

**Company Number: 1470183**

**EXCO SECURITIES (1980) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2008**



# **EXCO SECURITIES (1980) LIMITED**

## **Directors' Report for the year ended 31 March 2008**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2008.

### **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 ("UK"). The registered office is 2 Broadgate, London, EC2M 7UR.

### **RESULTS AND DIVIDENDS**

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

Dividends of £59,600,000 (2007: £23,000,000) were paid during the year. The profit for the year of £59,600,000 (2007: £23,000,000) has been transferred to reserves.

### **FINANCIAL RISK MANAGEMENT**

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

### **KEY PERFORMANCE INDICATORS**

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.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The directors of the company, who held office during the year were:

Exco Nominees Limited  
Garban Nominees Limited

None of the directors had any interests in the shares of the company during the year. The interests of the directors and their families in the share capital of the ultimate parent undertaking, ICAP plc, are shown in note 6 to the financial statements.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND 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 (IFRSs) 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 IFRSs 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 IFRSs 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.

# **EXCO SECURITIES (1980) LIMITED**

## **Directors' Report for the year ended 31 March 2008**

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.

### **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 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**

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

### **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.

By Order of the Board



D Abrehart

Secretary

16 September 2008

# **EXCO SECURITIES (1980) LIMITED**

## **Independent Auditors' Report to the members of Exco Securities (1980) Limited**

We have audited the financial statements of Exco Securities (1980) Limited for the year ended 31 March 2008 which comprise the Income Statement, the Statement of Recognised Income and Expense, 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 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 2008 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**

**16 September 2008**

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**EXCO SECURITIES (1980) LIMITED**  
**Income Statement for the year ended 31 March 2008**

	<u>Note</u>	<u>Year ended</u> <u>31/3/2008</u> £'000	<u>Year ended</u> <u>31/3/2007</u> £'000
Income from investments	7	59,600	23,000
<b>Profit for the year</b>		<u>59,600</u>	<u>23,000</u>

# **EXCO SECURITIES (1980) LIMITED**

## **Statement of Recognised Income and Expense for the year ended 31 March 2008**

	<u>Year</u> <u>ended</u> <u>31/3/2008</u> £'000	<u>Year</u> <u>ended</u> <u>31/3/2007</u> £'000
Profit for the year	59,600	23,000
<b>Total recognised income and expense for the year</b>	<u><u>59,600</u></u>	<u><u>23,000</u></u>

# EXCO SECURITIES (1980) LIMITED

## Balance Sheet as at 31 March 2008

	<u>Note</u>	<u>As at</u> <u>31/3/2008</u> £'000	<u>As at</u> <u>31/3/2007</u> £'000
<b>Non-current assets</b>			
Investments in subsidiary undertakings	9	9,353	9,353
<b>Current liabilities</b>			
Other payables	10	(8,939)	(8,939)
<b>Net assets</b>		<u>414</u>	<u>414</u>
<b>Equity</b>			
Called up share capital	11	3	3
Share premium reserve	12	263	263
Retained earnings	12	148	148
<b>Total equity</b>	12	<u>414</u>	<u>414</u>

The financial statements on pages 4 to 13 were approved by the board of directors on 16 September 2008 and were signed on its behalf by:



Exco Nominees Limited

Corporate Director

**EXCO SECURITIES (1980) LIMITED****Cash Flow Statement for the year ended 31 March 2008**

	<u>As at</u> <u>31/3/2008</u> £'000	<u>As at</u> <u>31/3/2007</u> £'000
<b>Cash flows from operating activities</b>		
Profit for the year	59,600	23,000
Adjustments for:		
Income from investments	(59,600)	(23,000)
Operating cash flows before movements in working capital	<u>-</u>	<u>-</u>
Increase in trade and other payables	-	-
Net cash used in operating activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	-	-
Net cash and cash equivalents at beginning of year	-	-
Net cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The payment/receipt of dividends to/from a fellow subsidiary undertaking of ICAP plc is settled through the netting of related party balances. Therefore, in the absence of the use of cash or cash equivalents, the dividend payment/receipt has been excluded from the cash flow statement.

# EXCO SECURITIES (1980) LIMITED

## Notes to the financial statements for the year ended 31 March 2008

### 1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and under the historical cost convention.

The company has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by its ultimate parent undertaking (note 14).

b) Investments in subsidiary and associated undertakings 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.

c) 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.

d) 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.

e) Share capital

Ordinary and deferred 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

#### *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 (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 manage its own financial risk framework.

#### *Financial assets and liabilities*

None of the company's financial liabilities are held for trading.

a) Market risk

Foreign exchange risk

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

Interest rate risk

The company's financial liabilities are non interest bearing.

# EXCO SECURITIES (1980) LIMITED

## Notes to the financial statements for the year ended 31 March 2008

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Price risk

The company has no exposure to price risk.

#### *b) 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 has no significant concentrations of credit risk. The Group policy is to limit exposure by netting balances. All group undertakings are party to a netting agreement.

#### *c) 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 Treasury 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.

The company's exposure to liquidity risk is not significant. The company's financial liabilities have no fixed term of repayment and are repayable upon demand.

#### *d) Fair values*

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 2008 there were no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2007: £Nil), due to their short term nature.

### 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 2008 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

During the current year, the company did not trade on its own account and had no employees.

The company's administrative expenses, including the auditors' remuneration in the UK of £950 (2007: £1,000), have been borne by other group undertakings of ICAP plc.

Fees paid to the company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the company are not disclosed in Exco Securities (1980) Limited's accounts since the consolidated accounts of Exco Securities (1980) Limited's parent, ICAP plc, are required to disclose non-audit fees on a consolidated basis.

# EXCO SECURITIES (1980) LIMITED

## Notes to the financial statements for the year ended 31 March 2008

### 5. DIRECTORS' REMUNERATION

No fees were paid to the directors in respect of services to the company during the year (2007: £Nil).

During both the current and comparative periods, the directors received no remuneration in respect of their services as directors of the company.

### 6. DIRECTORS' INTERESTS

Exco Nominees Limited and Garban Nominees Limited had no interests in the share capital of ICAP plc.

### 7. INCOME FROM INVESTMENTS

	<u>Year ended</u> <u>31/3/2008</u> £'000	<u>Year ended</u> <u>31/3/2007</u> £'000
Dividend received from subsidiary undertaking	<u>59,600</u>	<u>23,000</u>

### 8. TAXATION

	<u>Year ended</u> <u>31/3/2008</u> £'000	<u>Year ended</u> <u>31/3/2007</u> £'000
Factors affecting the taxation charge for the year:		
Profit before taxation	<u>59,600</u>	<u>23,000</u>
Profit multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	17,880	6,900
Effects of:		
Dividend received	(17,880)	(6,900)
Tax charge for the year	<u>-</u>	<u>-</u>

# EXCO SECURITIES (1980) LIMITED

## Notes to the financial statements for the year ended 31 March 2008

### 9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	<u>Year ended</u> <u>31/3/2008</u> £000	<u>Year ended</u> <u>31/3/2007</u> £000
<b>Cost</b>		
As at 1 April	9,353	11,713
Impairment of subsidiary undertakings	-	(2,360)
<b>Net book value</b>		
As at 31 March	<u>9,353</u>	<u>9,353</u>

At 31 March 2008, the company's principal subsidiary undertakings were as follows:

<u>Name</u>	<u>Country of incorporation and operation</u>	<u>Class of share and percentage held</u>
* Godsell, Astley & Pearce (Holdings) Limited	England & Wales	Ordinary £1 shares 100% held
* ICAP Europe Limited	England & Wales	Ordinary £1 shares 100% held
Harlow (London) Limited	England & Wales	Ordinary £1 shares 100% held
* Indirectly owned		

All subsidiaries are involved in money and securities broking and trading or related service activities.

In the opinion of the directors, the value of the company's interest in its subsidiary undertakings is not less than the amount stated on the balance sheet.

### 10. OTHER PAYABLES

	<u>As at</u> <u>31/3/2008</u> £'000	<u>As at</u> <u>31/3/2007</u> £'000
Amount owed to group undertakings (note 14)	8,936	8,936
Tax payable to fellow subsidiary undertaking	3	3
	<u>8,939</u>	<u>8,939</u>

Tax payable amounts are owed to a fellow subsidiary undertaking of ICAP plc in relation to Corporation Tax settled on the company's behalf.

# EXCO SECURITIES (1980) LIMITED

## Notes to the financial statements for the year ended 31 March 2008

### 11. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2008</u> £'000	<u>As at</u> <u>31/3/2007</u> £'000
Authorised, allotted and fully paid: 3,000 Ordinary Shares of £1 each	<u>3</u>	<u>3</u>

### 12. STATEMENT OF CHANGES IN EQUITY

	<u>Called up</u> <u>share</u> <u>capital</u> <u>(note 11)</u> £'000	<u>Share</u> <u>premium</u> <u>reserve</u> £'000	<u>Retained</u> <u>earnings</u> £'000	<u>Total</u> £'000
As at 1 April 2006	3	263	148	414
Profit for the year	-	-	23,000	23,000
Dividends paid (note 13)	-	-	(23,000)	(23,000)
As at 31 March 2007	<u>3</u>	<u>263</u>	<u>148</u>	<u>414</u>
Profit for the year	-	-	59,600	59,600
Dividends paid (note 13)	-	-	(59,600)	(59,600)
As at 31 March 2008	<u>3</u>	<u>263</u>	<u>148</u>	<u>414</u>

### 13. DIVIDENDS

	<u>Year</u> <u>ended</u> <u>31/3/2008</u> £'000	<u>Year</u> <u>ended</u> <u>31/3/2007</u> £'000
Equity - £1 Ordinary shares	3	3
Dividend paid of £19,867 per share (2007: £7,667 per share)	<u>(59,600)</u>	<u>(23,000)</u>

### 14. RELATED PARTY TRANSACTIONS

#### Parent undertaking

The company's immediate parent undertaking is Exco (Treasury) Limited, which does not prepare consolidated financial statements.

The company's ultimate parent undertaking and controlling party is ICAP plc, which heads the smallest and largest group of undertakings of which the company is a member that prepares consolidated financial statements. Copies of the consolidated financial statements of ICAP plc can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR.

## EXCO SECURITIES (1980) LIMITED

### Notes to the financial statements for the year ended 31 March 2008

#### 14. RELATED PARTY TRANSACTIONS (CONTINUED)

##### Related party transactions

The company had the following outstanding balances owed by/(to) related parties who are members of the group:

	<u>As at</u> <u>31/3/2008</u> £'000	<u>As at</u> <u>31/3/2007</u> £'000
Parent undertaking	(49,102)	(29,102)
Subsidiary undertakings	40,163	20,163
	<u>8,939</u>	<u>8,939</u>

Amounts due from subsidiary undertakings include tax payable to a subsidiary undertaking as disclosed in note 10.

All amounts are unsecured, non-interest bearing and have no fixed terms of repayment. All companies of the group are party to a netting agreement. There were no other related party transactions or balances during the year other than those disclosed in the above notes.

##### Remuneration of key management personnel

There are no key management personnel other than the directors of the company. Directors' remuneration is disclosed in note 5.