

Company Registration Number 05615459

Marshal Holdings Limited

Annual report

31 December 2015

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Marshal Holdings Limited

Annual report

Year ended 31 December 2015

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Marshal Holdings Limited

Officers and professional advisers

The board of directors	S P Kearsey P R Weston B Green D McHattie
Company secretary	P R Weston
Registered office	3 Barrett Street St Christopher's Place London W1U 1AY
Auditor	Moore Stephens LLP Chartered Accountants and Statutory Auditor 150 Aldersgate Street London United Kingdom EC1A 4AB
Bankers	HSBC Bank Plc 3 Rivergate Temple Quay Bristol BS1 6ER
Solicitors	Hogan Lovells LLP Atlantic House Holborn Viaduct London EC1A 2FG

Marshal Holdings Limited

Directors' report

Year ended 31 December 2015

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

Principal activities

The principal activity of the company during the year was investment. Trustwave Holdings, Inc. merged with Singapore Telecommunications Limited and Topaz Acquisition Sub, Inc. on 7 April 2015 and, as a result, the investment in Trustwave Holdings, Inc. was realised. The consideration received for the investment was wholly cash, initially \$17,828,190 with a further \$4,875,973 held in escrow as insurance against potential warranty claims. Once the final monies have been received the company will settle all its liabilities and will then have no further activities.

As a result of the above the accounts have been prepared on the break up basis.

Directors

The directors who served the company during the year were as follows:

S P Kearsey
P R Weston
B Green
D McHattie
D J Cowan

D J Cowan resigned as a director on 11 February 2015.

Directors' responsibilities

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 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Auditor

Moore Stephens LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Marshal Holdings Limited

Directors' report *(continued)*

Year ended 31 December 2015

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors



P R Weston
Company Secretary

Approved by the directors on 21 November 2016

Marshal Holdings Limited

Independent auditor's report to the shareholders of Marshal Holdings Limited

Year ended 31 December 2015

We have audited the financial statements of Marshal Holdings Limited for the year ended 31 December 2015 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 2, 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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

Marshal Holdings Limited

Independent auditor's report to the shareholders of Marshal Holdings Limited *(continued)*

Year ended 31 December 2015

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.

Moore Stephens LLP

**BEN COURTS (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor**

21 November 2016

Marshal Holdings Limited**Profit and loss account****Year ended 31 December 2015**

	Note	2015 \$	2014 \$
Turnover		—	—
Administrative expenses		178,249	146,568
Operating loss	2	(178,249)	(146,568)
Profit on disposal of current asset investments		6,201,555	—
Interest payable and similar charges		(8,502,023)	2,745,219
Profit/(loss) on ordinary activities before taxation		14,525,329	(2,891,787)
Tax on profit/(loss) on ordinary activities		—	—
Profit/(loss) for the financial year		<u>14,525,329</u>	<u>(2,891,787)</u>

The notes on pages 9 to 11 form part of these financial statements.

Marshal Holdings Limited

Statement of total recognised gains and losses

Year ended 31 December 2015

	2015 \$	2014 \$
Profit/(Loss) for the financial year attributable to the shareholders	14,525,329	(2,891,787)
Total recognised gains and losses relating to the year	14,525,329	(2,891,787)
Prior year adjustment	-	(6,275,716)
Total gains and losses recognised since the last annual report	14,525,329	(9,167,503)

The notes on pages 9 to 11 form part of these financial statements.

Marshal Holdings Limited**Balance sheet****As at 31 December 2015**

	Note	2015 \$	2014 \$
Current assets			
Debtors	4	4,875,973	8
Investments	5	—	16,502,609
Cash at bank		4,449	4,874
		<u>4,880,422</u>	<u>16,507,491</u>
Creditors: amounts falling due within one year	6	<u>4,875,973</u>	<u>31,028,371</u>
Net current assets/(liabilities)		4,449	(14,520,880)
Total assets less current liabilities		<u>4,449</u>	<u>(14,520,880)</u>
Capital and reserves			
Called up equity share capital	8	208	208
Profit and loss account	9	4,241	(14,521,088)
Shareholders' funds/(deficit)		<u>4,449</u>	<u>(14,520,880)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the directors and authorised for issue on 21 November 2016, and are signed on their behalf by:



P R Weston

Company Registration Number: 05615459

The notes on pages 9 to 11 form part of these financial statements.

Marshal Holdings Limited

Notes to the financial statements

Year ended 31 December 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

Trustwave Holdings, Inc. merged with Singapore Telecommunications Limited and Topaz Acquisition Sub, Inc. on 7 April 2015 and, as a result, the investment in Trustwave Holdings, Inc. was realised. The consideration received for the investment is wholly cash, initially \$17,828,190 with a further \$4,875,973 held in escrow as insurance against potential warranty claims.

Given that the proceeds arising from the sale of the investment are not sufficient to extinguish the liabilities owed by the company, and since there are no further assets to liquidate in order to settle amounts outstanding to loan note holders, the directors consider it appropriate to present the accounts on a break up basis.

Deferred taxation

Deferred tax is recognised on all material timing differences where the transactions or events that give the group 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. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors and finance leases are measured at the present value of the obligation.

Investments

Investments are included at cost less amounts written off. The carrying value is considered annually by the directors in comparison against the potential net realisable value.

2. Operating loss

Operating loss is stated after charging:

	2015 \$	2014 \$
Directors' remuneration	—	—
Auditor's fees	7,644	7,483

3. Interest payable and similar charges

Within interest payable and similar charges is an interest cost of \$3,273,339 which accrued on debenture loans up until 25 September 2015. Following the realisation of the investment in Trustwave Holdings, Inc. and the agreed settlement of the debenture loans, \$11,775,362 of accrued interest was waived.

Marshal Holdings Limited

Notes to the financial statements

Year ended 31 December 2015

4. Debtors

	2015 \$	2014 \$
Amounts owed by group undertakings	–	8
Other debtors	<u>4,875,973</u>	<u>–</u>
	<u>4,875,973</u>	<u>8</u>

The debtors above include the following amounts falling due after more than one year:

	2015 \$	2014 \$
Other debtors	<u>3,378,251</u>	<u>–</u>

During the year Marshal Holdings Limited sold its previous investment in Trustwave Holdings, Inc. The consideration received for the investment was wholly cash, with \$17,828,190 received during the year. A further \$4,875,973 is held in escrow as insurance against any potential warranty claims.

5. Investments

	2015 \$	2014 \$
Available-for-sale investments	<u>–</u>	<u>16,502,609</u>

The investment in Trustwave Holdings, Inc. was sold in the year, for further details see note 4.

6. Creditors: amounts falling due within one year

	2015 \$	2014 \$
Trade creditors	–	136,496
Debenture loans	<u>4,875,973</u>	<u>30,112,622</u>
Accruals and deferred income	<u>–</u>	<u>779,253</u>
	<u>4,875,973</u>	<u>31,028,371</u>

As explained in note 4 the investment was sold during the year realising cash to repay existing debenture loans. Amounts repaid were paid in proportion to values held. The amount outstanding relates to the residual balance payable on receipt of amounts currently held in escrow having made allowance for interest waived (see note 3).

Marshal Holdings Limited

Notes to the financial statements

Year ended 31 December 2015

7. Related party transactions

During the period, management fees incurred from Kelso Place Asset Management LLP, a company related through common officers, amounted to \$68,792 (2014: \$93,535). Kelso Place Asset Management LLP also incurred expenses of \$109,450 (2014: \$69,608) on behalf of Marshal Holdings Limited which have been reimbursed. Amounts owing to Kelso Place Asset Management LLP at 31 December 2015 were \$nil (2014: \$899,640).

The following directors hold loan notes as per note 6. Interest has accrued on all groups of loan notes in accordance with the loan note instrument agreements. B Green holds £6,525 B loan notes, \$5,876 C loan notes and £1,955 D loan notes. D McHattie holds £28,076 B loan notes, \$33,082 C loan notes and £5,447 D loan notes.

8. Share capital

Allotted, called up and fully paid:

	2015 No	\$	2014 No	\$
A ordinary shares of \$0.014479 each	8,417	122	8,417	122
B ordinary shares of \$0.014479 each	5,922	86	5,922	86
	<u>14,339</u>	<u>208</u>	<u>14,339</u>	<u>208</u>

The shares rank pari passu in all respects apart from that, on distribution of profits prior to a conversion date, the B shares will not receive more than 31.91%, on liquidation the B shares shall only receive 31.91% of total assets returned, B shares shall not constitute more than 31.91% of voting rights and, if there is a material default (as defined by the facility agreement with HSBC), the voting rights of the A shares can change such that, on a poll, each A shareholder shall have one hundred thousand votes for every A ordinary share held.

9. Profit and loss account

	2015 \$	2014 \$
Balance brought forward as previously reported	(14,521,088)	(5,353,585)
Prior year adjustment	-	(6,275,716)
Balance brought forward restated	<u>(14,521,088)</u>	<u>(11,629,301)</u>
Profit/(loss) for the financial year	<u>14,525,329</u>	<u>(2,891,787)</u>
Balance carried forward	<u>4,241</u>	<u>(14,521,088)</u>