Company Number: 1423001

INTERCAPITAL PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2007

INTERCAPITAL PLC
Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

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 During the year, the company paid an ordinary dividend of £54,453,842 (2006 £42,767,201) and a preference dividend of £nil (2006 £70,289)

SHARE CAPITAL

On 27 July 2006 the company issued 7,711,987 preference shares of US$10 each in issue to EBS No 4 Inc
On 8 December 2006 the company issued 1,528,100,000 ordinary shares of 25p each in issue to ICAP plc

FINANCIAL RISK MANAGEMENT

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

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year and thereafter were

M A Spencer		
J M Yallop		
D A Abrehart		
M Lester	-	Appointed 23 January 2007
J N Pettigrew	-	Resigned 2 June 2006

Directors' interests in the share capital of the company, its ultimate parent company, ICAP plc, and any of its fellow subsidiary companies are set out in note 7 to the financial statements

LAYING OF REPORTS AND ACCOUNTS

The company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the members of the company in general meeting However, under the provisions of Section 253(2) of the Companies Act 1985 (as amended), any member of the company has the right to require this report and accounts to be laid before the members of the company in a general meeting Any member wishing to exercise this right must deposit notice at the company's registered office within 28 days of the date of this report

AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

INTERCAPITAL PLC
Directors' report

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 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

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of affairs of the company and of the profit or 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 the financial statements comply with IFRS as adopted by the European Union, 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 confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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

The directors are satisfied that the company has adequate resources to continue to operate for the foreseeable future and confirm that the company is a going concern

By Order of the Board

DA Abrehart

D Abrehart
Secretary

5 September 2007

INTERCAPITAL PLC

Independent auditor's report to the members of Intercapital plc

We have audited the financial statements of Intercapital plc for the year ended 31 March 2007 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members 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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements We also report to you if, in our opinion, 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 other transactions is not disclosed

We read the Directors' Report and consider whether it is consistent with the audited financial statements We consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2007 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

5 September 2007

INTERCAPITAL PLC
Income statement for the year ended 31 March 2007

	Note	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Administrative expenses	4	(13,255)	(24,597)
Other income	5	960	311
Operating loss		(12,295)	(24,286)
Income from investments		35,792	41,056
Impairment charge	11	(650)	(1,539)
Finance income	8	18,317	12,019
Finance costs	9	(22,311)	(18,386)
Profit before taxation		18,853	8,864
Taxation	10	2,266	11,748
Profit for the year		21,119	20,612

INTERCAPITAL PLC

Statement of changes in equity for the year ended 31 March 2007

	Note	Called up share capital £'000	Share premium reserve £'000	Retained earnings £'000	Total £'000
As at 1 April 2005		128,833	5,902	58,158	192,893
Profit for the year		-	-	20,612	20,612
Dividends paid - ordinary	19	-	-	(42,767)	(42,767)
Dividend paid - preference	19	-	-	(70)	(70)
Exchange adjustments on shares issued		(618)	-	420	(198)
Ordinary shares issued		52,783	-	-	52,783
Preference shares redeemed		(36,846)	-	-	(36,846)
As at 31 March 2006		144,152	5,902	36,353	186,407
Profit for the year		-	-	21,119	21,119
Dividends paid	19	-	-	(54,454)	(54,454)
Exchange adjustments on shares issued	19	(2,368)	-	2,368	-
Ordinary shares issued	18	382,025	-	-	382,025
Preference shares issued	18	41,686	-	-	41,686
As at 31 March 2007		565,495	5,902	5,386	576,783

INTERCAPITAL PLC
Balance Sheet as at 31 March 2007

	Note	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Non-current assets			
Investments in subsidiaries	11	772,858	49,387
Investments in joint ventures	12	4,044	2,311
Other receivables	13	474,100	1,600
		1,251,002	53,298
Current assets			
Other receivables	13	161,894	637,447
Derivative financial instruments	14	4,909	1,423
Cash and cash equivalents	15	35	54,114
		166,838	692,984
Total assets		1,417,840	746,282
Current liabilities			
Other payables	16	(726,017)	(429,602)
Derivative financial instruments	14	(1,073)	(1,587)
		(727,090)	(431,189)
Non-current liabilities			
Long term borrowings	17	(113,967)	(128,686)
Total liabilities		(841,057)	(559,875)
Net assets		576,783	186,407
Equity			
Called up share capital	18	565,495	144,152
Share premium account		5,902	5,902
Retained earnings		5,386	36,353
Total equity		576,783	186,407

The financial statements on pages 4 to 21 were approved by the board of directors on 5 September 2007 and were signed on its behalf by

M Lester
Director

INTERCAPITAL PLC

Cash Flow Statement for the year ended 31 March 2007

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Cash flows from operating activities		
Profit before taxation	18,853	8,864
Adjustments for		
Amortisation and impairments	981	1,714
Unrealised foreign exchange gains	(1,886)	22
Net finance costs	3,994	6,367
Income from subsidiary companies	(35,792)	(41,056)
Decrease/(increase) in other receivables	463,292	(114,808)
(Decrease)/increase in other payables	(496,866)	33,499
Interest received	8,857	4,687
Interest paid	(9,333)	(4,458)
	(47,900)	(105,169)
Cash flows from investing activities		
Dividend received	450	13,438
Acquisition of interests in businesses - subsidiaries	(7,264)	(2,322)
Acquisition of interest in businesses - joint ventures	(1,733)	(785)
	(8,547)	10,331
Cash flows from finance activities		
Preference dividend paid	-	(70)
Private placement funds	-	124,764
Share capital redeemed	-	(31,820)
Shares issued	-	52,783
	-	145,657
Foreign exchange adjustments	2,368	421
	(54,079)	51,240
Net cash and cash equivalents at beginning of year	54,114	2,874
Net cash and cash equivalents at end of year	35	54,114

INTERCAPITAL PLC
Notes to the financial statements for the year ended 31 March 2007

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 1985 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 company has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by its ultimate parent company (note 21)

(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

Deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the amounts charged or credited for tax purposes 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 only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously

(c) 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 income statement, 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 Share capital denominated in foreign currency is retranslated at year end rates

Foreign exchange gains and losses arising on monetary items are shown net within finance gains and losses

(d) Borrowing costs

All borrowing costs are expensed as finance costs in the income statement using the applicable effective interest rate

(e) Investments in subsidiaries and joint ventures

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

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

A joint venture is an entity in which the company has an interest and, in the opinion of the directors, exercises joint control over its operating and financial policies An interest exists where an investment is held on a long-term basis for the purpose of securing a contribution to the company's activities

(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) Derivative financial instruments and hedging
The company uses various derivative financial instruments as hedges to reduce exposure to foreign exchange and interest rate risk on behalf of the whole ICAP plc group These can include forward foreign exchange contracts, currency options and cross currency and interest rate swaps Under IAS 39, which the company adopted prospectively from 1 April 2005, all derivative financial instruments are initially recognised on the balance sheet at their fair value adjusted for transaction costs

The fair value of derivative financial instruments is determined by appropriate valuation techniques as permitted by IAS 39, including discounted cash flow analysis and the Black-Scholes pricing model

Although a number of the derivative financial instruments are designated as hedges in the context of IAS39 on a consolidated group basis, it is the company's policy not to hedge account and all gains and losses on derivative financial instruments are recognised immediately in the income statement of the company

(h) 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, having it has a maturity of three months or less from the date of acquisition

(i) Long-term borrowings
Long-term borrowings are initially recognised at fair value, being their issue proceeds net of transaction costs incurred At subsequent reporting dates long-term borrowings are held at amortised cost

(j) Share capital
Ordinary and non-mandatory redeemable preference shares are classified as equity Dividends are recognised as deductions from retained earnings in the period in which they are declared

2. FINANCIAL RISK MANAGEMENT

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 (the "Group") It does this through two board committees, the Group Risk and Finance Committees, and also by regional and market risk committees The company does not mange its own financial risk framework

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Liquidity risk

The company seeks to ensure that it has constant access to an appropriate level of cash, other forms of marketable securities and funding to enable it to fund its ongoing operations, proposed acquisitions, and other reasonable unanticipated events on cost effective and attractive terms

(ii) Interest rate risk

The company's interest rate risk arises from cash and cash equivalents and loans where changes in market rates can have an impact on cash flows and profit for the year

Interest rate risk is monitored at a Group level by the 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 in one institution and all investments must be credit rated AA or above and be for less than 18 months, unless approved by the Committee As at 31 March 2007 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months (2006 £nil) except for long term loans, see note 17

The table below gives an indication of the interest rate profile of the financial assets and liabilities of the company as at 31 March 2007

	Fixed rate	Variable rate
	£'000	£'000
Financial assets		
Sterling	-	476,459
US dollars	-	496
Euro	-	1,088
	-	478,043
Financial liabilities		
Sterling	(62,781)	(160,128)
US dollars	(114,714)	(2,013)
Euro	(516)	(9,468)
Swiss francs	-	(2,742)
Singapore dollars	-	(2,733)
New Zealand dollars	-	(602)
	(178,011)	(177,686)

Liabilities with fixed rates represent loan notes issued by the company (see note 17) and loans to fellow group companies Variable interest rates are usually based upon the relevant currency LIBOR rates, or national bank base rates

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Currency risk

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

Transactional exposures arise from remittance of funds in currencies other than the company's functional currency (sterling), principally United States dollars and euros

The company acts in accordance with instructions from the Group Risk and Finance Committees to hedge the Group's transactional foreign exchange exposures using derivative financial instruments such as swaps, forward contracts and options The company does not hedge its own transactional exposure

The table below summarises the company's exposure to concentrations of foreign currencies as at 31 March 2007

	US$ £m	€ £m	JPY £m	SGD$ £m	HK$ £m	AUD$ £m	NZ$ £m	CHF £m
Assets								
Due from group companies	7,169	1,417	1,258	1,101	2,421	865	-	-
Cash and cash equivalents	4	1	-	-	-	-	-	-
Liabilities								
Due to group companies	(27,052)	(9,984)	-	(2,745)	-	-	(602)	(2,742)
Long-term borrowings	(114,714)	-	-	-	-	-	-	-
Net exposure	(134,593)	(8,566)	1,258	(1,644)	2,421	865	(602)	(2,742)

(iv) 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 13) The Group policy is to limit exposure by netting balances All group companies are party to a netting agreement

The credit risk on liquid funds and derivative financial instruments is limited by the Group's policy of requiring its corporate treasury transactions to be undertaken with financial institutions which have been approved by the group risk committee and which are investment grade rated by one or more recognized credit rating agencies The maximum exposure to risk for the Group is represented by the total fair value of the financial assets There were no significant concentrations at the year end

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 The estimates that had a significant impact on the Company's results and financial position are discussed below

The company reviews its investments in subsidiaries and joint ventures at least annually, or more frequently if circumstances suggest an impairment may have taken place The company tests for impairment by comparing the carrying value of the investment with their value in use The calculation of value in use is based on discounted cash flows from financial budgets This requires the use of estimates and judgements in determining budgeted cashflows, discount rates and growth rates

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

4 ADMINISTRATIVE EXPENSES

Administrative expenses includes the following charges/(credits)

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Exchange adjustments	229	3,889
Management recharges receivable	(17,307)	(4,802)
Management recharges payable	29,802	24,130
Other	531	1,380
	13,255	24,597

Administrative expenses consist principally of costs, including the auditors' remuneration of £8,000 (2006 £8,000), which have been borne by other group undertakings of ICAP plc and charged to the company by way of group management recharges It is not practicable to analyse the components of these recharges

The company had no employees during the year (2006 nil)

5 OTHER INCOME

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Profit on disposal of investments	-	58
Other	960	253
	960	311

6 DIRECTORS' REMUNERATION

The directors received no remuneration in respect of their services as directors of the company

7. DIRECTORS' INTERESTS

None of the directors held interests in the share capital of the company

J M Yallop, M Lester and M A Spencer were directors of the company's ultimate parent, ICAP plc, during the year, and their interests are disclosed in that company's financial statements

D A Abrehart interests in the form of options over ICAP plc ordinary shares of 10p each and Long Term Incentive Plans are as follows

ICAP plc Ordinary shares of 10p each

	Exercise price (p)	Grant date	As at 1/4/2006	Granted in year	Exercised in year	As at 31/3/2007
SAYE	388 0	30/6/2006	-	2,409	-	2,409

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

7 DIRECTORS' INTERESTS (CONTINUED)

The SAYE is an Inland Revenue approved scheme that enables employees to acquire options over ordinary shares at a discount of up to 20% of their market value, using the proceeds of a related SAYE contract Options granted under the SAYE scheme are not subject to performance conditions

8. FINANCE INCOME

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Interest receivable and similar income		
Bank interest	645	3,602
Interest from group companies	5,315	2,068
Other interest	-	71
	5,960	5,741
Other finance income		
Fair value gains on derivative financial instruments	12,357	6,278
	18,317	12,019

9 FINANCE COSTS

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Interest payable and similar costs		
Bank interest	2,222	140
Long term loans	6,721	5,626
Interest to group companies	8,046	7,719
	16,989	13,485
Other finance costs		
Fair value losses on derivative financial instruments	3,695	4,901
Exchange adjustments	1,627	-
	22,311	18,386

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

10. TAXATION

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Current tax credit		
UK corporation tax		
- Current tax	4,925	11,778
- Adjustment to prior years	(2,659)	(30)
	2,266	11,748

The company's tax credit for the year differs from the UK statutory rate and can be reconciled as follows

	Year ended 31/3/2007 £'000	Year ended 31/3/2006 £'000
Profit before taxation	18,853	8,864
Tax on profit at the standard rate of 30% (2006 30%)	5,656	2,660
Impairment of investment	195	461
Income from investments	(10,738)	(12,315)
Adjustment in respect of previous years	2,659	30
Profits not taxable	-	(17)
Tax on private placement	-	(2,567)
Other	(38)	-
	(2,266)	(11,748)

11. INVESTMENTS IN SUBSIDIARIES

	2007 £'000	2006 £'000
As at 1 April	49,387	47,218
Additions	1,170,721	2,322
Impairment charge	(650)	(1,539)
Transfer from joint ventures	-	1,386
Disposals	(446,600)	-
As at 31 March	772,858	49,387

During the year the company made the following investments or acquisitions

On 5 April 2006 the company acquired 50 1% of Altex–ATS Ltd for an initial cash payment of £0 6m Additional amounts of £2 1m have been invested in Altex–ATS Ltd in the year to 31 March 2007

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In November 2006 the company acquired the remaining 45% of ICAP Foreign Exchange Brokerage Limited (formerly KIDB-ICAP Co Ltd) for £4 6m

On 8 December 2006 the company acquired EBS Group Limited from its parent for £446 6m

On the 15 December 2006 the company invested a further £138 7m in Exco Treasury Limited, an existing subsidiary

On 15 December 2006 the company acquired the following companies from fellow subsidiary companies

Name	Consideration
Carlingdale Company	£282 8m
ICAP North America Investments Limited	£74 0m
Garban-Intercapital America (No 4) Limited	£36 4m
Garban-Intercapital America (No 2) Limited	£95 2m
Garban-Intercapital US Investments (No 2) Limited	£89 7m

During the year the company made the following disposal

On 15 December 2006 the company sold EBS Group Limited to three subsidiary companies for total consideration of £446 6m

At 31 March 2007, the company's principal subsidiary companies were as follows

	Name	Country of incorporation	Percentage held‡ (%)
*	Exco International plc	England & Wales	100 00
*	ICAP WCLK Limited	England & Wales	100 00
*	T & M Securities Limited	England & Wales	100 00
*	ICAP Energy Limited	England & Wales	100 00
*	ICAP Management Services Limited	England & Wales	100 00
*	Intercapital CP Investments Limited	England & Wales	100 00
*	ICAP Foreign Exchange Brokerage Limited	Korea	100 00
*	Carlingdale Company	England & Wales	100 00
*	ICAP North America Investments Limited	England & Wales	100 00
*	Garban-Intercapital US Investments (No 2) Limited	England & Wales	100 00
	ICAP Europe Limited	England & Wales	100 00
	EBS Group Limited	England & Wales	100 00
	EBS Dealing Resources International Limited	England & Wales	100 00
	EBS Service Co Limited	Switzerland	100 00
	EBS Dealing Resources Japan Limited	Japan	100 00
	Harlow (London) Limited	England & Wales	100 00
	ICAP Scandinavia A/S	Denmark	100 00
	ICAP Australia Pty Limited	Australia	100 00
	ICAP AP (Singapore) Pte Limited	Singapore	100 00
	ICAP Currency Options Pte Ltd (formerly ICAP-Nittan Pte Limited)	Singapore	100 00
	ICAP (Hong Kong) Limited	Hong Kong	100 00
	ICAP New Zealand Limited	New Zealand	80 00
	FCB-Harlow Butler Pty Limited	South Africa	55 32

‡ The percentage held represents the percentage of issued share capital held (all classes)
* The paid up share capital of these subsidiary companies is held by or on behalf of the company
The paid up share capital of all the other subsidiaries is held by or on behalf of subsidiaries

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

All subsidiaries are involved in voice or electronic broking or service activities relating to those businesses, have a 31 March year end, and operate in their country of incorporation

During the year, the company recognised impairments on its investments in ICAP SPV Limited and ICAP Securities, Inc of £650,000 Both companies no longer trade

12. INVESTMENTS IN JOINT VENTURES

	2007 £'000	2006 £'000
As at 1 April	2,311	2,912
Additions	1,733	785
Transfer to subsidiaries	-	(1,386)
As at 31 March	4,044	2,311

During the year ended 31 March 2007, the company invested £1 3m in Shanghai CFETS-ICAP International Money Broking Co Ltd, a new joint venture in China As at year end the joint venture had not commenced trading An additional £0 4m was invested in ICAP Hyde Derivatives Limited (formerly ICAP Hyde Limited) as senior preference share capital during the year

At 31 March 2007, the company's principal joint ventures were as follows

Name	Country of incorporation	Percentage held (%)
TFS-ICAP Limited	England & Wales	22 50
ICAP Hyde Derivatives Limited	England & Wales	50 00*
Shanghai CFETS-ICAP International Money Broking Co Ltd	China	33 00

* The company owns 100% of the senior redeemable preference share capital of ICAP Hyde Derivatives Limited Joint ventures are involved in voice and electronic broking and operate in their country of incorporation

13. OTHER RECEIVABLES

	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Non-current		
Amounts due from parent company	472,500	-
Amounts due from subsidiary company	1,600	1,600
	474,100	1,600
Current		
Amounts due from subsidiary companies	138,923	426,350
Amounts due from fellow subsidiary companies	21,805	209,651
Amounts due from joint ventures	981	830
Other debtors	185	616
	161,894	637,447

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

13 OTHER RECEIVABLES (CONTINUED)

Non-current

Amounts due from parent represent £375m of loan notes on which interest is receivable at a rate of six month UK£ LIBOR plus one per cent (6 725% as at 31 March 2007) and a subordinated loan of £97 5m on which interest is receivable at a rate of 3 month UK£ LIBOR (5 61688% as at 31 March 2007) The loans are repayable after more than one year

Amounts due from subsidiary represent a subordinated loan with ICAP Energy Limited which is due after more than one year

Current

Amounts due from fellow subsidiary companies include interest bearing loans, all of which are repayable on demand Amounts due from subsidiary companies includes group tax relief receivable

14. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Assets		
Fair value of foreign exchange contracts	4,909	1,423
Liabilities		
Fair value of foreign exchange contracts	(1,073)	(1,587)

15. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include

	As at 31/3/2007 £'000	As at 31/3/2007 £'000
Cash at bank	35	54,114

Unless disclosed in the cash flow statement, interest receivable, interest payable and dividends received and paid are settled by netting related party balances

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

16 OTHER PAYABLES

	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Amounts due to parent company	379,613	119,718
Amounts due to subsidiaries	243,681	265,662
Amounts due to fellow subsidiaries	100,800	41,985
Amounts due to joint ventures	500	500
Accruals and deferred income	1,265	1,606
Other creditors	158	131
	726,017	429,602

Amounts due to group companies include non-interest bearing and interest bearing loans, all of which are repayable on demand

17. LONG TERM BORROWINGS

	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Loan notes	113,967	128,686

On 28 June 2005, the company issued US$225m of ten-year loan notes The borrowing includes US$193m of fixed rate debt at 5 84% which the company has the option to repay after five years and a US$32m floating rate component that can be repaid after two years The fair value of this option is recognised as £nil

The carrying value includes £747,212 (2006 £1,028,393) of unamortised issue costs

The fair value of the loan is £114 7m (2006 £129 2m)

18. CALLED UP SHARE CAPITAL

	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Authorised		
2,128,100,000 (2006 576,606,938) Ordinary shares of 25p each	532,025	144,152
10,000,000 Preference shares of US$10 each	50,983	57,650
	583,008	201,802
Allotted and fully paid		
2,104,706,938 (2006 576,606,938) Ordinary shares of 25p each	526,177	144,152
7,711,987 (2006 Nil) Preference shares of US$10 each	39,318	-
	565,495	144,152

On 27 July 2006 the company issued 7,711,987 preference shares of US$10 each to EBS No 4 Inc On 8 December 2006 the company issued 1,528,100,000 ordinary shares of 25p each at par to its parent, ICAP plc

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

18 CALLED UP SHARE CAPITAL (CONTINUED)

The preference shares are a separate class of share with the right, in priority to any payment by way of dividend to the holders of any other class of shares of the company, to receive a non-cumulative preferential dividend from profits available for distribution The preferential dividend is calculated in respect of each paid up preference share in issue on 31 March in each year at a rate equivalent to the average daily LIBOR rate for the US dollar for the year preceding 31 March, plus 0 3%

The company has the right to redeem the preference shares in issue and outstanding on any date by giving the holders notice, in writing, of the redemption on the date specified in such notice The amount paid on each preference share redeemed shall be the amount paid or credited as paid up together with any arrears of preferential dividends

On a return of capital on winding-up, the holders of the preference shares are entitled, in priority to any payment to the holders of any other class of shares of the company, to the repayment of a sum equal to the nominal amount paid up on the preference shares held by them, together with a sum equal to all arrears of the preferential dividends which have been declared and become payable

Preference shareholders are entitled to vote on a resolution at a general meeting of the company, each holder present is entitled to one vote and on a poll, each holder present is entitled to one vote in respect of each fully-paid preference share registered in the holders name

19. DIVIDENDS

	As at 31/3/2007 £'000	As at 31/3/2006 £'000
Dividends in respect of ordinary shares		
Interim dividend paid of 3 78p per share (2006 7 42p per share)	21,800	42,767
Interim dividend paid of 0 36p per share	7,654	-
Interim dividend paid of 1 19p per share	25,000	-
Dividends in respect of preference shares		
Dividend paid	-	70
Revaluation of preference shares	(2,368)	(420)
	52,086	42,417

20. GUARANTEES AND CONTINGENT LIABILITIES

As at 31 March 2007 the company was party to the following guarantees and indemnities

(a) The company guarantees in conjunction with ICAP United, Inc , a fellow subsidiary, the lease of office space for the group's USA operations At the date of execution, 10 November 2005, the value of the guarantees totalled US$943,159

(b) On 11 February 2003, the company issued an indemnity to Marc Kipfer and Hans Peter Schwald as directors of Intercapital CMS (Switzerland) Limited, a subsidiary company

(c) The company has guaranteed £200,000 to Natwest Bank plc to cover the group's travel scheme credit card

(d) The company has issued a letter of comfort for SGD10,000,000 regarding ICAP Financial Products Pte Limited and guaranteed the liquidity of ICAP AP (Singapore) Pte Ltd, both subsidiary companies, to the Monetary Authority of Singapore

20. GUARANTEES AND CONTINGENT LIABILITIES (CONTINUED)

(e) The company has given a guarantee to HSBC Bank plc for US$5,000,000 for acting as the clearing agent of ICAP AP (Singapore) Pte Ltd

(f) During March 2007 a fellow subsidiary, ICAP Securities USA LLC, entered into a 364 day, $75 million revolving credit facility with JPMorgan Chase Bank and others The borrowers obligations have been jointly and severally guaranteed by the Company and its fellow subsidiary ICAP North America, Inc

(g) On 1 June 2006 to finance the Group's acquisition of EBS Group Limited, the company and its fellow subsidiary, ICAP North America, Inc , entered into a £300 million credit facility with JP Morgan Chase Bank and others The facility was subsequently increased to £350 million in December 2006 The obligations of ICAP North America, Inc in respect of the $327 million term loan element of this facility have been guaranteed by the Company

(h) On 5 April 2006, the company's subsidiary, Exco Overseas Limited, contracted to acquire Reset Pte Limited, for cash consideration of up to $175 million payable in two instalments due in January 2008 and January 2009 The obligations of the acquiror have been guaranteed by the company

(i) The company has provided J P Morgan Europe Limited with a charge over the loan notes of £375m in accordance with an agreement dated 8 December 2006

(j) The company has provided letters of support to certain fellow subsidiary companies that confirm its intention to provide additional funds to those companies where necessary to enable them to meet their liabilities as and when they fall due It is not expected that any claims under these letters of support will have a material, adverse effect on the company's results or net assets

21. RELATED PARTY TRANSACTIONS

Parent company

The company's immediate and 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 and copies can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR

Related party transactions

During the year ended 31 March 2007, the company entered into the following transactions with related parties who are members of the group

	Interest income £'000	Interest expense £'000	Income from management services provided £'000	Costs of management services received £'000
Parent company	-	(6,698)	-	-
Fellow subsidiary companies	5,196	(157)	17,307	-
Subsidiary companies	119	(1,191)	-	(29,802)
	5,315	(8,046)	17,307	(29,802)

INTERCAPITAL PLC

Notes to the financial statements for the year ended 31 March 2007 (continued)

21. RELATED PARTY TRANSACTIONS (CONTINUED)

Durıng the year ended 31 March 2006, the company entered ınto the followıng transactıons wıth related partıes who are members of the group

	Interest ıncome £'000	Interest expense £'000	Income from management servıces provıded £'000	Costs of management servıces receıved £'000
Parent company	-	(6,312)	-	-
Fellow subsıdıary companıes	1,955	(919)	4,802	-
Subsıdıary companıes	113	(488)	-	(24,130)
	2,068	(7,719)	4,802	(24,130)

All Group companıes are party to a nettıng agreement There were no balances wıth related partıes as at 31 March 2007 and 31 March 2006 other than dısclosed ın notes 13 and 16

22. POST BALANCE SHEET EVENTS

On the 1 May 2007, the company sold ıts joınt venture company, ICAP Hyde Derıvatıves Lımıted, to a fellow group company for £3 9m and the senıor redeemable preference share capıtal was repaıd

On 29 June 2007 the company redeemed the serıes 'A' floatıng rate loan notes of $32m (£16 3m as at 31 March 2007)