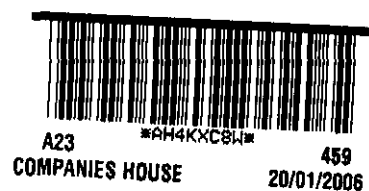


**Company Number: 1852009**

**ICAP WCLK LIMITED**  
**(FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2005**



# **ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)**

## **Directors' Report for the year ended 31 March 2005**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2005.

### **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.

### **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.

### **CHANGE OF NAME**

On the 21 May 2004, the company name was changed from Garban-Intercapital WCLK Limited to ICAP WCLK Limited.

### **RESULTS AND DIVIDENDS**

The results of the company are set out in the profit and loss account on page 4.

During the year the company paid interim dividends of £4,300,000 (2004: £4,800,000). The directors do not recommend the payment of a final dividend (2004: £Nil). The retained loss of £411,000 (2004: loss of £1,337,000) has been taken to reserves.

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

The directors of the company, who held office during the year (unless stated otherwise) were:

V E Cruwys  
D Gelber  
G MacDonald  
D McClumpha  
J N Pettigrew  
L Pledger

- Appointed 1 April 2004

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.

### **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.

### **CHARITABLE DONATIONS**

During the year the company made charitable donations of £82,000 (2004: £68,000).

# **ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)**

## **Directors' Report for the year ended 31 March 2005**

### **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.

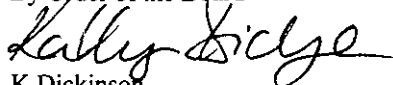
### **INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

In line with ICAP Group policy, the company intends to prepare its financial statements for the financial year ended 31 March 2006 in accordance with IFRS. Consequently the financial statements for the year ended 31 March 2005 are the last to be prepared in accordance with UK GAAP.

### **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.

By Order of the Board



K Dickinson  
Secretary

20 May 2005

# **ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)**

## **Independent Auditors' Report to the members of Garban-Intercapital WCLK Limited**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes, which have been prepared under the accounting policies set out on page 6.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

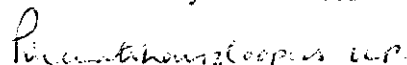
### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**LONDON**  
**20 May 2005**

# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

## Profit and Loss Account for the year ended 31 March 2005

	Note	Year ended 31/3/2005 £'000	Year ended 31/3/2004 £'000
<b>Turnover</b>	1(b)	10,732	10,113
Administrative expenses	4	(5,237)	(5,205)
<b>Operating profit</b>		5,495	4,908
Interest receivable and similar income	8	84	107
Interest payable and similar charges	9	-	(1)
<b>Profit on ordinary activities before taxation</b>		5,579	5,014
Taxation on profit on ordinary activities	10	(1,690)	(1,551)
<b>Profit on ordinary activities after taxation</b>		3,889	3,463
Dividends	11	(4,300)	(4,800)
<b>Retained loss for the financial year</b>	16	(411)	(1,337)

Turnover and operating profit were derived wholly from continuing operations.

The company had no recognised gains and losses for the period other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses is presented.

There is no difference between the profit on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

Balance Sheet as at 31 March 2005

	<u>Note</u>	<u>As at</u> <u>31/3/2005</u> £'000	<u>As at</u> <u>31/3/2004</u> £'000
<b>Current assets</b>			
Debtors	12	12,397	8,089
Cash at bank and in hand		922	3,903
		<u>13,319</u>	<u>11,992</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(6,103)</u>	<u>(4,365)</u>
<b>Net assets</b>		<u>7,216</u>	<u>7,627</u>
<b>Capital and reserves</b>			
Called up share capital	15	5,400	5,400
Share premium account	16	1,174	1,174
Profit and loss account	16	642	1,053
<b>Equity shareholders' funds</b>	16	<u>7,216</u>	<u>7,627</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 20 May 2005 and were signed on its behalf by:

G MacDonald )

) Directors

V E Cruwys )

# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

## Notes to the financial statements for the year ended 31 March 2005

### 1. PRINCIPAL ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with Accounting Standards applicable in the United Kingdom.

#### (b) Turnover

Turnover comprises the aggregate value of commission income derived from third parties, and arises wholly in the United Kingdom. Commission income represents the difference between the cost and sale proceeds of each transaction. Commission income is recognised on a trade date basis.

#### (c) Matched principal business

The company is involved as principal in the purchase and simultaneous commitment to sell securities between third parties. The trades are complete only when both sides of the deal are matched, and so the company is exposed to risk in the event of one side of the transaction remaining unsettled. Substantially all the transactions settle within a short period of time and the settlement risk is considered to be minimal. In order to reflect the substance of these transactions, the amounts due to and payable by counterparties in respect of matched principal transactions which are expected to settle in the normal course of trading are offset and the net amount is included in trade debtors. For information purposes, the gross amounts are disclosed in note 14 to the financial statements.

### 2. SEGMENTAL INFORMATION

In the opinion of the directors, the company has a single class of business, which is conducted principally in the United Kingdom.

### 3. CASH FLOW STATEMENT

As more than 90% of the voting rights of the company are controlled by ICAP plc which publishes a consolidated cash flow statement, the company is not required to present a cash flow statement in its own financial statements under Financial Reporting Standard 1 "Cash Flow Statements".

### 4. ADMINISTRATIVE EXPENSES

The company's administrative expenses, including the auditors' remuneration, have been borne by other group undertakings. A management recharge of £5,237,000 (2004: £5,205,000) 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.

### 6. DIRECTORS' REMUNERATION

J N Pettigrew 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.

# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

## Notes to the financial statements for the year ended 31 March 2005

### 6. DIRECTORS' REMUNERATION (CONTINUED)

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

	<u>Year ended 31/3/2005</u>		<u>Year ended 31/3/2004</u>	
	Total	Highest paid director	Total	Highest paid director
	£'000	£'000	£'000	£'000
Aggregate emoluments	1,022	512	656	470
Contributions to defined contribution pension schemes	21	13	26	14
	<u>1,043</u>	<u>525</u>	<u>682</u>	<u>484</u>

As at 31 March 2005, retirement benefits are accruing to 3 directors (2004: 3 directors) under defined contribution schemes sponsored by ICAP plc.

### 7. DIRECTORS' INTERESTS

J N Pettigrew 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>As at</u> <u>1/4/2004</u>	<u>As at</u> <u>31/3/2005</u>
<b>ICAP plc</b>		
<b>Ordinary shares of 10p each</b>		
V E Cruwys	2,560	2,560
G MacDonald	300,000	400,000
D McClumpha	-	45,012
L Pledger	-	6,525

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

	<u>Scheme</u>	<u>As at</u> <u>1/4/2004</u>	<u>Granted</u>	<u>Exercised</u>	<u>As at</u> <u>31/3/2005</u>	<u>Exercise</u> <u>price (p)</u>
<b>ICAP plc</b>						
<b>Ordinary shares of 10p each</b>						
V E Cruwys	UESOP*	100,000	-	-	100,000	188.50
	SAYE**	5,495	-	-	5,495	168.20
D McClumpha	SAYE***	47,940	-	(47,940)	-	35.20
	UESOP****	125,000	-	-	125,000	270.00
L Pledger	SAYE**	5,495	-	-	5,495	168.20

\* 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 27 June 2003 under the Sharesave Scheme. Options are exercisable after three years from the contract start date.



# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

## Notes to the financial statements for the year ended 31 March 2005

### 7. DIRECTORS' INTERESTS (CONTINUED)

\*\*\* These options were granted on 17 January 2000 under the Sharesave Scheme. Options are exercisable after five 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 2005 held any interests in the share capital of the company, its ultimate parent undertaking, ICAP plc, or any of its fellow subsidiary undertakings.

### 8. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> £'000	<u>Year</u> <u>Ended</u> <u>31/3/2004</u> £'000
Bank deposits	<u>84</u>	<u>107</u>

### 9. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> £'000	<u>Year</u> <u>Ended</u> <u>31/3/2004</u> £'000
Other interest payable	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

### 10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year</u> <u>Ended</u> <u>31/3/2005</u> £'000	<u>Year</u> <u>Ended</u> <u>31/3/2004</u> £'000
a) Analysis of charge for the period		
Current taxation:		
UK corporation tax	1,695	1,522
Adjustments to prior periods	(5)	29
	<u>1,690</u>	<u>1,551</u>

# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

Notes to the financial statements for the year ended 31 March 2005

## 10. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

b) Factors affecting the taxation charge for the period

Profit on ordinary activities before taxation	<u>5,579</u>	<u>5,014</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004:30%)	1,674	1,504
Effects of:		
Expenses not deductible for tax purposes (primarily client entertainment)	24	21
Capital allowances in excess of depreciation	(3)	(3)
Adjustments to prior periods	(5)	29
	<u>16</u>	<u>47</u>
Current tax charge for the period (note 10 a)	<u>1,690</u>	<u>1,551</u>

## 11. DIVIDENDS

	<u>Year Ended 31/3/2005</u> £'000	<u>Year Ended 31/3/2004</u> £'000
<b>Equity - £1 Ordinary shares</b>		
Interim payable 79.63p per share (2004: 88.89p per share)	<u>4,300</u>	<u>4,800</u>

## 12. DEBTORS

	<u>As at 31/3/2005</u> £'000	<u>As at 31/3/2004</u> £'000
Amounts owed by group undertakings	12,358	8,049
Trade debtors	32	32
Prepayments and accrued income	7	8
	<u>12,397</u>	<u>8,089</u>

# ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)

Notes to the financial statements for the year ended 31 March 2005

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>As at</u> <u>31/3/2005</u> £'000	<u>As at</u> <u>31/3/2004</u> £'000
Corporation tax	6,046	4,355
Accruals and deferred income	57	-
Other creditors	-	10
	<u>6,103</u>	<u>4,365</u>

## 14. AMOUNTS OWED BY/TO COUNTERPARTIES

The company was involved as principal in the purchase and simultaneous sale of securities between third parties. The gross amounts of purchase and sale commitments in respect of matched principal business at 31 March 2005 were £2,061,583,607 (2004: £1,957,121,793).

## 15. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2005</u> £'000	<u>As at</u> <u>31/3/2004</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.

## 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share</u> <u>capital</u> (note 15) £'000	<u>Share</u> <u>premium</u> <u>account</u> £'000	<u>Profit</u> <u>and loss</u> <u>account</u> £'000	<u>Total</u> £'000
As at 1 April 2004	5,400	1,174	1,053	7,627
Profit for the financial year	-	-	3,889	3,889
Dividends	-	-	(4,300)	(4,300)
As at 31 March 2005	<u>5,400</u>	<u>1,174</u>	<u>642</u>	<u>7,216</u>

# **ICAP WCLK LIMITED (FORMERLY GARBAN-INTERCAPITAL WCLK LIMITED)**

## **Notes to the financial statements for the year ended 31 March 2005**

### **17. RELATED PARTY TRANSACTIONS**

As more than 90% of the voting rights of the company are controlled by ICAP plc which publishes consolidated financial statements, no disclosure is required under Financial Reporting Standard 8 "Related party disclosures" of any transactions between the company and the other members, associates or joint ventures of the group of undertakings headed by ICAP plc.

### **18. ULTIMATE PARENT UNDERTAKING**

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 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.