

FS Connexions UK Limited

Directors' report and financial statements

Year ended 31st December 2003

Registered number 2599270



FS Connexions UK Limited

Directors' report and financial statements

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Directors' report for the year ended 31st December 2003

The directors present their report and the independently audited financial statements of the Company for the year ended 31st December 2003.

Principal activity

In previous periods the Company has been dormant and taken advantage of section 229 of the Companies Act 1985 to prepare dormant accounts that are not subject to audit. In the year ended 31st December 2003, an inter-company balance of £552,630 owed by Exchange FS Group Limited, formerly the Company's immediate parent company, was transferred to Marlborough Stirling plc, the Company's ultimate parent undertaking such that the Company is unable to take advantage of section 229 of the Companies Act 1985 and prepare dormant accounts for the current year.

The above transaction does not constitute a trading transaction, hence a profit and loss account for the Company has not been prepared.

Review of business and future developments

From 1st January 2003 to 29th August 2003 the entire share capital of the Company was owned by Exchange FS Group Limited, a subsidiary of the Company's ultimate parent undertaking, Marlborough Stirling plc. On 29th August 2003 the Company was sold by Exchange FS Group Limited to Exweb Limited which became the immediate parent undertaking from that date.

The Company's ultimate parent company throughout the period is Marlborough Stirling plc.

The Company's future development is directly related to that of its holding companies.

Directors and their interests

The directors who held office during the period and up to the date of signing this report are given below:

D R Gales	Resigned 28th April 2003
R J Beveridge	Appointed 28th April 2003
A P Fritchie	

None of the directors above hold any interest in the Company.

The interests of Messrs Gales, Fritchie and Beveridge, directors of the ultimate parent company, Marlborough Stirling plc, are shown in the annual report of that company. Share options held under the Marlborough Stirling plc share option scheme for Messrs Gales, Fritchie and Beveridge are also shown in the annual report of that company.

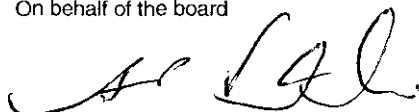
Elective resolution

On 13th May 1991, the directors passed an elective resolution dispensing with the requirement to hold Annual General Meetings.

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors.

On behalf of the board



A P Fritchie
Director and Company Secretary

Date: 18/4/04

Jessop House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

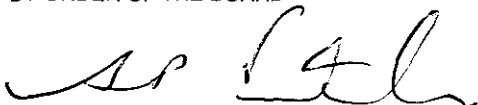
Statement of Directors' Responsibilities

Company law requires 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 and of the profit and loss of the Company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records which 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.

BY ORDER OF THE BOARD



A P Fritchie
Director and Company Secretary

Date: 18/4/04

Jessop House
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

Independent auditors' report to the member of FS Connexions UK Limited

We have audited the financial statements which comprise the balance sheet and related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's member 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 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. The other information comprises only the directors' report.

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 31st December 2003 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place, London WC2N 6RH

Date: 16/4/04

Balance sheet as at 31st December 2003

	Note	2003 £	2002 £
Current assets			
Debtors	4	557,880	557,880
		557,880	557,880
Creditors:			
Amounts falling due within one year	5	(281,850)	(281,850)
Net current assets		276,030	276,030
Net assets		276,030	276,030
Capital and reserves			
Called up share capital	6	1,750	1,750
Share premium account	7	499,750	499,750
Profit and loss account	7	(225,470)	(225,470)
Equity shareholders' funds		276,030	276,030

The financial statements on pages 4 to 7 were approved by the board of directors and were signed on its behalf by:



R J Beveridge
 Director

Date: 18/4/04

Reconciliation of movements in shareholder's funds for the year ended 31st December 2003

	2003 £	2002 £
Opening and closing shareholder's funds	276,030	276,030

Notes to the financial statements

1 Accounting policies

These financial statements are prepared under the historical cost convention. The principal accounting policies set out below have been applied consistently and in accordance with applicable accounting standards.

Basis of preparation

The Company is a wholly owned subsidiary of Marlborough Stirling plc and is included in the consolidated financial statements of Marlborough Stirling plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

The Company has taken advantage of the exemption available under FRS 8 - 'Related Party Disclosures' not to disclose transactions or balances with other wholly owned group companies.

2 Profit and loss account

The Company did not trade during the year nor incurred any expenses. Accordingly, the Company did not make any profit or loss (2002: £nil).

Audit fees are met by Marlborough Stirling plc, the ultimate parent company and no recharge is made to the Company.

3 Directors' emoluments

Messrs Gales, Fritchie and Beveridge are directors of Marlborough Stirling plc and their emoluments are disclosed in that company's financial statements.

No management recharges are made by Marlborough Stirling plc nor by any other fellow subsidiaries in respect of their services to the Company.

4 Debtors

	2003 £	2002 £
Amounts owed by group undertakings	557,880	557,880

5 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to group undertakings	281,850	281,850

6 Called up share capital

	2003 £	2002 £
Authorised		
2,250 (2002: 2,250) ordinary shares of £1 each	2,250	2,250
Allotted, called up and fully paid		
1,750 (2002: 1,750) ordinary shares of £1 each	1,750	1,750

7 Reserves

	Share premium account £	Profit and loss account £
At 1st January 2003 and 31st December 2003	499,750	(225,470)

Notes to the financial statements (continued)

8 Ultimate parent undertaking

From 1st January 2003 to 29th August 2003, the immediate parent company was Exchange FS Group Limited, a company registered in England and Wales. On 29th August 2003, the entire share capital of the Company was transferred to Exweb Limited, a company also registered in England and Wales, which became the immediate parent company from that date.

The ultimate parent undertaking and controlling party throughout the period covered by these financial statements is Marlborough Stirling plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Marlborough Stirling plc consolidated financial statements can be obtained from the Company Secretary at Allen Jones House, Jessop Avenue, Cheltenham GL50 3SH.