)
Profit on ordinary activities before taxation		<u>3,029</u>
Taxation on profit on ordinary activities	7	(1,047)
Profit on ordinary activities after taxation		<u>1,982</u>
Dividends	8	(1,600)
Retained profit for the financial period	13	<u><u>382</u></u>

Turnover and operating profit were derived wholly from continuing operations.

The company had no recognised gains and losses for the period other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses is presented.

There is no difference between the profit on ordinary activities before tax and the retained profit for the period stated above and their historical cost equivalents.

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)
Balance Sheet as at 31 March 2001

	<u>Note</u>	<u>As at</u> <u>31/3/2001</u> <u>£'000</u>
Current assets		
Debtors	9	2,688
Cash at bank and in hand		2,505
		<u>5,193</u>
Creditors: amounts falling due within one year	10	<u>(2,561)</u>
Net current assets		<u>2,632</u>
Total assets less current liabilities		<u>2,632</u>
Creditors: amounts falling due after more than one year	11	<u>(750)</u>
Net assets		<u><u>1,882</u></u>
Capital and reserves		
Called up share capital	12	1,200
Share premium		300
Profit and loss account	13	382
Total Shareholders' funds	13	<u><u>1,882</u></u>

The financial statements on pages 4 to 11 were approved by the board of directors on 18 June 2001 and were signed on its behalf by:

M J Plant)

) Directors

A N Verrier)

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)
Cash Flow Statement for the period from 18 November 1999 to 31 March 2001

	<u>Note</u>	<u>£'000</u>	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> <u>£'000</u>
Net cash inflow from operating activities	14		2,115
Returns on investment and servicing of finance			
Interest received		160	
Interest paid		(52)	
		<u> </u>	108
Taxation paid			
Corporation tax paid		(368)	
		<u> </u>	(368)
Equity dividends paid	8	(1,600)	
		<u> </u>	(1,600)
Net cash inflow before financing			255
Financing			
Proceeds from issue of subordinated loan	11	750	
Proceeds from issue of ordinary share capital	13	1,200	
Proceeds from issue of share premium	13	300	
		<u> </u>	2,250
Net cash inflow			2,505
Cash balance as at 18 November 1999			-
Cash balance as at 31 March 2001			<u>2,505</u>

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)
Notes to the financial statements for the period from 18 November 1999 to 31 March 2001

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Accounting Standards applicable in the United Kingdom.

(b) Turnover

Turnover comprises commission and brokerage income derived from broking services supplied to third parties which is recognised on the date on which the transaction occurs.

(c) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling when the transaction is recorded.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the balance sheet date.

All exchange differences are dealt with in the profit and loss account.

(d) Pension costs

Certain of the company's employees participate in a group defined contribution pension scheme operated by Garban-Intercapital plc. The company's contributions to the scheme are charged to the profit and loss account on an accruals basis.

Certain of the company's employees participate in a group defined contribution pension scheme operated Prebon Yamane International Limited. The company's contributions to the scheme are charged to the profit and loss account on an accruals basis.

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)

Notes to the financial statements for the period from 18 November 1999 to 31 March 2001

2. ADMINISTRATIVE EXPENSES

A proportion of administrative expenses, including the auditors remuneration has been borne by a subsidiary of Garban-Intercapital plc. A recharge of £2,836,000 has been made by Garban Intercapital Management Services Limited.

Administrative expenses borne directly by the company included the following:

	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> £'000
Staff costs (note 3)	<u>7,493</u>

3. STAFF COSTS

Staff costs comprise

	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> £'000
Wages and salaries	6,693
Social security costs	705
Pension costs	95
	<u>7,493</u>

The average weekly number of persons employed by the company was 65.

4. DIRECTORS' REMUNERATION AND INTERESTS

None of the director's had any interests in the shares of the company during the period.

S Keen, M Johns, P Ankers, D P Kelly, A Farrington, C H Gregson, and A N Verrier were not remunerated for their services to the company.

Instant Companies Limited was not remunerated for its services to the company.

Remuneration payable to the other directors in respect of their services to the company was as follows:

	<u>Period from 18/11/1999 to 31/3/2001</u>	
	Total	Highest paid director
	£'000	£'000
Aggregate emoluments	441	257
Contributions to defined contribution pension schemes	20	3
	<u>461</u>	<u>260</u>

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)**Notes to the financial statements for the period from 18 November 1999 to 31 March 2001****5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> <u>£'000</u>
Bank deposits	<u>160</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> <u>£'000</u>
Bank loans and overdrafts	<u>52</u>

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> <u>£'000</u>
UK corporation tax at 30%	<u>1,047</u>

8. DIVIDENDS

	<u>Period from</u> <u>18/11/1999 to</u> <u>31/3/2001</u> <u>£'000</u>
Equity - £1 Ordinary shares	
Interim dividend proposed and paid 133.33p per share	<u>1,600</u>
Paid as follows:	
- Prebon Yamane International Limited	832
- Garban Europe Limited	768
	<u>1,600</u>

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)**Notes to the financial statements for the period from 18 November 1999 to 31 March 2001****9. DEBTORS**

	<u>As at</u> <u>31/3/2001</u> £'000
Amounts falling due within one year:	
Trade debtors	1,643
Amounts owed by related parties	304
Other debtors	738
Prepayments and accrued income	3
	<u>2,688</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>As at</u> <u>31/3/2001</u> £'000
Corporation tax	679
Other taxation and social security	122
Amounts owed to related parties	25
Other creditors	1,735
	<u>2,561</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Maturity of loans and other borrowings due after more than one year was as follows:

	<u>As at</u> <u>31/3/2001</u> £'000
Subordinated loan	<u>750</u>

This amount represents an interest bearing subordinated loan from the equity shareholders, Garban Europe limited (£360,000) and Prebon Yamane International Limited (£390,000). Interest is charged at 1% above HSBC plc base rate. There are no fixed terms of repayment.

12. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2001</u> £'000
Authorised:	
1,200,000 Ordinary shares of £1 each	<u>1,200</u>
Allotted and fully paid:	
1,200,000 Ordinary shares of £1 each	<u>1,200</u>

MARSHALL HARLOW LIMITED (formerly Questalpine Limited)**Notes to the financial statements for the period from 18 November 1999 to 31 March 2001****13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	<u>Share capital (note 12) and Share Premium</u>	<u>Profit and loss account</u>	<u>Total</u>
	£'000	£'000	£'000
As at 18 November 1999	-	-	-
Shares issued	1,200	-	1,200
Shares premium	300	-	300
Retained profit for the period	-	382	382
As at 31 March 2001	<u>1,500</u>	<u>382</u>	<u>1,882</u>

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>Period from 18/11/1999 to 31/3/2001</u>
	£'000
Operating profit	2,921
Movement in debtors	(2,688)
Movement in creditors	<u>1,882</u>
Net cash inflow from operating activities	<u>2,115</u>

15. RELATED PARTY TRANSACTIONS

Related party transactions consist primarily of telecommunications and support costs. The expenses are prepaid and the balance due from Garban Intercapital Management Services Limited at 31 March 2001 was £303,666 (see note 2).

A further transaction has taken place in the form of a subordinated loan from the equity shareholders (see note 11 for details).

A dividend has also been paid to the equity shareholders (see note 8 for details).