

Company Number: 02189561

ICAP MANAGEMENT SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

31 DECEMBER 2017

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ICAP MANAGEMENT SERVICES LIMITED

Strategic Report for the nine months ended 31 December 2017

The directors present their report and the audited financial statements of ICAP Management Services Limited (the 'Company') for the nine months ended 31 December 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activities of the Company are to provide administrative services to other companies within the TP ICAP plc group (the 'Group'). The directors consider that the period end financial position was satisfactory and do not anticipate any changes to the principal activities.

RESULTS

The results of the Company are set out in the profit and loss account on page 7.

The loss for the financial period of £8,095,000 (31 March 2017: loss of £9,673,000) has been transferred to reserves.

The net assets of the Company are £48,775,000 (31 March 2017: £56,188,000).

NON-RECURRING ITEMS

In the prior year, as a result of the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon plc for the disposal of its Global Broking Business on 30 December 2016, the Company realised separation costs of £7,484,000, which are shown on the face of the profit and loss account as "Separation costs".

As part of the separation costs in the prior year, £1,991,000 share based compensation costs were recognised as the change of control triggered changes to the unvested period of any awards made to employees of the Global Broking Business who had previously held Save-As-You-Earn share options with ICAP plc. All unvested awards immediately vested (accelerated vesting) which created the non-recurring charge.

No such costs were incurred in the current period.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day to day operations can broadly be categorised as market, credit, operational, liquidity, strategic and business risk.

Market risk is the vulnerability of the Company to movements in the value of financial instruments and foreign currencies.

Credit risk is the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events. Operational risk covers a wide and diverse range of risk types and the overall objective of the Company's approach to operational risk management is not to attempt to avoid all potential risks but to proactively identify and assess risk and risk situations in order to manage them in an efficient and informed manner.

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms. Cash and cash equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns. Funding requirements and cash and equivalent exposures are monitored by the Finance and Operations departments.

Strategic and business risk is the risk that the Company's ability to do business might be damaged as a result of its failure to adapt to changing market dynamics, customer requirements or the way OTC markets and their participants are regulated.

Management in front office and support functions have the day-to-day responsibility for ensuring that the Company operates in accordance with the Enterprise Risk Management Framework which includes policies and procedures for these key risks. Further details of the Enterprise Risk Management Framework are outlined in the Group Annual Report, which does not form part of this report.

The Company is preparing for the departure of the UK from the EU in March 2019. There are material implications for the Company and the wider financial markets of Brexit and significant differences between the so called 'soft' or 'hard' Brexit outcomes. In the future, the Company will likely manage more client relationships from within the Eurozone, where the ultimate

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Strategic Report for the nine months ended 31 December 2017

parent company. TP ICAP plc already has a network of offices in Paris, Frankfurt, Madrid and in other locations. TP ICAP plc has a working group which is designing and implementing the changes required in order to be in a position to provide uninterrupted service to our clients after March 2019. These might encompass, inter alia, changes to our operating model, our corporate structure, our technology provision, our governance and our processes and workflow.

KEY PERFORMANCE INDICATORS

The directors of TP ICAP plc manage the Group's operations on a regional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of TP ICAP plc, which includes the Company, are discussed in the Group's Annual Report, which does not form part of this report.

This report has been approved by the board of directors and signed by order of the board:



R Stewart
Director
Company number: 02189561

27 September 2018

ICAP MANAGEMENT SERVICES LIMITED

Directors' Report for the nine months ended 31 December 2017

Company Number: 02189561

PRINCIPAL ACTIVITIES

The Company acts as a service company to the subsidiary companies of TP ICAP plc. It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated in the United Kingdom and domiciled in England and Wales. The Company is private and is limited by shares. The registered office is Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ.

On 17 October 2017, the Company changed its accounting reference date to 31 December to align with the Group's accounting period. As a result, the Company's current accounting period is shortened to nine months period ending 31 December 2017. The prior year comparison is for the year ending 31 March 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business review and future developments of the Company are detailed in the Strategic Report on page 1.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of principal risks and uncertainties can be found in the Strategic Report on page 1.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements (note 1).

DIVIDENDS

No dividends were paid or proposed during the period and up to the date of signing (31 March 2017: £nil).

DIRECTORS

The directors of the Company, who held office during the period and up to the date of signing the financial statements were:

R Stewart (appointed 21 December 2017)
D McClumpha (resigned 2 March 2018)
J Scard-Morgan
P Price
J Phizackerley (resigned 8 August 2018)
A Baddeley (resigned 21 December 2017)

DIRECTORS' INDEMNITIES

The Company's ultimate parent, TP ICAP plc, has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

POLITICAL CONTRIBUTIONS

There were no political donations made by the Company during the period (31 March 2017: £nil).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Company is committed to attracting, retaining, developing and advancing the most qualified persons without regard to their race, ethnicity, religion or belief, gender, age, sexual orientation or disability. This commitment is underpinned by policies on equal opportunities, harassment and discrimination, to which all employees are required to adhere.

ICAP MANAGEMENT SERVICES LIMITED

Directors' Report for the nine months ended 31 December 2017

Company Number: 02189561

In the event that an employee becomes disabled, the Group's policy is to make reasonable adjustments, including arranging training, to enable the employee to continue working for the Group.

The Company participates in the Group's policies and practices relating to current and prospective employees. These policies and practices are outlined in the Group's Annual Report which does not form part of this report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events between the period end and the date of this report which require separate disclosure.

INDEPENDENT AUDITOR

The Company's incumbent auditor, Deloitte LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

PROVISION OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware.

The directors have taken all the steps 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 auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been approved by the board of directors and signed by order of the board:



R Stewart
Director

27 September 2018

ICAP MANAGEMENT SERVICES LIMITED

Independent Auditor's Report to the members of ICAP Management Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ICAP Management Services Limited (the 'Company') which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ICAP MANAGEMENT SERVICES LIMITED

Independent Auditor's Report to the members of ICAP Management Services Limited

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.



Adam Cichocki FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27 September 2018

ICAP MANAGEMENT SERVICES LIMITED

Profit and Loss Account for the nine months ended 31 December 2017

	<u>Note</u>	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Restated*</u> <u>Year ended</u> <u>31/03/2017</u> £'000
Turnover		74,431	102,602
Administrative expenses		(88,511)	(109,033)
Other operating income	7	4,298	8,893
Separation costs	4	-	(7,484)
Operating loss	3	<u>(9,782)</u>	<u>(5,022)</u>
Interest receivable and similar income	8	857	1,324
Interest payable and similar charges	9	(309)	(376)
Loss on ordinary activities before taxation		<u>(9,234)</u>	<u>(4,074)</u>
Tax credit/(expense)	10	1,139	(5,599)
Loss for the financial period/year		<u><u>(8,095)</u></u>	<u><u>(9,673)</u></u>

The loss of the Company for the period is derived from continuing operations.
The notes on pages 11 to 28 are an integral part of these financial statements.

**Refer to note 22 for circumstances surrounding the restatement.*

ICAP MANAGEMENT SERVICES LIMITED

Statement of Comprehensive Income for the nine months ended 31 December 2017

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Restated*</u> <u>Year ended</u> <u>31/03/2017</u> £'000
Loss for the financial period/year	(8,095)	(9,673)
Net deferred tax on items recognised in equity	-	(1,292)
Total comprehensive deficit for the financial period/year	<u>(8,095)</u>	<u>(10,965)</u>

The notes on pages 11 to 28 are an integral part of these financial statements.

**Refer to note 22 for circumstances surrounding the restatement.*

ICAP MANAGEMENT SERVICES LIMITED
Balance Sheet as at 31 December 2017

Company Number: 02189561

		<u>As at</u>	<u>Restated*</u>	<u>Restated*</u>
	<u>Note</u>	<u>31/12/2017</u>	<u>As at</u>	<u>As at</u>
		<u>£'000</u>	<u>31/03/2017</u>	<u>31/03/2016</u>
			<u>£'000</u>	<u>£'000</u>
Non-current assets				
Intangible assets	11	22,363	26,365	57,085
Tangible assets	12	1,022	779	6,485
Investment in subsidiary	13	169	-	-
Available-for-sale investments	14	20	20	20
Deferred tax asset	15	4,290	4,133	7,349
Debtors	16	-	-	2
		<u>27,864</u>	<u>31,297</u>	<u>70,941</u>
Current assets				
Debtors	16	147,946	152,431	193,453
Tax receivable		10,239	1,308	13,783
Cash and cash equivalents	17	4,900	3,663	1,397
		<u>163,085</u>	<u>157,402</u>	<u>208,633</u>
Current liabilities				
Creditors: amounts falling due within one year	18	(110,608)	(103,930)	(182,236)
Provisions for liabilities	19	-	-	(18,039)
		<u>(110,608)</u>	<u>(103,930)</u>	<u>(200,275)</u>
Net current assets		<u>52,477</u>	<u>53,472</u>	<u>8,358</u>
Total assets less current liabilities		<u>80,341</u>	<u>84,769</u>	<u>79,299</u>
Non-current liabilities				
Subordinated loans	18	(5,000)	(5,000)	(5,000)
Provisions for liabilities	19	(26,566)	(23,581)	(15,173)
		<u>(31,566)</u>	<u>(28,581)</u>	<u>(20,173)</u>
Net assets		<u>48,775</u>	<u>56,188</u>	<u>59,126</u>
Equity				
Share capital	20	1	1	1
Retained Earnings		48,774	56,187	20,387
Share based payment reserve		-	-	38,738
Total Equity		<u>48,775</u>	<u>56,188</u>	<u>59,126</u>

The notes on pages 11 to 28 are an integral part of these financial statements.

The financial statements on pages 7 to 28 were approved and authorised for issue by the board of directors on 27 September 2018 and were signed on its behalf by:

**Refer to note 22 for circumstances surrounding the restatement.*



R Stewart
Director

ICAP MANAGEMENT SERVICES LIMITED

Statement of Changes in Equity for the nine months ended 31 December 2017

	<u>Share capital</u> <u>(note 20)</u> £'000	<u>Share based payment reserve</u> £'000	<u>Retained earnings</u> £'000	<u>Total equity</u> £'000
As at 1 April 2016 as previously stated	1	38,738	29,057	67,796
Prior year adjustment (note 22)	-	-	(8,670)	(8,670)
As at 1 April 2016 (Restated)*	1	38,738	20,387	59,126
Loss for the year as previously stated	-	-	(9,467)	(9,467)
Prior year adjustment on loss for the year (note 22)	-	-	(206)	(206)
Net deferred tax on items recognised in equity	-	-	(1,292)	(1,292)
Total comprehensive loss for the year (Restated)*	-	-	(10,965)	(10,965)
Share based charges in the year	-	8,027	-	8,027
Transfer of share based payment reserve	-	(46,765)	46,765	-
As at 31 March 2017 (Restated)*	1	-	56,187	56,188
Loss for the period	-	-	(8,095)	(8,095)
Total comprehensive loss for the period	-	-	(8,095)	(8,095)
Share based charges in the period	-	-	682	682
As at 31 December 2017	1	-	48,774	48,775

The notes on pages 11 to 28 are an integral part of these financial statements.

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising £1 ordinary shares.

Share based payment reserve

The share based payment reserve is recognised in accordance with "IFRS 2 Share-based payments".

**Refer to note 22 for circumstances surrounding the restatement.*

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

i) General information

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), the Companies Act 2006 as applicable to companies using FRS 101 and under the historic cost convention. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ('IFRS'). The accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements are prepared in pound sterling which is the functional currency of the Company.

The Company is a qualifying entity for the purposes of FRS 101. Note 24 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following disclosure exemptions have been adopted:

- financial risk management note;
- comparatives for tangible and intangible non-current asset reconciliations;
- cash flow statements;
- process for managing capital;
- key management compensation;
- related party transactions between wholly owned Group companies; and
- the expected impact of future accounting standards not yet effective.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results.

ii) Principal accounting policies

a) Turnover

The turnover of the Company is mainly derived in the United Kingdom from recharges of expenses and management charges that are levied on certain subsidiary companies of TP ICAP plc. Revenue from the provision of services is recognised upon rendering of the services plus a mark-up.

b) Other operating income

Other operating income arises from information services and represents fees received from the sale of financial information to third parties. Exchange differences arise from transactions in foreign currencies during the period and on the translation at the balance sheet date of assets and liabilities denominated in foreign currencies.

Income is stated net of value added tax and other sales taxes and is recognised over the period to which the services relate.

c) Pension costs

Certain of the Company's employees participate in a Group defined contribution pension scheme operated by TP ICAP plc. The Company's contributions to the scheme are charged to the profit and loss account on an accruals basis.

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

ii) Principal accounting policies (continued)

d) Borrowing costs

All borrowing costs are expensed as interest payable and similar charges in the profit and loss account using the applicable effective interest rate.

e) Tax

Tax on the profit for the period comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted, or substantially enacted by the balance sheet date.

Deferred tax is recognised using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. 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 recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Calculations of current and deferred tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the period in which a reassessment of the liability is made.

f) 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 profit and loss account. 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.

g) Interest receivable and similar income

Interest income is recognised using the effective interest method.

h) Intangible assets

Intangible assets arising from internal development

Development expenditure on electronic trading platforms is recognised as an intangible asset in accordance with the criteria of IAS 38, "Intangible assets". Intangible assets are stated at historical cost less provision for any impairment in its value and accumulated amortisation.

Amortisation is charged to administrative expenses in the profit and loss account on a straight line basis over the expected useful economic life of the asset as follows:

Capitalised software	3-4 years
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Intangible assets arising from internal development may also include assets previously recognised on the balance sheet of an acquired entity.

Amortisation is charged against assets from the date at which the asset becomes available for use.

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

ii) Principal accounting policies (continued)

i) Tangible assets

Tangible assets are stated at historical cost less provision for any impairment in its value and accumulated depreciation. Tangible assets are depreciated on a straight line basis over its expected useful economic life as follows:

Fixtures, fittings and equipment	2-5 years
Motor vehicles	3 years
Short leasehold	5-10 years

The Company reviews its depreciation policy regularly to take account of any changes in circumstances. These rates are determined upon consideration of factors such as the expected rate of technological development and anticipated usage levels. Depreciation is charged against assets from the date at which the Company begins to derive economic benefit from the asset.

When a leasehold property becomes surplus to the Group's foreseeable business requirements, provision is made on a discounted basis for the expected future net cost of the property.

j) Leased assets

Assets financed by leasing arrangements which transfer substantially all the risks and rewards of ownership to the Company (finance leases) are capitalised in the balance sheet. Lease repayments comprise both a capital element and a finance element. The capital element of the leasing commitment is shown as an obligation to the lessor in the balance sheet and the finance element is charged to the profit and loss account on a constant periodic rate of change basis.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

k) Financial assets

Financial assets are classified as "available-for-sale" or "loans and receivables" on initial recognition.

Available-for-sale: available-for-sale financial assets are debt and equity non-derivative financial assets and are initially recognised at fair value. Any subsequent changes in fair value are recognised directly in equity. When an investment is disposed of or is determined to be impaired, any cumulative gain or loss previously recognised in equity is transferred to the profit and loss account. For equity financial assets, where the fair value cannot be reliably measured, the assets are held at cost less any provision for impairment. These assets are generally expected to be held for the long-term and are included in non-current assets. Assets such as shares or seats in exchanges, cash-related instruments, and long-term equity investments that do not qualify as associates or joint ventures are classified as available-for-sale.

Loans and receivables: loans and receivables are non-derivative financial instruments which have a fixed or easily determined value. They are recognised at cost, less any provisions for impairment in their value. These assets are included in debtors (note 16).

Financial assets not held at fair value are impaired where there is objective evidence that the value may be impaired. The amount of the impairment is calculated as the difference between carrying value and the present value of any expected future cash flows, with any impairment being recognised in the profit and loss account. Subsequent recovery of amounts previously impaired are credited to the profit and loss account.

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

ii) Principal accounting policies (continued)

l) Investments

Investments are recognised at trade-date and are classified as held-for-trading "trading investments" if they were principally acquired for selling in the short term, otherwise they are classified as available-for-sale "other investments". Where investments are held for trading purposes, gains and losses arising from changes in fair value are included in the profit and loss account. For other investments, gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit and loss account.

The fair values of investments traded in active markets are based on quoted market prices at the balance sheet date. For investments not traded in active markets, quoted market prices or dealer quotes for similar instruments are used.

m) Debtors

Debtors are recognised at amortised cost less provision for impairment.

n) Intercompany balances

Intercompany balances are shown in accordance with the netting agreement, which allows netting of bilateral intercompany balances within entities that are party to the netting agreement.

o) Debt provisioning

Provisions are made for specific debts when it is considered that the creditworthiness of the debtor has deteriorated such that the recovery of all or part of a debt is in serious doubt.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date, but which will not be identified as such until some time in the future. The level of provision is based upon the previous experience of such losses in the Company and is reviewed on a periodic basis. The appropriateness of the provision is periodically assessed against any actual losses that have arisen. All provisions are recorded within administrative expenses in the profit and loss account.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, overdrafts and demand deposits and other short-term highly liquid investments which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

q) 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.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

r) Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

s) Share capital

Ordinary shares are classified as equity.

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

ii) Principal accounting policies (continued)

t) Dividends

Dividends are recognised as deductions from retained earnings in the period in which they are declared.

u) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial period beginning on or after 1 April 2017 have had a material impact on the Company.

2. 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 December 2017 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements.

3. OPERATING LOSS

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Operating loss is stated after charging:		
Wages and salaries, social security costs and other pension costs (note 5)	35,096	51,248
Other staff costs	7,022	11,878
Staff costs	<u>42,118</u>	<u>63,126</u>
Recharge expenses	12,986	12,856
Market data and telecom expenses	2,846	5,209
Amortisation and impairment of intangible assets	10,552	10,542
Professional fees	4,785	7,144
Entertainment	842	2,430
Infrastructure	6,875	8,215
Depreciation of tangible assets:		
- Owned assets	544	2,062
Operating lease charges:		
- Plant and machinery	215	1,707
Other administrative expenses/(income)	6,414	(4,337)
Services provided by the Company's auditor:		
- Fees payable for the statutory audit	72	79

The Company's administrative expenses in the prior year included costs paid in relation to a Save-As-You-Earn (SAYE) share option scheme of £3,721,000 for options over ordinary shares in the former ultimate parent company ICAP plc. These share options were vested following the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon plc for the disposal of its Global Broking Business on 30 December 2016.

In the current period, administrative expenses include costs of £682,000 relating to the share-based payment schemes detailed in note 5. Further disclosures are included in the Group's Consolidated Financial Statements.

The auditors' remuneration for all UK fellow subsidiary companies is initially borne by the Company and is then subsequently recharged to the relevant fellow subsidiary companies.

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

4. NON-RECURRING ITEMS

In the prior year, as a result of the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon plc for the disposal of its Global Broking Business on 30 December 2016, the Company realised separation costs of £7,484,000.

As part of the separation costs in the prior year, £1,991,000 early accelerated share based compensation costs were recognised as the change of control triggered changes to the unvested period of any awards made to employees of the Global Broking Business who had previously held Save-As-You-Earn share options with ICAP plc. All unvested awards immediately vested (accelerated vesting) which created the non-recurring charge.

There were no exceptional costs in the current period.

	Period ended 31/12/2017 £'000	Year ended 31/03/2017 £'000
Staff termination cost	-	4,019
Early accelerated share based payment	-	1,991
Legal fees - other	-	1,287
Professional fees	-	1,965
Other income	-	(1,778)
	-	<u>7,484</u>

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

5. SALARY AND PAYROLL COSTS

All staff costs within the United Kingdom are initially borne by the Company. Staff costs are then subsequently recharged to the relevant fellow subsidiary companies.

Staff costs initially borne by the Company and included within the management recharge comprise:

	<u>Period ended</u> <u>31/12/2017</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Employee costs:		
Wages and salaries	119,053	175,762
Social security costs	17,201	24,281
Other pension costs	1,075	1,735
	<u>137,329</u>	<u>201,778</u>

The total monthly average number of persons employed by the Company during the period was 872, comprising of 355 brokers and 517 support staff (31 March 2017: 1,061, comprising 453 brokers and 608 support staff).

Staff costs for trading staff directly recharged to fellow subsidiaries are as follows:

	<u>Period ended</u> <u>31/12/2017</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Employee costs:		
Wages and salaries	89,324	132,053
Social security costs	12,581	17,896
Other pension costs	328	581
	<u>102,233</u>	<u>150,530</u>

The monthly average number of persons employed by the Company with costs recharged directly to fellow subsidiaries during the period was 409, comprising of 349 brokers and 60 support staff (31 March 2017: 468, comprising 435 brokers and 33 support staff).

Staff costs attributable to the Company are as follows:

	<u>Period ended</u> <u>31/12/2017</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Employee costs:		
Wages and salaries	29,729	43,709
Social security costs	4,620	6,385
Other pension costs	747	1,154
	<u>35,096</u>	<u>51,248</u>

Staff costs attributable to employees of the Company are the net of those initially borne by the Company and those for trading staff directly recharged to fellow subsidiaries (note 3). The average number of persons employed by the Company during the period relating to staff costs attributable to the Company was 463, comprising of 6 brokers and 457 support staff (31 March 2017: 593, comprising of 18 brokers and 575 support staff).

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

5. SALARY AND PAYROLL COSTS (CONTINUED)

Share-based payments

TP ICAP plc Bonus Plan for Senior Managers

Annual awards are made under the Group's Bonus Plan for Senior Managers that commenced in 2015.

Under this Plan, employees identified as Senior Managers have 20% of their annual discretionary bonus awarded in deferred shares. These awards will be settled with TP ICAP plc shares and are subject to the completion of service conditions and the fulfilment of other conduct requirements. The number of shares in respect of a bonus year is determined after the close period for that year at the then market price, and vest over three years from the grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

As part of the introduction of the Deferred Bonus Plan in 2015, a Special Award was granted to eligible employees. The Special Award will vest in May 2018.

Awards will be settled by the Tullett Prebon plc Employee Benefit Trust 2007 from shares purchased by it in the open market.

TP ICAP plc Bonus Plan for Executive Directors

The Group's Executive Directors have 50% of their annual discretionary bonus awarded in deferred shares. These awards are subject to the completion of service conditions and the fulfilment of other conduct requirements and will be settled with TP ICAP plc shares. The number of shares in respect of a bonus year is determined after the close period for that year at the market price, and vest three years from the grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

Awards will be settled by the Tullett Prebon plc Employee Benefit Trust 2007 from shares purchased by it in the open market.

TP ICAP plc Transformational Long Term Incentive Plan

The Transformational Long Term Incentive Plan commenced in 2017 as a one-off long-term plan aligned to the three-year integration period for Tullett Prebon and ICAP (January 2017 – December 2019). Awards are allocated between the Executive Directors and members of the Group's Global Executive Committee.

At the end of the performance period, the LTIP pool will be determined, based on absolute TSR and EPS performance, and converted into awards of shares. Shares will be subject to a holding period and will be released one-third in April 2021, one-third in April 2022 and one-third in April 2023. During the holding period, the shares cannot be sold (other than to cover the cost of any applicable taxes).

Awards will be settled by the issue of new shares.

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Charge arising from share based payment plans	<u>682</u>	<u>-</u>

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

6. DIRECTORS' REMUNERATION

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

	<u>Period ended</u> <u>31/12/2017</u>		<u>Year ended</u> <u>31/03/2017</u>	
	Total	Highest paid director	Total	Highest paid director
	£'000	£'000	£'000	£'000
Aggregate emoluments	1,241	746	998	446
Contributions to defined contribution pension schemes	6	-	29	13
	<u>1,247</u>	<u>746</u>	<u>1,027</u>	<u>459</u>

As at 31 December 2017, retirement benefits are accruing to 1 director (31 March 2017: 3 directors) under defined contribution schemes sponsored by TP ICAP plc. The Company's directors who served during the period were also directors of TP ICAP plc, the ultimate parent undertaking. Their total remuneration for the period is disclosed in the financial statements of TP ICAP plc.

7. OTHER OPERATING INCOME

	<u>Period ended</u> <u>31/12/2017</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Information sales	5,378	9,605
Foreign exchange loss	(1,080)	(1,396)
Other operating income	-	684
	<u>4,298</u>	<u>8,893</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>Period ended</u> <u>31/12/2017</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Bank deposits	3	-
Interest on overpayment of tax	-	13
Interest receivable from related companies	854	1,311
	<u>857</u>	<u>1,324</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Period ended</u> <u>31/12/2017</u>	<u>Restated*</u> <u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Bank loans and overdrafts	1	3
Interest on loans from other related companies	88	123
Unwind of provision	220	250
	<u>309</u>	<u>376</u>

**Refer to note 22 for circumstances surrounding the restatement*

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

10. TAX (CREDIT)/EXPENSE

	Period ended 31/12/2017 £'000	Restated* Year ended 31/03/2017 £'000
a) Analysis of (credit)/expense for the period/year		
Current taxation:		
UK Corporation tax	(1,483)	(839)
Adjustments in respect of prior years	487	3,222
	<u>(996)</u>	<u>2,383</u>
Overseas tax	14	-
	<u>(982)</u>	<u>2,383</u>
Deferred tax:		
Deferred tax (note 15) - current period/year	(75)	3,246
Adjustments in respect of prior years (note 15)	(82)	(30)
	<u>(157)</u>	<u>3,216</u>
	<u>(1,139)</u>	<u>5,599</u>
b) Factors affecting the tax (credit)/expense for the period/year		
Loss on ordinary activities before tax	<u>(9,234)</u>	<u>(4,074)</u>
Tax calculated at rate of 19% (31 March 2017: 20%)	(1,754)	(815)
Effects of:		
Expenses not deductible for tax purposes	43	701
Elimination of share based payment deferred tax asset	129	2,547
Adjustments in respect of prior years – current tax	487	3,222
Adjustments in respect of prior years – deferred tax	(82)	(30)
Impact of change in rate for deferred tax	24	(26)
Overseas tax	14	-
	<u>615</u>	<u>6,414</u>
Tax (credit)/expense for the period/year	<u>(1,139)</u>	<u>5,599</u>
Effective tax rate	12%	137%

In the UK, legislation to reduce the corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 has been enacted. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2020 and at a rate of 17% thereafter.

**Refer to note 22 for circumstances surrounding the restatement*

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

11. INTANGIBLE ASSETS

	<u>Capitalised software</u> £'000
Cost	
As at 1 April 2017	54,439
Additions	6,649
Asset reclassification	(99)
Disposals	(4,860)
As at 31 December 2017	<u>56,129</u>
Accumulated amortisation	
As at 1 April 2017	28,074
Amortisation charge for the period	7,322
Impairment	3,230
Amortisation on disposal	(4,860)
As at 31 December 2017	<u>33,766</u>
Net book value	
As at 31 December 2017	<u><u>22,363</u></u>

12. TANGIBLE ASSETS

	<u>Short leasehold</u> £'000	<u>Fixtures fittings and equipment</u> £'000	<u>Total</u> £'000
Cost			
As at 1 April 2017	591	16,827	17,418
Additions	396	292	688
Asset reclassification	-	99	99
Disposals	(591)	(429)	(1,020)
As at 31 December 2017	<u>396</u>	<u>16,789</u>	<u>17,185</u>
Accumulated depreciation			
As at 1 April 2017	591	16,048	16,639
Charge for the period	26	518	544
Depreciation on disposals	(591)	(429)	(1,020)
As at 31 December 2017	<u>26</u>	<u>16,137</u>	<u>16,163</u>
Net book value			
As at 31 December 2017	<u><u>370</u></u>	<u><u>652</u></u>	<u><u>1,022</u></u>

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

13. INVESTMENT IN SUBSIDIARY

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Cost and Net Book Value		
As at beginning of the period	-	-
Additions	169	-
As at end of the period	<u>169</u>	<u>-</u>

The investment in subsidiary represents the net assets of the Garban Employee Benefit Trust 2001 and its sub-fund at the reporting date.

14. AVAILABLE-FOR-SALE INVESTMENTS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Cost		
As at beginning of the period	120	120
As at end of the period	<u>120</u>	<u>120</u>
Accumulated impairment		
As at beginning of the period	(100)	(100)
As at end of the period	<u>(100)</u>	<u>(100)</u>
Net book value		
As at end of the period	<u>20</u>	<u>20</u>

All available-for-sale investments are unlisted for which there is no readily available market price. As such, the fair value of unlisted securities is based on cost less any provision for impairment.

As at 31 December 2017, the Company's available-for-sale investments were as follows:

<u>Name</u>	<u>Country of incorporation and operation</u>	<u>Description of shares held</u>	<u>Proportion of nominal value of issued shares held by company</u>
Automated Confirmation Services Limited	England & Wales	14,546 ordinary shares	30.30%

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

15. DEFERRED TAX ASSET

The deferred tax asset was as follows:

	As at 31/12/2017 £'000	Restated* As at 31/03/2017 £'000
Capital allowances	2,056	2,224
Other timing differences	2,234	1,909
	<u>4,290</u>	<u>4,133</u>

	31/12/2017 £'000	Restated* 31/03/2017 £'000
At beginning of the period	4,133	7,349
Transferred to the profit and loss account (note 10)	157	(3,216)
As at end of the period	<u>4,290</u>	<u>4,133</u>

For details of the restatement please see note 22.

**Refer to note 22 for circumstances surrounding the restatement*

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

16. DEBTORS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Current		
Trade debtors	2,035	2,036
Net trade debtors	<u>2,035</u>	<u>2,036</u>
Amounts due from:		
- related companies	34,857	65,366
- intermediate parent company	32,055	32,286
- Group joint ventures and associates (note 24)	4,440	146
Loans due from:		
- intermediate parent company	61,084	41,734
Other debtors	205	399
Prepayments and accrued income	13,270	10,464
	<u>147,946</u>	<u>152,431</u>

As at 31 December 2017 the following trade debtors were past their normal settlement date, but had not been impaired:

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Less than 30 days, and not yet due	1,389	798
Over 30 days, but less than 90 days	96	1,035
Over 90 days, and past due date	550	203
	<u>2,035</u>	<u>2,036</u>

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

17. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Cash at bank and in hand	4,900	3,653
Short-term bank deposits	-	10
	<u>4,900</u>	<u>3,663</u>

The short-term bank deposits have a maturity of 30 days or less.

18. CREDITORS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Non-current		
Subordinated loans	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
Amounts falling due within one year		
Trade creditors	2,274	1,425
Other taxation and social security	2,127	5,084
Other creditors	2,952	6,206
Accruals	70,184	65,849
Amounts owed to:		
- related companies	25,910	23,683
- immediate parent company	3,431	1,683
- Group joint ventures and associates (note 24)	3,730	-
	<u>110,608</u>	<u>103,930</u>

The subordinated loan represents a loan from a fellow subsidiary company, with a term of no less than 5 years. The effective interest rate on the loan is 1.76%.

Notes to the financial statements for the nine months ended 31 December 2017

	<u>As at</u> <u>31/12/2017</u> £'000	<u>Restated*</u> <u>As at</u> <u>31/03/2017</u> £'000
As at beginning of the period	23,581	33,212
Provided/(released) in the period/year	2,985	(9,631)
As at end of the period	<u>26,566</u>	<u>23,581</u>
		<u>Restated*</u>
	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Non-current	26,566	23,581
Current	-	-
	<u>26,566</u>	<u>23,581</u>

**Refer to note 22 for circumstances surrounding the restatement*

	<u>As at</u>	<u>As at</u>
	<u>31/12/2017</u>	<u>31/03/2017</u>
	£'000	£'000
Authorised, allotted and fully paid:		
1,000 Ordinary share(s) of £1 each (31 March 2017: 1,000)	1	1
	1	1

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

21. COMMITMENTS

Operating lease commitments

The Company has future aggregate minimum lease payments under non-cancellable operating leases as follows:

Property and office equipment

	<u>As at</u> 31/12/2017 £'000	<u>As at</u> 31/03/2017 £'000
Less than one year	3,230	4,303
One to two years	14	2,717
Two to five years	-	-
	<u>3,244</u>	<u>7,020</u>

In the prior year, as a result of the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon for the disposal of its Global Broking Business, the Company novated the operating lease for the property lease of its London offices to NEX Services Limited. The amounts in the current year relate to sub-lease commitments to NEX Services Limited.

Capital commitments

As at 31 December 2017, the Company had no capital expenditure contracted but not provided for (31 March 2017: £nil).

22. PRIOR YEAR ADJUSTMENT

The Company omitted to recognise a provision in the prior year for certain long-term employee benefits that arose in a previous period. Accordingly the comparatives have been restated as follows:

	<u>31/03/2017</u> £000	<u>31/03/2016</u> £000
Profit and loss account		
Net finance income	250	
Tax charge	(44)	
	<u>206</u>	
Balance Sheet		
Non-current assets	1,909	1,865
Non-current liabilities	(10,785)	(10,535)
Retained earnings	(8,876)	(8,670)

23. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require separate disclosure between the period end and the date of this report.

ICAP MANAGEMENT SERVICES LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

24. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is ICAP Holdings Limited, which does not prepare consolidated financial statements.

The Company's ultimate parent is TP ICAP plc, which is incorporated in England and Wales, and heads the largest group of companies of which the Company is a member. The parent undertaking of the smallest and the largest group which includes the Company for which Group accounts are prepared is TP ICAP plc. TP ICAP plc prepares consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ.

The Company entered into the following transactions with related companies that are not wholly owned:

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Income from management services provided:		
Associates and joint ventures	<u>1,414</u>	<u>-</u>
	<u>1,414</u>	<u>-</u>

The Company had the following net outstanding balances owed by related parties who are members of the Group:

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Associates and joint ventures	710	146
	<u>710</u>	<u>146</u>