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Company Registration Number 05615459

**Marshal Holdings Limited**

**Annual report**

**31 December 2014**

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**Marshal Holdings Limited**

**Annual report**

**Year ended 31 December 2014**

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## **Marshal Holdings Limited**

### **Officers and professional advisers**

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

## **Marshal Holdings Limited**

### **Directors' report**

#### **Year ended 31 December 2014**

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The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

#### **Principal activities**

The principal activity of the company during the year was investment. Trustwave Holdings, Inc. has merged with Singapore Telecommunications Limited and Topaz Acquisition Sub, Inc. on 7 April 2015, and as a result the investment in Trustwave Holdings, Inc. has been 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 any 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  
G Downes  
D J Cowan

D J Cowan was appointed as a director on 4 June 2014.

G Downes resigned as a director on 31 January 2014.

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**

Chantrey Vellacott DFK LLP has merged its practice with Moore Stephens LLP and now practises under the name of Moore Stephens LLP. A resolution to appoint Moore Stephens LLP as auditor will be proposed at the forthcoming meeting of the shareholders.

**Marshal Holdings Limited**

**Directors' report** *(continued)*

**Year ended 31 December 2014**

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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 on behalf of the directors



P R Weston  
Director

Approved by the directors on 25 September 2015

## **Marshal Holdings Limited**

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

#### **Year ended 31 December 2014**

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We have audited the financial statements of Marshal Holdings Limited for the year ended 31 December 2014 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 April 2008) (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 to them 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 2014 and of its loss 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 2014**

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#### **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.



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

**28 September 2015**

**Marshal Holdings Limited****Profit and loss account****Year ended 31 December 2014**

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|                                                    | Note     | 2014<br>\$                | 2013<br>\$                |
|----------------------------------------------------|----------|---------------------------|---------------------------|
| <b>Turnover</b>                                    |          | –                         | –                         |
| Administrative expenses                            |          | <u>146,568</u>            | <u>272,141</u>            |
| <b>Operating loss</b>                              | <b>2</b> | <b>(146,568)</b>          | <b>(272,141)</b>          |
| Interest payable and similar charges               |          | <u>2,745,219</u>          | <u>4,519,545</u>          |
| <b>Loss on ordinary activities before taxation</b> |          | <b>(2,891,787)</b>        | <b>(4,791,686)</b>        |
| Tax on loss on ordinary activities                 |          | –                         | –                         |
| <b>Loss for the financial year</b>                 |          | <b><u>(2,891,787)</u></b> | <b><u>(4,791,686)</u></b> |

There is no difference between the profits shown above and their historical cost equivalents.

All of the activities of the company are continuing.

The notes on pages 9 to 12 form part of these financial statements.

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**Marshal Holdings Limited**

**Statement of total recognised gains and losses**

**Year ended 31 December 2014**

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|                                                                | <b>2014</b>        | <b>2013</b>        |
|----------------------------------------------------------------|--------------------|--------------------|
|                                                                | <b>\$</b>          | <b>\$</b>          |
| Loss for the financial year attributable to the shareholders   | <b>(2,891,787)</b> | <b>(4,791,686)</b> |
| Total recognised gains and losses relating to the year         | <b>(2,891,787)</b> | <b>(4,791,686)</b> |
| Prior year adjustment (see note 3)                             | <b>(6,275,716)</b> | <b>(3,805,117)</b> |
| Total gains and losses recognised since the last annual report | <b>(9,167,503)</b> | <b>(8,596,803)</b> |

The notes on pages 9 to 12 form part of these financial statements.

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**Marshal Holdings Limited****Balance sheet****As at 31 December 2014**

|                                                       | Note | 2014<br>\$          | 2013<br>\$          |
|-------------------------------------------------------|------|---------------------|---------------------|
| <b>Fixed assets</b>                                   |      |                     |                     |
| Investments                                           | 4    | —                   | 16,502,609          |
| <b>Current assets</b>                                 |      |                     |                     |
| Debtors                                               | 5    | 8                   | 8                   |
| Investments                                           | 6    | 16,502,609          | —                   |
| Cash at bank                                          |      | 4,874               | 4,958               |
|                                                       |      | <u>16,507,491</u>   | <u>4,966</u>        |
| <b>Creditors: amounts falling due within one year</b> | 7    | <u>31,028,371</u>   | <u>28,136,668</u>   |
| <b>Net current liabilities</b>                        |      | <u>(14,520,880)</u> | <u>(28,131,702)</u> |
| <b>Total assets less current liabilities</b>          |      | <u>(14,520,880)</u> | <u>(11,629,093)</u> |
| <b>Capital and reserves</b>                           |      |                     |                     |
| Called up equity share capital                        | 9    | 208                 | 208                 |
| Profit and loss account                               | 10   | (14,521,088)        | (11,629,301)        |
| <b>Deficit</b>                                        |      | <u>(14,520,880)</u> | <u>(11,629,093)</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 April 2008).

These financial statements were approved by the directors and authorised for issue on 25 September 2015, and are signed on their behalf by:



P R Weston

Company Registration Number: 05615459

The notes on pages 9 to 12 form part of these financial statements.

# Marshal Holdings Limited

## Notes to the financial statements

Year ended 31 December 2014

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### 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 April 2008).

#### Going concern

Trustwave Holdings, Inc. has merged with Singapore Telecommunications Limited and Topaz Acquisition Sub, Inc. on 7 April 2015, and as a result the investment in Trustwave Holdings, Inc. has been 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 any potential warranty claims. Given the uncertainty surrounding realisation of the monies held in escrow amounts will be recognised upon receipt.

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.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### 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/(crediting):

|                                            | 2014<br>\$ | 2013<br>\$ |
|--------------------------------------------|------------|------------|
| Directors' remuneration                    | —          | —          |
| Auditor's fees                             | 7,483      | 6,659      |
| Net profit on foreign currency translation | (4,147)    | (15)       |

### 3. Prior year adjustment

For the previous two years additional default interest was not charged in accordance with loan note agreements. Interest on such loans amounted to \$3,805,117 in the year to 31 December 2012 and \$2,470,599 in the year to 31 December 2013. As a result these amounts have been charged to the profit and loss account and credited to the debenture loans balance. The amount owed in respect of the debenture loans as at 31 December 2014 is \$30,112,622 (2013: \$27,367,403). The impact on accumulated losses is set out in note 10.

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## Marshal Holdings Limited

### Notes to the financial statements

Year ended 31 December 2014

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#### 4. Investments

|                       |                     |
|-----------------------|---------------------|
|                       | \$                  |
| <b>Cost</b>           |                     |
| At 1 January 2014     | 16,502,609          |
| Disposals             | <u>(16,502,609)</u> |
| At 31 December 2014   | <u>-</u>            |
| <b>Net book value</b> |                     |
| At 31 December 2014   | <u>-</u>            |
| At 31 December 2013   | <u>16,502,609</u>   |

In March 2012 Trustwave Holdings, Inc, a leading provider of cloud-based compliance and information security solutions in the United States, announced it had completed the acquisition of M86 Security, Inc. Marshal Holdings Limited received shares in Trustwave Holdings, Inc, constituting a 3.5% shareholding, as consideration for its share in M86 Security, Inc.

The investment above in Trustwave Holdings, Inc. has been transferred from fixed asset investments to current assets since this has been sold post year end, as set out in notes 6 and 11.

The company also owns 100% of the issued share capital of Marshal Trustee Limited, this company has been dormant for the financial years ended 30 June 2013 and 30 June 2014.

#### 5. Debtors

|                                    |          |          |
|------------------------------------|----------|----------|
|                                    | 2014     | 2013     |
|                                    | \$       | \$       |
| Amounts owed by group undertakings | <u>8</u> | <u>8</u> |

#### 6. Investments

|                                |                   |          |
|--------------------------------|-------------------|----------|
|                                | 2014              | 2013     |
|                                | \$                | \$       |
| Available-for-sale investments | <u>16,502,609</u> | <u>-</u> |

# **Marshal Holdings Limited**

## **Notes to the financial statements**

**Year ended 31 December 2014**

### **7. Creditors: amounts falling due within one year**

|                              | 2014<br>\$        | 2013<br>\$        |
|------------------------------|-------------------|-------------------|
| Trade creditors              | 136,496           | 84,366            |
| Debenture loans              | 30,112,622        | 27,367,403        |
| Accruals and deferred income | 779,253           | 684,899           |
|                              | <u>31,028,371</u> | <u>28,136,668</u> |

### **Loan Details**

|                      | Available<br>\$ | Drawn<br>down at 31<br>December<br>2014<br>\$ | Interest rate |
|----------------------|-----------------|-----------------------------------------------|---------------|
| 'A' Loan notes       | 6,499,183       | 6,499,183                                     | 8%            |
| Mezzanine Loan notes | 835,457         | 835,457                                       | 12%           |
| 'B' Loan notes       | 902,602         | 902,602                                       | 8%            |
| 'C' Loan notes       | 1,000,000       | 1,000,000                                     | 8%            |
| 'D' Loan notes       | 1,653,960       | 1,653,960                                     | 8%            |

The loan notes above originally had a maturity date of 31 December 2011, however, it has been agreed between all holders and the company that these loan notes shall not be redeemed until the company's investment (see note 3) has been realised.

### **8. Related party transactions**

During the period, management fees incurred from Kelso Place Asset Management LLP, a company related through common officers, amounted to \$93,535 (2013: \$82,820). Kelso Place Asset Management LLP also incurred expenses of \$69,608 (2013: \$71,070) on behalf of Marshal Holdings Limited which are to be reimbursed. Amounts owing to Kelso Place Asset Management LLP at 31 December 2014 were \$899,640 (2013: \$740,678).

The following directors hold loan notes as per note 7, interest has accrued on all groups of loan notes in accordance with loan note instruments. B Green holds £28,950 B loan notes, \$26,068 C loan notes and £8,674 D loan notes. D McHattie holds £124,559 B loan notes, \$146,768 C loan notes and £24,166 D loan notes.

### **9. Share capital**

**Allotted, called up and fully paid:**

|                                      | 2014<br>No    | \$         | 2013<br>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> |

## Marshal Holdings Limited

### Notes to the financial statements

Year ended 31 December 2014

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#### 9. Share capital (*continued*)

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.

#### 10. Profit and loss account

|                                                | 2014<br>\$   | 2013<br>\$   |
|------------------------------------------------|--------------|--------------|
| Balance brought forward as previously reported | (5,353,585)  | (3,032,498)  |
| Prior year adjustment (see note 3)             | (6,275,716)  | (3,805,117)  |
| Balance brought forward restated               | (11,629,301) | (6,837,615)  |
| Loss for the financial year                    | (2,891,787)  | (4,791,686)  |
| Balance carried forward                        | (14,521,088) | (11,629,301) |

#### 11. Post balance sheet events

Trustwave Holdings, Inc. has merged with Singapore Telecommunications Limited and Topaz Acquisition Sub, Inc. on 7 April 2015, and as a result the investment in Trustwave Holdings, Inc. has been 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 any potential warranty claims.