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Marshalls (London) Investment Limited
Report & Accounts
31 March 2004
Registered Number: FC12068



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The directors have pleasure in submitting their report and financial statements of the Company for the year ended 31 March 2004.

Business review

The Company acts as an investment holding company. The results for the year are set out in the attached profit and loss account. The Company's activities are not expected to change over the forthcoming year.

Results and dividends

The loss on ordinary activities after taxation for the year was £377 (2003: £1,892 loss). The retained loss for the year of £377 (2003: £1,892 loss) has been deducted from reserves.

The directors do not recommend payment of a dividend (2003: £nil).

Responsibilities of the directors

It is the responsibility of 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 as at the end of the financial year and of the profit or loss for that year. The directors are responsible for ensuring that applicable accounting standards have been followed, and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, have been used in the preparation of the financial statements. It is also the responsibility of the directors to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business and to ensure those financial statements comply with the Companies Ordinance. The directors are also responsible for maintaining adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

Directors and their interests

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

C I Cowan

P L C Pao

L J Harvey

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

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.

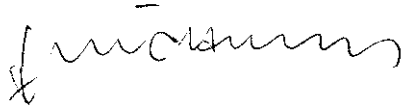
Management contracts

No substantial contracts concerning the management and administration of the Company were entered into or existed during the year.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office as auditors and offer themselves for re-appointment.

On behalf of the Board



Chairman of the meeting

29 JUL 2004

Registered Office:

1502 - 06
15th Floor
38 Gloucester Road
Wanchai

Hong Kong

Company number:

30803

United Kingdom Representative:

Hill House
Heron Square
Richmond
Surrey TW9 1EP
United Kingdom

Registered number:

FC12068

**Auditors' Report to the Members of Marshalls (London) Investment Limited
(incorporated in Hong Kong with limited liability)**

We have audited the accounts on pages 5 to 8 which have been prepared in accordance with accounting principles generally accepted in the United Kingdom.

Respective responsibilities of directors and auditors

The Hong Kong Companies Ordinance requires the directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.


Basis of audit opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



PricewaterhouseCoopers

Certified Public Accountants
Hong Kong

29 JUL 2004

Marshall's (London) Investment Limited
Profit and Loss Account
for the year ended 31 March 2004

	Note	2004 £	2003 £
Operating expenses		(538)	(2,581)
Loss on ordinary activities before taxation		(538)	(2,581)
Taxation	3	161	689
Loss on ordinary activities after taxation	6	(377)	(1,892)

No note of historical cost profits and losses has been presented as there is no difference between the results as shown above and on an unmodified historical cost basis.

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

The results above are in respect of continuing operations.

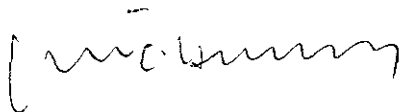
Reconciliation of movements in shareholders' funds

	31 March 2004 £	31 March 2003 £
Loss on ordinary activities after taxation	(377)	(1,892)
Opening Shareholders' funds	832,389	834,281
Closing Shareholders' funds	832,012	832,389

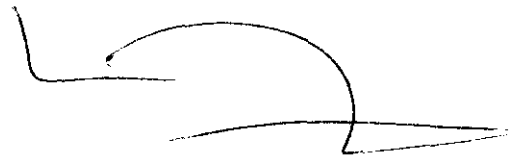
The notes on pages 7 to 8 form an integral part of these accounts.

	Note	2004 £	2003 £
Investment in subsidiary undertaking	4	<u>455,846</u>	<u>455,846</u>
Current assets			
Amounts Receivable from subsidiary undertakings		<u>378,764</u>	<u>379,141</u>
		<u>378,764</u>	<u>379,141</u>
Current Liabilities			
Accounts Payable to subsidiary undertakings		<u>(2,598)</u>	<u>(2,598)</u>
Net current assets		<u>376,166</u>	<u>376,543</u>
Total assets less current liabilities		<u>832,012</u>	<u>832,389</u>
Capital and reserves			
Share Capital	5	813	813
Profit and loss account	6	<u>831,199</u>	<u>831,576</u>
Total shareholders' funds		<u>832,012</u>	<u>832,389</u>

Approved by the board on 29 JUL 2004
and signed on their behalf by:



P L C Pao - Director



L J Harvey - Director

The notes on pages 7 to 8 form an integral part of these accounts.

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments in subsidiary undertakings

The values of investments in subsidiary undertakings are shown at cost. The profit or loss on disposal of investments is dealt with through the profit and loss account and any permanent diminution of value is charged to the profit and loss account.

Turnover

Turnover represents dividend and interest income.

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 year end. Exchange gains and losses are taken to the profit and loss account.

Deferred taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, calculated at rates expected to be applicable when the liability or asset crystallises on a non-discounted basis. Deferred tax assets are recognised to the extent that is considered more likely than not that sufficient taxable profits will be available to ensure recoverability.

Cash flow statement

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.

Related parties

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.

2 Loss on ordinary activities before taxation

No fees or other emoluments have been paid to directors of the Company for services during the year (2003: £Nil). The audit fee of £3,000 (2003: £3,200) is borne by a fellow subsidiary company.

3 Taxation

	2004	2003
	£	£
The tax (credit) comprises:		
United Kingdom corporation tax on losses of the period	(161)	-
Corporation tax, adjustments in respect of prior years	-	(689)
	<u>(161)</u>	<u>(689)</u>

The Company has not earned any income subject to Hong Kong profits tax.

3b Factors Affecting the Tax Charge for the Period

	2004 £	2003 £
Loss on Ordinary Activities before taxation	(538)	(2,581)
Corporation tax on ordinary activities before taxation, standard Corporation tax rate 30%	(161)	774
Prior period adjustment	-	(689)
Deferred tax asset not recognised	-	(774)
	<u>(161)</u>	<u>(689)</u>

4 Investment in subsidiary undertaking

	2004 £	2003 £
Investment in subsidiary	<u>455,846</u>	<u>455,846</u>

The investment represents the cost of 500,000 issued and fully paid ordinary shares of HK\$10 each and all of the voting rights of M.W. Marshall (Hong Kong) Limited. The company, which is dormant and wholly owned, is incorporated in Hong Kong.

In the directors' opinion the value of the shares in the subsidiary undertaking is not less than the aggregate amount at which it is stated in the balance sheet. Group accounts have not been prepared as the Company is a wholly owned subsidiary of another body corporate, registered in England and Wales.

5 Share capital

	31 March 2004 £	31 March 2003 £
Authorised:		
1,000 Ordinary Shares of HK\$10 each	<u>813</u>	<u>813</u>
Issued and fully paid:		
1,000 Ordinary Shares of HK\$10 each	<u>813</u>	<u>813</u>

6 Profit and loss account

	£
At 1 April 2003	831,576
Retained loss for the year	<u>(377)</u>
At 31 March 2004	<u>831,199</u>

7 Ultimate holding company

At 31 March 2004 and throughout the year then ended, the ultimate holding company was FPG Holdings Limited ("FPGH"), a company registered in England and Wales.

Prebon Group Limited and its parent, FPG Holdings Limited, both consolidate the results of the Company thereafter and copies of the consolidated accounts can be obtained from the Company Secretary, Prebon Group Limited, Hill House, Heron Square, Richmond, Surrey TW9 1 EP.