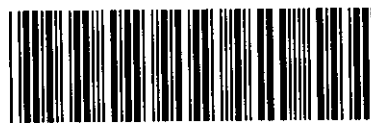


Company Number: 1852009

ICAP WCLK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006

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ICAP WCLK LIMITED

Directors' Report for the year ended 31 March 2006

The directors present their report and the audited financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The company is a matched principal inter-dealer broker in United Kingdom Gilt-Edged Securities. The company is a member of the Financial Services Authority and the London Stock Exchange.

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider the year-end financial position to be satisfactory and do not anticipate any changes to the principal activities in the foreseeable future.

RESULTS AND DIVIDENDS

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

During the year the company paid dividends of £3,700,000 (2005: £4,300,000). The profit of £3,342,000 (2005: £3,889,000) has been taken to reserves.

FINANCIAL RISK MANAGEMENT

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

INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 1 April 2005 the company adopted International Financial Reporting Standards ("IFRS"), as adopted by the EU, for consistency with its ultimate parent undertaking, ICAP plc. Previously the financial statements had been prepared in accordance with UK generally accepted accounting principles ("UK GAAP"). As a result there have been changes in the company's accounting policies and thus the profit and net assets for the year ended 31 March 2005 have been restated with the exception of financial instruments. International Accounting Standard ("IAS") 39, "Financial Instruments: Recognition and Measurement", and IAS 32, "Financial Instruments: Disclosure and Presentation", have been adopted prospectively from 1 April 2005 and as permitted by IFRS 1, "First-time Adoption of International Financial Reporting Standards", the comparative information has not been restated.

The impact of the adoption of IFRS on the profit and net assets of the company is not significant. Reconciliations of the UK GAAP to IFRS balances are disclosed in note 17.

DIRECTORS AND DIRECTORS' INTERESTS

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

V E Cruwys	
D Gelber	(resigned 13 July 2005)
G MacDonald	
D McClumpha	
J N Pettigrew	
L Pledger	
J M Yallop	(appointed 13 July 2005)

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 7 to the financial statements.

ICAP WCLK LIMITED

Directors' Report for the year ended 31 March 2006

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each accounting period which 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.

The directors confirm that suitable accounting policies have been used and these policies have been applied on a consistent basis. The directors also confirm that applicable accounting standards have been followed and that reasonable and prudent judgements and estimates have been made in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

CREDITOR PAYMENT POLICY

The company has no external trade payables except for those disclosed in note 12, which are settled in the normal course of the company's clearing arrangements.

CHARITABLE DONATIONS

During the year the company made charitable donations of £110,000 (2005: £82,000).

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.

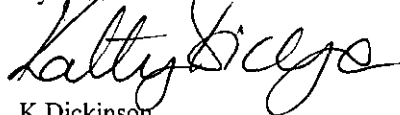
AUDITORS

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.

By Order of the Board



K Dickinson
Secretary

26 May 2006

ICAP WCLK LIMITED

Independent Auditors' Report to the members of ICAP WCLK Limited

We have audited the financial statements of ICAP WCLK Limited for the year ended 31 March 2006 which comprise the Income Statement, the Statement of Recognised Income and Expenses, 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

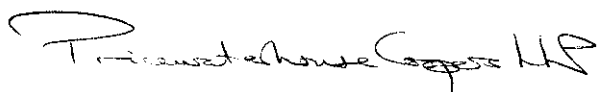
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2006 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
Chartered Accountants and Registered Auditors
London
26 May 2006

ICAP WCLK LIMITED**Income Statement for the year ended 31 March 2006**

	<u>Note</u>	<u>Year</u> <u>Ended</u> <u>31/3/2006</u> £'000	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> £'000
Revenue		9,638	10,732
Administrative expenses	4	(4,821)	(5,237)
Operating profit		4,817	5,495
Finance income	8	37	84
Finance costs	9	(47)	-
Profit before taxation		4,807	5,579
Taxation	10	(1,465)	(1,690)
Profit for the year		3,342	3,889

ICAP WCLK LIMITED

Statement of Recognised Income and Expense for the year ended 31 March 2006

	<u>Year</u> <u>Ended</u> <u>31/3/2006</u> <u>£'000</u>	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> <u>£'000</u>
Profit for the year	<u>3,342</u>	<u>3,889</u>
Total recognised income and expense for the year	<u><u>3,342</u></u>	<u><u>3,889</u></u>

ICAP WCLK LIMITED
Balance Sheet as at 31 March 2006

	<u>Note</u>	<u>As at</u> <u>31/3/2006</u> £'000	<u>As at</u> <u>31/3/2005</u> £'000
Current assets			
Trade and other receivables	11	1,515,522	12,397
Cash and cash equivalents		758	922
Total assets		<u>1,516,280</u>	<u>13,319</u>
Current liabilities			
Trade and other payables	12	(1,502,178)	(57)
Tax payable		(7,244)	(6,046)
Total liabilities		<u>(1,509,422)</u>	<u>(6,103)</u>
Net assets		<u>6,858</u>	<u>7,216</u>
Equity			
Called up share capital	13	5,400	5,400
Share premium reserve	14	1,174	1,174
Retained earnings	14	284	642
Total equity	14	<u>6,858</u>	<u>7,216</u>

The financial statements on pages 4 to 19 were approved by the board of directors on 26 May 2006 and were signed on its behalf by:

V E Cruwys
Director



ICAP WCLK LIMITED

Cash Flow Statement for the year ended 31 March 2006

	<u>Year</u> <u>Ended</u> <u>31/3/2006</u> <u>£'000</u>	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> <u>£'000</u>
Cash flows from operating activities		
Profit before taxation	4,807	5,579
Adjustments for:		
Net finance costs/(income)	10	(84)
Operating cash flows before movements in working capital	4,817	5,495
Increase in trade and other receivables	(1,503,392)	(8,607)
Increase in trade and other payables	1,498,421	47
Operating cash flows after movements in working capital	(154)	(3,065)
Net cash used in operating activities	(154)	(3,065)
Cash flows from investing activities		
Interest received	37	84
Cash flows from finance activities		
Interest paid	(47)	-
Net decrease in cash and cash equivalents	(164)	(2,981)
Net cash and cash equivalents at beginning of year	922	3,903
Net cash and cash equivalents at end of year	<u>758</u>	<u>922</u>

For the purposes of the cash flow statement, cash and cash equivalents comprises:

	<u>As at</u> <u>31/3/2006</u> <u>£'000</u>	<u>As at</u> <u>31/3/2005</u> <u>£'000</u>
Cash in hand and at bank	<u>758</u>	<u>922</u>

The payment of dividends to a fellow subsidiary undertaking of ICAP plc is settled through the netting of related party balances. Similarly, tax is paid on behalf of the company by a fellow subsidiary undertaking of ICAP plc. Therefore, in the absence of the use of cash or cash equivalents, the dividends and tax paid have been excluded from the cash flow statement.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, the Companies Act 1985 and under the historical cost convention.

On 1 April 2005 the company adopted International Financial Reporting Standards ("IFRS"), as adopted by the EU, for consistency with its ultimate parent undertaking, ICAP plc. Previously the financial statements had been prepared in accordance with UK generally accepted accounting principles ("UK GAAP"). As a result there have been changes in the company's accounting policies and thus the profit and net assets for the year ended 31 March 2005 have been restated with the exception of financial instruments. International Accounting Standard ("IAS") 39, "Financial Instruments: Recognition and Measurement", and IAS 32, "Financial Instruments: Disclosure and Presentation", have been adopted prospectively from 1 April 2005 and as permitted by IFRS 1, "First-time Adoption of International Financial Reporting Standards", the comparative information has not been restated.

The impact of the adoption of IFRS on the profit and net assets of the company is not significant. Reconciliations of the UK GAAP to IFRS balances are disclosed in note 17.

(b) Revenue

Revenue comprises commission and brokerage income derived from securities broking and is recognised on trade-date.

Securities broking comprises voice broking and is mainly transacted on a matched principal basis. To represent the substance of matched principal services provided by the company, where it acts as principal for the simultaneous purchase and sale of securities to third parties, commission income represents the differential between the consideration received on the sale of the security and its purchase price.

(c) 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.

(d) Matched principal transactions

The company is involved in the purchase and simultaneous commitment to sell equities and securities between third parties. Such trades are complete only when both sides of the deal are settled, and so the company is exposed to risk in the event that one side of the transaction remains unmatched. Substantially all the transactions settle within a short period of time and the settlement risk is considered to be minimal. Prior to 1 April 2005 in order to reflect the substance of these transactions, the amounts due to and payable by counterparties in respect of matched principal business expected to settle in the normal course of trading were offset and the net amount is included in trade receivables. All other unsettled transactions were shown gross in trade receivables and trade payables respectively.

From 1 April 2005 and with the adoption of IAS 39, "Financial Instruments: Recognition and Measurement", and IAS 32, "Financial Instruments: Disclosure and Presentation", all amounts are shown gross in trade receivables and trade payables including amounts that have passed settlement date (notes 11 and 12).

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(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) 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

Financial risk factors

The company's activities expose it to a variety of financial risks, including market risk, credit risk and treasury (liquidity) risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The overall financial risk management framework, strategy and policies of the company are determined by the board of its ultimate parent undertaking, ICAP plc (the "Group"). It does this through two board committees, the Group Risk and Treasury Committees, and also by regional and market risk committees.

(i) *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

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.

Price risk

The company is exposed to price risk when one or both counterparties in a matched principal transaction fail to fulfil their obligations, through trade mismatches or when positions are taken. Risk is restricted to short term price movements in the underlying stock held.

Unmatched transactions are identified and monitored on a daily basis. The Group has policies and procedures in place to reduce the likelihood of such situations but should they arise, the policy is to close out positions immediately or, with Senior Management approval, to carry them with an appropriate hedge in place.

Price risk in regards to positions is monitored and controlled by the setting of low cash limits and the use of hedging arrangements, such as swaps, where appropriate.

(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's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency or matched principal 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 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. Typically the company's counterparties are highly credit rated large financial institutions. The company has no significant concentrations of credit risk and the maximum exposure is limited to receivables (note 11).

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 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. 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 2006 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value.

(v) *Capital Management*

The company is regulated by the Financial Services Authority. It is not subject to regulatory consolidated capital requirements.

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 2006 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, have been borne by other group undertakings. A management recharge of £4,821,000 (2005: £5,237,000) has been made to the company by a fellow subsidiary undertaking.

5. STAFF COSTS

All staff costs were borne by fellow subsidiary undertakings of ICAP plc and were charged to the company by way of the group management charges referred to in note 4.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

6. DIRECTORS' REMUNERATION

J N Pettigrew, J M Yallop and D Gelber are directors of the ultimate parent undertaking, ICAP plc, and receive no emoluments for their services to the company. Their emoluments for their services to the group are disclosed in the financial statements of ICAP plc.

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

	<u>Year ended 31/3/2006</u>		<u>Year ended 31/3/2005</u>	
	Total £'000	Highest paid director £'000	Total £'000	Highest paid director £'000
Aggregate emoluments	1,108	709	1,022	512
Contributions to defined contribution pension schemes	172	7	21	13
	<u>1,280</u>	<u>716</u>	<u>1,043</u>	<u>525</u>

As at 31 March 2006, retirement benefits are accruing to 2 directors (2005: 3 directors) under defined contribution schemes sponsored by ICAP plc.

7. DIRECTORS' INTERESTS

J N Pettigrew, J M Yallop and D Gelber are directors of the company's ultimate parent undertaking, ICAP plc, and their interests are disclosed in the financial statements of that company.

Other directors' interests in shares were as follows:

	<u>Ordinary shares</u>	
	<u>As at 1/4/2005</u>	<u>As at 31/3/2006</u>
ICAP plc		
Ordinary shares of 10p each		
V E Cruwys	2,560	2,560
G MacDonald	400,000	400,000
D McClumpha	45,012	38,886
L Pledger	<u>6,525</u>	<u>4,961</u>

Other directors' interests in options over shares were as follows:

	<u>Scheme</u>	<u>As at 1/4/2005</u>	<u>Granted</u>	<u>Exercised</u>	<u>As at 31/3/2006</u>	<u>Exercise price (p)</u>
ICAP plc						
Ordinary shares of 10p each						
V E Cruwys	UESOP*	100,000	-	(100,000)	-	188.50
	SAYE***	5,495	-	-	5,495	168.20
D McClumpha	SAYE**	-	4,229	-	4,229	224.00
	UESOP****	125,000	-	-	125,000	270.00
L Pledger	SAYE***	<u>5,495</u>	<u>-</u>	<u>-</u>	<u>5,495</u>	<u>168.20</u>

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

7. DIRECTORS' INTERESTS (CONTINUED)

- * These options were granted on 17 January 2003 under the 1998 Unapproved Executive Share Option Plan (UESOP). These options are exercisable between 17 January 2006 and 16 January 2013.
- ** These options were granted on 21 June 2005 under the Sharesave Scheme. Options are exercisable after three years from the contract start date.
- *** These options were granted on 27 June 2003 under the Sharesave Scheme. Options are exercisable after three years from the contract start date.
- **** These options were granted on 27 November 2003 under the 2001 Unapproved Executive Share Option Plan (UESOP). These options are exercisable between 27 November 2006 and 26 November 2013.

Except as disclosed above, none of the directors in office at 31 March 2006 held any interests in the share capital of the company, its ultimate parent undertaking, ICAP plc, or any of its fellow subsidiary undertakings.

8. FINANCE INCOME

	<u>Year</u> <u>Ended</u> <u>31/3/2006</u> <u>£'000</u>	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> <u>£'000</u>
Bank deposits	<u>37</u>	<u>84</u>

9. FINANCE COSTS

	<u>Year</u> <u>Ended</u> <u>31/3/2006</u> <u>£'000</u>	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> <u>£'000</u>
Other interest payable	<u>47</u>	<u>-</u>

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

10. TAXATION

	<u>Year</u> <u>Ended</u> <u>31/3/2006</u> £'000	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> £'000
a) Analysis of charge for the year		
Current taxation:		
- UK corporation tax	1,466	1,695
- Adjustments to prior periods	(1)	(5)
	<u>1,465</u>	<u>1,690</u>
b) Factors affecting the taxation charge for the year		
Profit before taxation	<u>4,807</u>	<u>5,579</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 30% (2005:30%)	1,442	1,674
Effects of:		
Expenses not deductible for tax purposes (primarily client entertainment)	25	24
Capital allowances in excess of depreciation	(1)	(3)
Adjustments to prior periods	(1)	(5)
	<u>23</u>	<u>16</u>
Tax charge for the year	<u>1,465</u>	<u>1,690</u>

11. TRADE AND OTHER RECEIVABLES

	<u>As at</u> <u>31/3/2006</u> £'000	<u>As at</u> <u>31/3/2005</u> £'000
Trade receivables*	1,502,196	32
Amounts owed by group undertakings (note 16)	13,326	12,358
Prepayments and accrued income	-	7
	<u>1,515,522</u>	<u>12,397</u>

* The company adopted IAS 39 prospectively from 1 April 2005, and therefore comparative amounts have not been restated. Matched principal receivables are now shown gross and this amount includes amounts that have passed settlement date. The gross amounts of purchase and sale commitments in respect of matched principal business at 31 March 2005 were £2,061,583,607.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

12. TRADE AND OTHER PAYABLES

	<u>As at</u> <u>31/3/2006</u> £'000	<u>As at</u> <u>31/3/2005</u> £'000
Trade payables*	1,502,146	-
Accruals and deferred income	22	57
Other payables	10	-
	<u>1,502,178</u>	<u>57</u>

* The Company adopted IAS 39 prospectively from 1 April 2005, and therefore comparative amounts have not been restated. Matched principal receivables are now shown gross and this amount includes amounts that have passed settlement date. The gross amounts of purchase and sale commitments in respect of matched principal business at 31 March 2005 were £2,061,583,607.

13. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2006</u> £'000	<u>As at</u> <u>31/3/2005</u> £'000
Authorised:		
8,200,000 Ordinary shares of £1 each	8,200	8,200
552,000 Redeemable preference shares of £1 each	552	552
	<u>8,752</u>	<u>8,752</u>
 Allotted and fully paid:		
5,400,000 Ordinary shares of £1 each	<u>5,400</u>	<u>5,400</u>

None of the preference shares have been allotted. In the event of the company being wound up, the preference shareholders have a preferential right to any capital distribution by the company.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

14. STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u> (note 13) £'000	<u>Share premium reserve</u> £'000	<u>Retained earnings</u> £'000	<u>Total</u> £'000
As at 1 April 2004 as previous stated under UK GAAP	5,400	1,174	1,053	7,627
Profit for the year as restated (note 17)	-	-	3,889	3,889
Dividends paid (note 15)	-	-	(4,300)	(4,300)
As at 31 March 2005	5,400	1,174	642	7,216
Profit for the year	-	-	3,342	3,342
Dividends paid (note 15)	-	-	(3,700)	(3,700)
As at 31 March 2006	<u>5,400</u>	<u>1,174</u>	<u>284</u>	<u>6,858</u>

15. DIVIDENDS

	<u>Year Ended</u> <u>31/3/2006</u> £'000	<u>Year Ended</u> <u>31/3/2005</u> £'000
Equity - £1 Ordinary shares		
Dividend paid of 68.52p per share (2005: 79.63p per share)	<u>3,700</u>	<u>4,300</u>

16. RELATED PARTY TRANSACTIONS

Parent undertakings

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

The company's ultimate parent undertaking is ICAP plc, which heads the smallest and largest group ("the 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.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

16. RELATED PARTY TRANSACTIONS (CONTINUED)

Related party transactions

During the year ended 31 March 2006, the company entered into transactions with related parties who are members of the group:

	<u>Costs of</u> <u>management</u> <u>services</u> <u>received</u> £'000
Fellow subsidiary undertakings	4,821

During the year ended 31 March 2005, the company entered into transactions with related parties who are members of the group:

	<u>Costs of</u> <u>management</u> <u>services</u> <u>received</u> £'000
Fellow subsidiary undertakings	5,237

Administrative expenses arise from management charges from fellow subsidiary undertaking ICAP Management Services Limited (formerly Garban-Intercapital Management Services Limited). Details relating to this cost can be found in note 4.

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

	<u>As at</u> <u>31/3/2006</u> £'000	<u>As at</u> <u>31/3/2005</u> £'000
Parent undertaking	(8,240)	(4,540)
Fellow subsidiary undertakings	21,566	16,898
	<u>13,326</u>	<u>12,358</u>

All group undertakings are party to a netting agreement. All balances are unsecured, non-interest bearing and have no fixed terms of repayment.

Remuneration of key management personnel

There are no key management personnel other than the directors of the company. Directors' remuneration is already disclosed in note 6.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

17. RECONCILIATIONS OF IFRS BALANCES

Key differences between UK GAAP and IFRS

Overall the adoption of IFRS did not significantly impact the profit or net assets of the company. The key differences between UK GAAP and IFRS which resulted in adjustments to the financial statements of the company are summarised below:

- (a) IAS 1 "Presentation of Financial Statements", requires tax payable balances to be shown separately on the face of the balance sheet. Under UK GAAP this was included in creditors due within one year (now current trade and other payables).
- (b) IAS 1 requires the inclusion of a cash flow statement in the financial statements. Under UK GAAP the company was exempt from preparing a cash flow statement.
- (c) Under IFRS all matched principal transactions, including collateralised stock lending transactions, are shown gross in trade and other receivables and trade and other payables. The adjustment required on adoption of this policy on 1 April 2005 is to gross up trade and other receivables and trade and other payables by £2.06bn.

UK GAAP to IFRS reconciliations

Reconciliation of IFRS income statement for the year ended 31 March 2005:

	<u>UK GAAP</u> <u>year ended</u> <u>31/3/2005</u> £'000	<u>Presentation</u> <u>adjustments</u> £'000	<u>IFRS</u> <u>year ended</u> <u>31/3/2005</u> £'000
Revenue	10,732	-	10,732
Administrative expenses	(5,237)	-	(5,237)
Operating profit	5,495	-	5,495
Finance income	84	-	84
Profit before taxation	5,579	-	5,579
Taxation	(1,690)	-	(1,690)
Profit after taxation	3,889	-	3,889
Dividends payable *	(4,300)	4,300	-
Profit for the year	<u>(411)</u>	<u>4,300</u>	<u>3,889</u>

* Dividends payable are now recognised as deductions from retained earnings in the year in which they are declared.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

17. RECONCILIATION OF IFRS BALANCES (CONTINUED)

IFRS balance sheet reconciliation as at 31 March 2005:

	<u>UK GAAP</u> <u>balance at</u> <u>31/3/2005</u> £'000	<u>Presentation</u> <u>adjustments</u> £'000	<u>IFRS pre</u> <u>adoption of</u> <u>IAS32 and</u> <u>IAS39</u> <u>balance at</u> <u>31/3/2005</u> £'000
Current assets			
Trade and other receivables	12,397	-	12,397
Cash and cash equivalents	922	-	922
Total assets	<u>13,319</u>	<u>-</u>	<u>13,319</u>
Current liabilities			
Trade and other payables	(6,103)	6,046	(57)
Tax payable	-	(6,046)	(6,046)
Total liabilities	<u>(6,103)</u>	<u>-</u>	<u>(6,103)</u>
Net assets	<u>7,216</u>	<u>-</u>	<u>7,216</u>
Equity			
Called up share capital	5,400	-	5,400
Share premium reserve	1,174	-	1,174
Retained earnings	642	-	642
Total equity	<u>7,216</u>	<u>-</u>	<u>7,216</u>

As allowed under IFRS 1, comparative information does not comply with IAS 32 and IAS 39. The gross up of matched principal trade receivables and matched principal trade payables would make the information as at 31 March 2005 comply.

ICAP WCLK LIMITED

Notes to the financial statements for the year ended 31 March 2006

17. RECONCILIATION OF IFRS BALANCES (CONTINUED)

IFRS balance sheet reconciliation as at 1 April 2005:

	<i><u>IFRS pre adoption of IAS32 and IAS39 balance at 1/4/2005 £'000</u></i>	<i><u>Matched principal receivables £'000</u></i>	<i><u>IFRS post adoption of IAS32 and IAS39 balance at 1/4/2005 £'000</u></i>
Current assets			
Trade and other receivables	12,397	2,061,584	2,073,981
Cash and cash equivalents	922	-	922
Total assets	<u>13,319</u>	<u>2,061,584</u>	<u>2,074,903</u>
Current liabilities			
Trade and other payables	(57)	(2,061,584)	(2,061,641)
Tax payable	(6,046)	-	(6,046)
Total liabilities	<u>(6,103)</u>	<u>(2,061,584)</u>	<u>(2,067,687)</u>
Net assets	<u>7,216</u>	<u>-</u>	<u>7,216</u>
Equity			
Called up share capital	5,400	-	5,400
Share premium reserve	1,174	-	1,174
Retained earnings	642	-	642
Total equity	<u>7,216</u>	<u>-</u>	<u>7,216</u>