

**Company Number: 1280142**

**EXCO INTERNATIONAL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2010**



# **EXCO INTERNATIONAL LIMITED**

## **Directors' report for the year ended 31 March 2010**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2010

### **PRINCIPAL ACTIVITY**

The company is an investment holding company and it is not anticipated that the company's activities will change in the foreseeable future

The company is incorporated and domiciled in the United Kingdom. The registered office is 2 Broadgate, London, EC2M 7UR.

### **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. Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### **RESULTS AND DIVIDENDS**

The results of the company are set out in the income statement on page 4.

The directors do not recommend the payment of a dividend (2009 £nil).

### **FINANCIAL RISK MANAGEMENT**

The company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements.

### **DIRECTORS**

The directors of the company during the year and thereafter were

Exco Nominees Limited  
D A Abrehart

### **AUDITORS**

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

## **EXCO INTERNATIONAL LIMITED**

### **Directors' report for the year ended 31 March 2010 (continued)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that 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.

By Order of the Board



**D A Abrehart**  
Director

6 September 2010

# **EXCO INTERNATIONAL LIMITED**

## **Independent auditor's report to the members of Exco International Limited**

We have audited the financial statements of Exco International Limited for the year ended 31 March 2010 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Respective responsibilities of directors and auditors**

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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 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.

### **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.

### **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 March 2010 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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 parent company financial statements are prepared is consistent with the financial statements.

### **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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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



Carl Sizer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
6 September 2010

**EXCO INTERNATIONAL LIMITED**  
**Income Statement for the year ended 31 March 2010**

	<u>Note</u>	<u>Year ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
<b>Operating loss</b>		-	-
Finance income	5	-	1
<b>Profit before taxation</b>		-	1
Taxation	7	(3)	(1)
<b>(Loss)/result for the year</b>		(3)	-

**Statement of Comprehensive Income for the year ended 31 March 2010**

	<u>Year ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
(Loss)/result for the year	(3)	-
<b>Total comprehensive income for the year</b>	(3)	-

**EXCO INTERNATIONAL LIMITED**  
**Statement of Changes in Equity for the year ended 31 March 2010**

	<u>Called up share capital</u> £'000	<u>Share premium reserve</u> £'000	<u>Retained earnings</u> £'000	<u>Total</u> £'000
<b>As at 31 March 2008</b>	840	22,659	76	23,575
Result for the year	-	-	-	-
<b>As at 31 March 2009</b>	840	22,659	76	23,575
Loss for the year	-	-	(3)	(3)
<b>As at 31 March 2010</b>	840	22,659	73	23,572

# EXCO INTERNATIONAL LIMITED

## Balance Sheet as at 31 March 2010

	<u>Note</u>	<u>Year Ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
<b>Non-current assets</b>			
Investments in subsidiary companies	8	23,080	23,080
Available-for-sale investments	9	140	140
		<u>23,220</u>	<u>23,220</u>
<b>Current assets</b>			
Other receivables	10	352	355
		<u>352</u>	<u>355</u>
<b>Total assets</b>		<u>23,572</u>	<u>23,575</u>
<b>Net assets</b>		<u>23,572</u>	<u>23,575</u>
<b>Equity</b>			
Called up share capital	12	840	840
Share premium reserve		22,659	22,659
Retained earnings		73	76
<b>Equity</b>		<u>23,572</u>	<u>23,575</u>

The financial statements on pages 4 to 13 were approved by the board of directors on 6 September 2010 and were signed on its behalf by



**D A Abrehart**  
**Director**

**EXCO INTERNATIONAL LIMITED**  
**Statement of Cash Flows for the year ended 31 March 2010**

	<u>Note</u>	<u>Year ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
<b>Cash flows from operating activities</b>			
Operating loss		-	-
Group relief on tax charge		(3)	-
		<hr/>	<hr/>
Operating cash flows before movements in working capital		(3)	-
Decrease/(increase) in other receivables		3	(9)
		<hr/>	<hr/>
Net cash from operating activities		3	(9)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		-	(9)
Net cash and cash equivalents at beginning of year		-	9
		<hr/>	<hr/>
<b>Net cash and cash equivalents at end of year</b>	<b>11</b>	<hr/> <hr/>	<hr/> <hr/>



# EXCO INTERNATIONAL LIMITED

## Notes to the financial statements for the year ended 31 March 2010

### 1 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with IFRS adopted by the European Union, International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU International Accounting Standards (IAS) Regulation. The financial statements have also been prepared under the historical cost convention, as modified to include the fair value of certain financial instruments in accordance with IFRS. The financial statements are prepared in pounds sterling, which is the functional currency of the parent company, ICAP Plc and presented in thousands.

The company has not produced consolidated financial statements since consolidated financial statements have been prepared by its ultimate parent company (note 13).

(b) Taxation

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior periods. Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the 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.

(c) Impairment of loans and receivables

An impairment review of the recoverable amounts of loans and receivables is undertaken at each balance sheet date or when such events or changes in circumstances indicate that an impairment loss may have occurred.

(d) Investments in subsidiary companies

Investments comprise equity shareholdings and other interests. These investments are recorded at historical cost less provision for any impairment in their values. Dividend income is recognised upon declaration and interest when receivable.

A subsidiary is an entity over which the company has control. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(e) Cash and cash equivalents

Cash equivalents includes all investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value when it has a maturity of three months or less from the date of acquisition.

(f) Impairment of assets

An impairment review of the recoverable amounts of assets is undertaken at each balance sheet date or when such events or changes in circumstances indicate that an impairment loss may have occurred. Impairment losses are recognised in the income statement except where the asset was previously revalued. For revalued assets the loss is recognised directly against any revaluation surplus with the surplus being recognised in the income statement.

(g) Available for sale investments

Available for sale investments are initially recognised at fair value and any subsequent changes in fair value are recognised directly in equity. When an investment is disposed of or is determined to be impaired, any cumulative gain or loss previously recognised in equity is transferred to the income statement. Where the fair value cannot be reliably measured, the assets are held at cost less provision for impairment.

(h) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are paid.

# EXCO INTERNATIONAL LIMITED

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 2. FINANCIAL RISK MANAGEMENT

#### *Financial risk factors*

The company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity 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 (the "Group"). It does this through two board committees, the Group Risk and Finance Committees. The company does not manage its own financial risk framework.

#### *Financial assets and liabilities*

The company's financial assets and liabilities are analysed below.

Classification of financial assets and liabilities as at 31 March 2010

	<u>Available for sale</u> £'000	<u>Loans and receivables</u> £'000	<u>Total</u> £'000
<b>Financial assets</b>			
Available for sale assets	140	-	140
Amounts owed by group companies	-	352	352
	<u>140</u>	<u>352</u>	<u>492</u>

The company had no financial liabilities as at 31 March 2010.

Classification of financial assets and liabilities as at 31 March 2009

	<u>Available for sale</u> £'000	<u>Loans and receivables</u> £'000	<u>Total</u> £'000
<b>Financial assets</b>			
Available for sale assets	140	-	140
Amounts owed by group companies	-	353	353
	<u>140</u>	<u>353</u>	<u>493</u>

The company had no financial liabilities as at 31 March 2009.

The fair value of the financial assets and liabilities is not materially different from their book values.

# EXCO INTERNATIONAL LIMITED

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 2. FINANCIAL RISK MANAGEMENT (continued)

Financial assets and liabilities can be reconciled as follows

	<u>As at 31</u> <u>March 2010</u> £'000	<u>As at 31</u> <u>March 2009</u> £'000
<b>Financial assets</b>		
Trade and other receivables	352	353
Available for sale financial assets	140	140
Less		
Tax receivables	-	2
	<u>492</u>	<u>495</u>

Taxes receivable are not financial asset as they do not represent a contractual right to receive cash

#### (i) Market risk

##### Foreign exchange risk

The company operates principally in the United Kingdom and therefore has no exposure to foreign exchange risk

##### Price risk

The company's activities do not expose it to price risk

##### Interest rate risk

Since the company has no significant interest bearing assets and liabilities, the company's results and operating cash flows are substantially independent of changes in market rates

#### (ii) 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 is exposed to concentrations of credit risk in amounts due from group companies (note 10). The Group policy is to limit exposure by netting balances. All group companies are party to a netting agreement.

#### (iii) 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 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 institutions credit rating and the nature of financial instruments that can be held. Overall the company's exposure to liquidity risk is not significant.

#### (iv) Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. As at 31 March 2010 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2009 Nil).

# EXCO INTERNATIONAL LIMITED

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 3 KEY ACCOUNTING JUDGEMENTS

The company makes various judgements in applying its accounting policies and various assumptions and estimates when determining the carrying value of certain assets and liabilities. As at 31 March 2010 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements, or a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

### 4 ADMINISTRATIVE EXPENSES

The company's administrative expenses, including the auditors' remuneration of £1,500 (2009 £2,500) have been borne by other group undertakings of ICAP plc.

The company had no employees during the the current or prior year.

### 5. FINANCE INCOME

There was no financial income in the current year (2009 £1,159). Financial income in the prior year consists of interest on bank accounts.

### 6 DIRECTORS' REMUNERATION

The directors received no remuneration in the current or prior year in respect of their services as directors of the company.

### 7. TAXATION

	<u>Year ended</u> <u>31/3/2010</u> £'000	<u>Year ended</u> <u>31/3/2009</u> £'000
<b>Current taxation</b>		
UK corporation tax	-	1
Adjustment to prior years	(3)	-
	<u>          </u>	<u>          </u>
Total tax (credit)/charge for the year	<u>(3)</u>	<u>1</u>

The company's tax charge for the year and the statutory charge can be reconciled as follows:

	<u>Year ended</u> <u>31/3/2010</u> £'000	<u>Year ended</u> <u>31/3/2009</u> £'000
Profit before taxation	-	1
	<u>          </u>	<u>          </u>
UK Corporation Tax at 28%	-	(1)
	<u>          </u>	<u>          </u>

All tax balances are group relieved.

# EXCO INTERNATIONAL LIMITED

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 8. INVESTMENTS IN SUBSIDIARY COMPANIES

	<u>As at</u> <u>31/3/2010</u> £'000	<u>As at</u> <u>31/3/2009</u> £'000
Cost as at 1 April and 31 March	<u>23,080</u>	<u>23,080</u>

At 31 March 2010, the company's principal subsidiary companies were as follows

	<u>Country of</u> <u>Incorporation</u>	<u>Percentage</u> <u>held **</u>
* Exco Overseas Limited	England & Wales	100
* Astley & Pearce Limited	England & Wales	100
ICAP (Hong Kong) Limited	Hong Kong	100
ICAP Scandinavia	Denmark	100
ICAP AP (Singapore) Pte Limited	Singapore	100
ICAP Currency Options Pte Limited	Singapore	100
ICAP Australia Pty Limited	Australia	100
ICAP New Zealand Limited	New Zealand	80
FCB-Harlow Butler (Pty) Limited	South Africa	51

\* Except where marked with an asterix, the above subsidiary companies are owned indirectly

\*\* The percentage held represents the percentage of issued share capital held (all classes)

All subsidiaries act as holding companies or are involved in voice and electronic broking and have a 31 March year end

### 9. AVAILABLE-FOR-SALE INVESTMENTS

	<u>As at</u> <u>31/3/2010</u> £'000	<u>As at</u> <u>31/3/2009</u> £'000
Cost		
As at 1 April and 31 March	<u>140</u>	<u>140</u>

The company owns 5% of Bolsa de Productos de Chile, a commodities exchange located in Chile. This investment is carried at cost because their fair value cannot be reliably measured due to a quoted market price being unavailable.

# EXCO INTERNATIONAL LIMITED

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 10. OTHER RECEIVABLES

	<u>As at</u> <u>31/3/2010</u> £'000	<u>As at</u> <u>31/3/2009</u> £'000
Amount due from subsidiary companies	352	353
Group tax relief receivable	-	2
	<u>352</u>	<u>355</u>

The amount due from subsidiary companies represents a loan of £351,371 to Intercapital plc (2009 £352,589 to Exco Overseas Limited) The loan is unsecured, non-interest bearing and repayable on demand

Group tax relief receivable at the prior year end is the amount due from a fellow subsidiary company of ICAP plc in relation to Corporation Tax losses surrendered The amount is unsecured, non-interest bearing and repayable on demand

### 11 CASH AND CASH EQUIVALENTS

The company does not hold any cash or cash equivalents

### 12 CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2010</u> £'000	<u>As at</u> <u>31/3/2009</u> £'000
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
839,820 Ordinary shares of £1 each	<u>840</u>	<u>840</u>

### 13 RELATED PARTIES

#### Parent company

The company's immediate parent company is Intercapital Ltd, which does not prepare consolidated financial statements

The company's ultimate parent company is ICAP plc, which is incorporated in the United Kingdom and heads the smallest and largest group of companies ("Group") of which the company is a member ICAP plc prepares consolidated financial statements in accordance with IFRS as adopted by the European Union and copies can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR

#### Related Party Transactions

All Group companies are party to a netting agreement There were no related party transactions or balances during the years ended 31 March 2010 and 31 March 2009 other than disclosed in the above notes