Company Number: 170463

ICAP EUROPE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

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ICAP EUROPE LIMITED

Directors' Report for the year ended 31 March 2015

Company Number: 170463

The directors present their Directors' Report and the audited financial statements of ICAP Europe Limited (the 'Company') for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company's principal activity is money broking and it is regulated by the Financial Conduct Authority ('FCA'). It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated and domiciled in England and Wales. The registered office is 2 Broadgate, London, EC2M 7UR.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business review and future developments of the Company are detailed in the Strategic Report.

DIVIDENDS

Dividends of £35,000,000 (2014: £15,200,000) were paid during the year.

DIRECTORS

The directors of the Company, who held office during the year and up to the date of signing the financial statements were:

A Berry	
F Vogels	
G Smith	(resigned 3 October 2014)
J Scard-Morgan	
N Dargan	
R Bigwood	(appointed 3 October 2014)

STATEMENT OF 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 period. 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require separate disclosure.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements. The principal business risks and uncertainties faced by ICAP plc, which includes the Company, are discussed on pages 24 to 30 of the Group's annual report.

INDEPENDENT AUDITORS

The Company's incumbent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

PROVISION OF INFORMATION TO THE AUDITORS

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

The directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been approved by the board of directors and signed by order of the board:

D Abrehart

D Abrehart
Company secretary

Tuesday, June 30, 2015

ICAP EUROPE LIMITED
Strategic Report for the year ended 31 March 2015

The directors present their Strategic Report and the audited financial statements of ICAP Europe Limited (the 'Company') for the year ended 31 March 2015.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the year end financial position was satisfactory and do not anticipate any changes to the principal activities.

The Company is actively engaged in an interdealer broking business which comprises an entire range of interest rate derivatives. It also operates in foreign exchange, money markets and emerging markets. In response to challenging trading conditions at the end of 2013/14 and in the first half of 2014/15, ICAP group embarked on a comprehensive review and restructuring of the Global Broking division. Successful completion of this programme helped deliver significant cost savings.

The principal rates business continues to undergo fundamental change and market conditions in the year were challenging. The enduring low interest rate environment and bank customers' reduced risk appetite remains a headwind for trading activity in addition to ongoing pressure on brokerage. In the second half of the year, however, the macroeconomic environment in Europe benefited from the introduction of quantitative easing resulting in lower Euro rates. This development spurred an unprecedented level of bond issuance and related hedging activity in the swaps markets.

The foreign exchange and money markets business comprises spot, forward foreign exchange, and cash products. Market conditions were difficult as a result of reduced exchange rate volatility, the low interest rate environment and bank internalisation of foreign exchange flows. This was compounded by a low risk appetite and increased commission pressure.

Emerging market revenue includes domestic activity in local markets and cross border activity in globally traded emerging market money and interest rate products. The return of volatility relating to geopolitical factors, a falling oil price as well as some specific local factors helped to improve performance in the second half of the year.

RESULTS

The results of the Company are set out in the profit and loss account on page 7.

The profit for the financial year of £33,868,000 (2014: loss of £22,525,000) has been transferred to reserves.

The net assets of the Company are £60,899,000 (2014: £62,031,000).

EXCEPTIONAL ITEMS

Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results. These are shown as 'exceptional items' on the face of the profit and loss account.

In response to the prevailing market conditions, the Company has completed a restructuring programme aimed at focusing and realigning systems, processes and legal entity structures and increasing workforce productivity. As a result, the Company recognised staff termination costs of £3,455,000 during the year.

In the prior year, the Company reached settlement agreements with the FCA and the Commodity Futures Trading Commission ('CFTC') relating to the involvement of certain brokers in the attempted manipulation of yen Libor by bank traders between October 2006 and January 2011. Under the terms of the settlements, the Company agreed to pay penalties of £14,000,000 to the FCA and $65,000,000 to the CFTC, totalling £54,580,000. The Company also incurred £3,526,000 in legal fees in relation to the above matter during the prior year. No such amounts have been incurred in the current year. The Company continues to work closely and co-operate fully with an ongoing investigation by the US Department of Justice ('DOJ'). No provision has been recognised in relation to DOJ's continuing investigations in the Libor matter.

ICAP EUROPE LIMITED
Strategic Report for the year ended 31 March 2015

KEY PERFORMANCE INDICATORS

The directors of ICAP plc manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of ICAP plc, which includes the Company, are discussed on page 22 and 23 of the Group's annual report, which does not form part of this report.

The Company's return on assets, calculated as net profit divided by net assets, is 56% (2014: -36%).

This report has been approved by the board of directors and signed by order of the board:

N Dargan
Director

Tuesday, June 30, 2015

ICAP EUROPE LIMITED

Independent Auditors' Report to the members of ICAP Europe Limited

Report on the financial statements

Our opinion

In our opinion, ICAP Europe Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

ICAP Europe Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account and Statement of Total Recognised Gains and Losses for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ICAP EUROPE LIMITED

Independent Auditors' Report to the members of ICAP Europe Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the financial statements 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.

Lisa Kleinman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Tuesday, June 30, 2015

ICAP EUROPE LIMITED
Profit and Loss Account for the year ended 31 March 2015

	Note	Year ended 31/03/2015 £'000	Year ended 31/03/2014 £'000
Turnover		152,679	174,665
Administrative expenses		(105,864)	(128,812)
Other operating expenses	8	(218)	(159)
Exceptional items	5	(3,455)	(58,106)
Operating profit/(loss)	4	43,142	(12,412)
Interest receivable and similar income	9	361	138
Profit/(loss) on ordinary activities before taxation		43,503	(12,274)
Tax on profit / (loss) on ordinary activities	10	(9,635)	(10,251)
Profit/(loss) for the financial year		33,868	(22,525)

The profit of the Company for the financial year is derived from continuing operations.
The notes on pages 11 to 25 are an integral part of these financial statements.

ICAP EUROPE LIMITED

Statement of Total Recognised Gains and Losses for the year ended 31 March 2015

	Year ended 31/03/2015 £'000	Year ended 31/03/2014 £'000
Profit/(loss) for the financial year	33,868	(22,525)
Total recognised gains and losses relating to the year	33,868	(22,525)

The notes on pages 11 to 25 are an integral part of these financial statements.

ICAP EUROPE LIMITED

Balance Sheet as at 31 March 2015

Company Number: 170463

	Note	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Fixed assets			
Deferred tax asset	11	12	14
		12	14
Current assets			
Debtors	12	44,846	31,279
Cash and cash equivalents	13	26,310	41,589
		71,156	72,868
Creditors: amounts falling due within one year	14	(744)	(585)
Tax payable		(9,525)	(10,266)
		(10,269)	(10,851)
Net current assets		60,887	62,017
Net assets		60,899	62,031
Capital and reserves			
Called up share capital	15	54,821	54,821
Share premium account		646	646
Profit and loss account		5,432	6,564
Total shareholders' funds		60,899	62,031

The notes on pages 11 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 24 were approved by the board of directors on 30 June 2015 and were signed on its behalf by:

N Dargan
Director

ICAP EUROPE LIMITED
Statement of Changes in Equity for the year ended 31 March 2015

	Called up share capital (note 15) £'000	share premium account £'000	Other reserves £'000	Profit and loss account £'000	Shareholders' funds total £'000
As at 1 April 2013	22,071	646	15,200	29,089	67,006
Loss for the financial year	-	-	-	(22,525)	(22,525)
Dividends paid in the year (note 16)	-	-	(15,200)	-	(15,200)
Issue of ordinary shares	32,750	-	-	-	32,750
As at 31 March 2014	54,821	646	-	6,564	62,031
Profit for the financial year	-	-	-	33,868	33,868
Dividends paid in the year (note 16)	-	-	-	(35,000)	(35,000)
As at 31 March 2015	54,821	646	-	5,432	60,899

The notes on pages 11 to 25 are an integral part of these financial statements.

Called up share capital

The balance classified as called up share capital includes the nominal value of the proceeds on issue of the Company's called up share capital, comprising £1 ordinary shares.

Share premium account

The share premium account includes the value of the proceeds above nominal on issue of the Company's called up share capital, comprising £1 ordinary shares.

Other reserves

The other reserves relate to a capital contribution reserve.

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ('IFRS').

The Company is a qualifying entity for the purposes of FRS 101. Note 18 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following disclosure exemptions have been adopted:

- comparatives for tangible and intangible fixed asset reconciliations;
- cash flow statements;
- key management compensation; and
- related party transactions between wholly owned group companies.

The financial statements have been prepared on a going concern basis.

Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results. These are shown as 'exceptional items' on the face of the profit and loss account.

b) Turnover

Turnover comprises commission and brokerage income derived from money broking and is recognised on trade-date.

Money broking comprises voice and electronic broking and is transacted on an agency basis. For agency trades, turnover is stated net of rebates and discounts, value added tax and other sales taxes. Turnover from broking on electronic platforms is recognised in accordance with the treatment for the equivalent voice-broked products.

c) Pension costs

Certain of the Company's employees participate in a Group defined contribution pension scheme operated by ICAP plc. The Company's contributions to the scheme are charged to the profit and loss account on an accruals basis.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d) Tax

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

Deferred tax is recognised using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Calculations of current and deferred tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the period in which a reassessment of the liability is made.

e) Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the profit and loss account, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to reserves. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

f) Debtors

Debtors are recognised at cost less provision for impairment.

g) Intercompany balances

Intercompany balances are shown in accordance with the netting agreement, which allows netting of bilateral intercompany balances within entities that are party to the netting agreement. Prior year balances have been netted multilaterally between entities that are party to the netting agreement.

h) Debt provisioning

Provisions are made for specific debts when it is considered that the creditworthiness of the debtor has deteriorated such that the recovery of all or part of a debt is in serious doubt.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date, but which will not be identified as such until some time in the future. The level of provision is based upon the previous experience of such losses in the Company and is reviewed on a periodic basis. The appropriateness of the provision is periodically assessed against any actual losses that have arisen. All provisions are recorded within administrative expenses in the profit and loss account.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, overdrafts and other short-term highly liquid investments which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

j) Client Money

The Company holds money on behalf of clients in accordance with the client money rules of the FCA. Since the Company is not beneficially entitled to these amounts, they are excluded from the balance sheet along with the corresponding liabilities to clients.

k) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from the profit and loss account in the period in which they are declared.

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks, including liquidity, interest rate, currency and credit risk. The overall financial risk management framework, strategy and policies of the Company are determined by the board of its ultimate parent company, ICAP plc. It does this through the Group Risk and Capital Committee and subsequently the Group Finance Committee, and also by regional and market risk committees. The Company does not manage its own financial risk framework.

Financial assets and liabilities

The Company's financial assets are classified as loans and receivables. None of the Company's financial liabilities are held for trading.

The financial assets can be reconciled as follows:

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Financial assets		
Cash and cash equivalents	26,310	41,589
Debtors	44,846	31,279
Less		
Prepayments	(388)	(17)
	70,768	72,851

Market risk

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements.

Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (Sterling), principally United States Dollars and Euros. Whilst it is the Group policy to hedge such foreign exchange movements using derivative financial instruments at a Group level, the Company remains exposed to these risks.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into Sterling. The Group hedges up to 100% of its translational exposure at a Group level, but the Company is exposed to the impact of exchange rate movements.

It is estimated that a 10 cent increase in the exchange rates of the United States Dollar and the Euro would have an unfavourable impact of £100,000 and £475,000 (2014: £88,000 and £383,000) respectively on the Company's profit and loss account and reserves.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2015:

	USD	EUR	Other	GBP	Total
	£'000	£'000	£'000	£'000	£'000
Assets					
Cash and cash equivalents	182	834	-	25,294	26,310
Debtors less prepayments	1,397	6,205	1,833	35,023	44,458
	1,579	7,039	1,833	60,317	70,768
Liabilities					
Creditors	-	(3)	-	(741)	(744)
	-	(3)	-	(741)	(744)
Net assets	1,579	7,036	1,833	59,576	70,024

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2014:

	USD	EUR	Other	GBP	Total
	£'000	£'000	£'000	£'000	£'000
Assets					
Cash and cash equivalents	20	138	-	41,431	41,589
Debtors less prepayments	1,459	4,793	3,532	21,478	31,262
	1,479	4,931	3,532	62,909	72,851
Liabilities					
Creditors	-	-	-	(585)	(585)
	-	-	-	(585)	(585)
Net assets	1,479	4,931	3,532	62,324	72,266

Interest rate risk

The Company's interest rate risk arises from cash at bank and in hand where changes in market rates can have an adverse impact on cash flows and income streams. Interest rate risk is monitored at a Group level by the Group Risk and Capital Committee and subsequently the Group Finance Committee. In terms of cash and other interest bearing investments, the Company must comply with the Group Investment Policy. Limits are in place to restrict the amount that can be invested at one institution and all investments must be credit rated AA or above and be for less than 18 months, unless approved by the Group Risk and Capital Committee and subsequently the Group Finance Committee.

As at 31 March 2015 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that an increase of 1% in interest rates would have an impact of £263,000 (2014: £696,000) on the Company's profit and loss account and reserves. The basis of this sensitivity calculation has changed since prior year and is now based on a 1% movement in the year end cash balance (2014: 1% movement in effective interest rate for the year).

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's interest rate profile as at 31 March 2015 was as follows:

	None	Fixed	Variable	Total
	£'000	£'000	£'000	£'000
Assets				
Cash and cash equivalents	-	25,284	1,026	26,310
Debtors less prepayments	44,458	-	-	44,458
	44,458	25,284	1,026	70,768
Liabilities				
Creditors	(744)	-	-	(744)
	(744)	-	-	(744)

The Company's interest rate profile as at 31 March 2014 was as follows:

	None	Fixed	Variable	Total
	£'000	£'000	£'000	£'000
Assets				
Cash and cash equivalents	-	1,941	39,648	41,589
Debtors less prepayments	31,262	-	-	31,262
	31,262	1,941	39,648	72,851
Liabilities				
Creditors	(585)	-	-	(585)
	(585)	-	-	(585)

Price Risk

The Company's activities do not expose it to price risk.

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The Company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. All counterparties are subject to regular review and assessment by regional credit officers and credit limits are set and approved by the appropriate credit committee as overseen by the Group Risk and Capital Committee and subsequently the Group Finance Committee. Limits are set based on Group parameters determining the maximum loss any one company (within the Group) can suffer as a result of counterparty default.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to debtors (note 12).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the Company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The Group Risk and Capital Committee and subsequently the Group Finance Committee monitors free cash resources ensuring that all companies within the Group maintain sufficient resources to finance their operations and that all investments comply with the Group Investment Policy. This dictates borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held.

The Company's exposure to liquidity risk is not significant.

The following tables show the maturity of the Company's liabilities as at 31 March 2015 and 2014:

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 March 2015					
	£'000	£'000	£'000	£'000	£'000
Liabilities					
Creditors	(3)	(21)	(720)	-	(744)
	(3)	(21)	(720)	-	(744)

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 March 2014					
	£'000	£'000	£'000	£'000	£'000
Liabilities					
Creditors	-	-	(585)	-	(585)
	-	-	(585)	-	(585)

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 March 2015 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2014: none).

Capital management

The Company's capital strategy is to maintain an effective and strong capital base which maximises the return to its shareholders, while also maintaining flexibility and ensuring compliance with supervisory regulatory requirements. The capital structure of the Company consists of debt and equity, including share capital, share premium, other reserves and retained earnings.

The Company seeks to ensure that it has sufficient regulatory capital to meet regulatory requirements.

The regulatory capital level is set in accordance with the FCA's capital requirements. The approach is to hold an appropriate surplus over the minimum.

ICAP evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

The Company's capital structure as at 31 March 2015 comprise:

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Total debt	(10,269)	(10,851)
Total equity	60,899	62,031
	50,630	51,180
Total capital	60,899	62,031

The Company complied with its regulatory capital requirements throughout the year.

3. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes various judgements in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities.

As at 31 March 2015 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements. None of these items give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

4. OPERATING PROFIT / (LOSS)

	Year ended 31/03/2015	Year ended 31/03/2014
	£'000	£'000
Operating profit / (loss) is stated after charging:		
Wages & salaries and social security costs (note 6)	77,472	95,008
Other staff costs	933	1,371
Staff costs	78,405	96,379
Services provided by the Company's auditors:		
- Fees payable for the audit	64	62

The remainder of the administrative expenses primarily relate to intercompany recharges in relation to a service agreement.

The Company's administrative expenses includes costs paid in relation to a Save-As-You-Earn (SAYE) share option scheme of £ 168,000 (2014: £ 345,000) for options over ordinary shares in ICAP plc, the Company's ultimate parent company.

Fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of its parent, ICAP plc, include these fees on a consolidated basis.

5. EXCEPTIONAL ITEMS

In response to the prevailing market conditions, the Company has completed a restructuring programme aimed at focusing and realigning systems, processes and legal entity structures and increasing workforce productivity. As a result, the Company recognised staff termination costs of £3,455,000 during the year.

In the prior year, the Company reached settlement agreements with the FCA and the Commodity Futures Trading Commission ('CFTC') relating to the involvement of certain brokers in the attempted manipulation of yen Libor by bank traders between October 2006 and January 2011. Under the terms of the settlements, the Company agreed to pay penalties of £14,000,000 to the FCA and $65,000,000 to the CFTC, totalling £54,580,000. The Company also incurred £3,526,000 in legal fees in relation to the above matter during the prior year. No such amounts have been incurred in the current year. The Company continues to work closely and co-operate fully with an ongoing investigation by the US Department of Justice ('DOJ'). No provision has been recognised in relation to DOJ's continuing investigations in the Libor matter.

6. SALARY AND PAYROLL COSTS

Staff costs borne by the Company and included within the management recharge comprise:

	Year ended 31/03/2015 £'000	Year ended 31/03/2014 £'000
Employee costs:		
Wages and salaries	67,679	83,174
Social security costs	9,402	11,373
Other pension costs	391	461
	77,472	95,008

The monthly average number of persons employed by the Company during the year was 239 (2014: 276).

All staff costs were borne by a fellow subsidiary company of ICAP plc and were charged to the Company by way of Group management charges.

7. DIRECTORS' REMUNERATION

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

	Year ended 31/03/2015		Year ended 31/03/2014	
	Total £'000	Highest paid director £'000	Total £'000	Highest paid director £'000
Aggregate emoluments	3,297	1,632	1,648	562
Contributions to defined contribution pension schemes	34	-	18	-
	3,331	1,632	1,666	562

As at 31 March 2015, retirement benefits are accruing to no directors (2014: 1 director) under defined contribution schemes sponsored by ICAP plc.

8. OTHER OPERATING EXPENSES

This represents exchange differences arising on transactions in foreign currencies during the year and on the translation at the balance sheet date of assets and liabilities denominated in foreign currencies.

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31/03/2015 £'000	Year ended 31/03/2014 £'000
Bank deposits	358	138
Interest on overpayment of tax	3	-
	361	138

10. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	Year ended 31/03/2015 £'000	Year ended 31/03/2014 £'000
a) Analysis of charge for the year		
Current tax:		
UK Corporation tax	9,525	10,266
Adjustments in respect of prior years	112	(10)
	9,637	10,256
Deferred tax:		
Deferred tax (note 11) - current year	4	5
Adjustments in respect of prior years (note 11)	(6)	(10)
	(2)	(5)
	9,635	10,251
b) Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before tax	43,503	(12,274)
Profit/ (loss) before tax multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	9,136	(2,823)
Effects of:		
Expenses not deductible for tax purposes	416	13,102
Adjustments in respect of prior years – current tax	112	(10)
Adjustments in respect of prior years – deferred tax	(6)	(10)
Double tax relief	(23)	(10)
Impact of change in rate for deferred tax	-	2
	499	13,074
Tax charge for the year	9,635	10,251
Effective tax rate	22%	-84%

Legislation to reduce the main rate of Corporation Tax from 23% to 21% from 1 April 2014 was included in the Finance Act 2013. Further reductions to the main rate have been enacted reducing it to 20% by 1 April 2015. As these latter changes have been substantially enacted at the balance sheet date they are therefore included in the tax charge. Deferred tax will unwind at a rate of 20% in the period to 31 March 2015 but this is not expected to have a material impact on the deferred tax balances.

In accordance with the Capital Requirements Directive IV (CRD IV) and the associated Capital Requirements (Country-by-Country Reporting) Regulations 2013, effective January 2014, the Company will publish additional information at the following web address: www.icap.com

11. DEFERRED TAX ASSET

The deferred tax asset was as follows:

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Capital allowances	12	14
	12	14

	2015 £'000	2014 £'000
At beginning of the year	14	9
Transferred to the profit and loss account (note 10)	(2)	5
As at 31 March	12	14

12. DEBTORS

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Current		
Trade debtors	22,639	24,396
Provision for impairment	2	(12)
Net trade debtors	22,641	24,384
Amounts owed by Group companies	21,817	6,878
Prepayments and accrued income	388	17
	44,846	31,279

Prior year intercompany balances have been netted multilaterally between entities that are party to the netting agreement. In the current year only bilateral intercompany balances have been netted. Prior year comparatives with the bilateral netting applied are £10,488,000.

The majority of net trade debtors which are neither impaired nor past their normal settlement dates are held with high quality credit institutions.

As at 31 March the following trade debtors were unsettled, but had not been impaired:

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Less than 30 days, and not yet due	15,452	13,083
Over 30 days, but less than 90 days, and past due date	6,679	9,522
Over 90 days, but less than 180 days, and past due date	271	1,599
Over 180 days, and past due date	239	180
	22,641	24,384

13. CASH AND CASH EQUIVALENTS

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Cash at bank and in hand	1,026	1,941
Short-term bank deposits	25,284	39,648
	26,310	41,589

The short-term bank deposits have a maturity of 30 days or less.

The balance includes £nil (2014: £1,783,000) which is held in an Employee Benefit Trust. The use of this cash is restricted.

14. CREDITORS

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Amounts falling due within one year		
Amounts owed to Group companies	3	-
Accruals	741	585
	744	585

Prior year intercompany balances have been netted multilaterally between entities that are party to the netting agreement. In the current year only bilateral intercompany balances have been netted. Prior year comparatives with the bilateral netting applied are £3,610,000.

15. CALLED UP SHARE CAPITAL

	As at 31/03/2015 £'000	As at 31/03/2014 £'000
Allotted and fully paid:		
54,821,157 Ordinary share(s) of £1 each (2014: 54,821,157)	54,821	54,821
	54,821	54,821

16. DIVIDENDS

	Year ended 31/03/2015 £'000	Year ended 31/03/2014 £'000
Dividend paid of 63.8p per share (2014: 27.7p per share)	35,000	15,200
	35,000	15,200

17. CONTINGENT LIABILITIES

On 31 March 2015, ICAP plc was removed as a defendant from the civil actions commenced in the US relating to alleged manipulation of Yen Libor and EuroYen Tibor. However, the plaintiff has been given permission to add the Company as a defendant, which we anticipate it will do in the coming months following resolution of a pending procedural issues. The Company intends to defend the claim vigorously. It is not practicable to predict the ultimate outcome of the litigation. As a result it is not possible to provide an estimate of any potential financial impact on the Company.

18. ULTIMATE PARENT COMPANY

Parent company

The Company's immediate parent is ICAP Global Broking Holdings Limited, which does not prepare consolidated financial statements.

On 27 March 2015, the Company's immediate parent changed from ICAP Group Holdings plc as part of the Group re-organisation.

The Company's ultimate parent is ICAP plc, which is incorporated in England and Wales, and heads the largest group of companies of which the Company is a member. ICAP plc prepares consolidated financial statements in accordance with IFRS and copies may be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR.