

Company Number: 3076492

ICAP SHIPPING DERIVATIVES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2013

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ICAP SHIPPING DERIVATIVES LIMITED

Directors' Report for the year ended 31 March 2013

Company Number 3076492

The directors present their directors report and the audited financial statements of ICAP Shipping Derivatives Limited (the 'Company') for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The Company operates in the business of broking of forward freight agreements and other shipping derivatives and is regulated by the Financial Conduct Authority. From April 2011 the Company temporarily ceased activities, but anticipates recommencing these activities during 2013.

The Company is incorporated and domiciled in England and Wales. The registered office is 2 Broadgate, London, EC2M 7UR.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the year end financial position was satisfactory and do not anticipate any changes to the principal activities.

RESULTS AND DIVIDENDS

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

The loss for the year of \$ 29,000 (2012 \$ 6,427,000) has been transferred to reserves.

The directors do not recommend the payment of a dividend (2012 \$nil).

FINANCIAL RISK MANAGEMENT

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

KEY PERFORMANCE INDICATORS

The directors of ICAP plc manage the Group's operations on a divisional basis. ICAP's considerable investment in technology is essential to keep both the electronic and voice broking business competitive. The measure with which ICAP can benchmark itself against competitors is technology spend as a percentage of turnover. The development, performance and position of ICAP plc, which includes the Company, are discussed in the financial statements which do not form part of this report.

DIRECTORS

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

D Casterton	
T Kidd	(resigned 31 May 2012)
H Liddell	
L Mayhew	
S Wren	(appointed 31 May 2012 and resigned 1 June 2013)
N Dargan	(appointed 1 June 2013)

CREDITOR PAYMENT POLICY

The Company has no external trade creditors.

ICAP SHIPPING DERIVATIVES LIMITED

Directors' Report for the year ended 31 March 2013

Company Number 3076492

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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,
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

GOING CONCERN

The Company's financial statements have been prepared on a going concern basis because a fellow subsidiary undertaking, ICAP Holdings Limited, has indicated that it will provide financial support to the Company until at least twelve months from the date of signing the accounts.

POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require separate disclosure.

INDEPENDENT AUDITORS

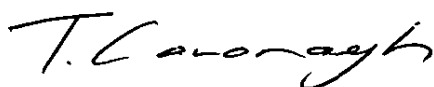
The Company's incumbent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

PROVISION OF INFORMATION TO THE AUDITORS

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

The directors have taken all 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 auditors are aware of that information.

By order of the Board



T Cavanagh
Company secretary

5 July 2013

ICAP SHIPPING DERIVATIVES LIMITED

Independent Auditors' Report to the members of ICAP Shipping Derivatives Limited

We have audited the financial statements of ICAP Shipping Derivatives Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its results for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

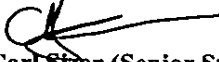
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.


Carl Sizer (Senior Statutory Auditors)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 July 2013

ICAP SHIPPING DERIVATIVES LIMITED
Profit and Loss Account for the year ended 31 March 2013

	<u>Note</u>	<u>Year ended</u> <u>31/03/2013</u> \$'000	<u>Year ended</u> <u>31/03/2012</u> \$'000
Turnover	1	-	15
Administrative expenses		(41)	(6,362)
Other operating income	7	-	12
Loss on ordinary activities before taxation	4	<u>(41)</u>	<u>(6,335)</u>
Tax on loss on ordinary activities	8	12	(92)
Loss for the financial year		<u><u>(29)</u></u>	<u><u>(6,427)</u></u>

The loss of the Company for the year is derived from continuing operations
The notes on pages 7 to 21 are an integral part of these financial statements

ICAP SHIPPING DERIVATIVES LIMITED

Statement of Total Recognised Gains and Losses for the year ended 31 March 2013

	<u>Year ended</u> <u>31/03/2013</u> \$'000	<u>Year ended</u> <u>31/03/2012</u> \$'000
Loss for the financial year	(29)	(6,427)
Total recognised gains and losses relating to the year	<u>(29)</u>	<u>(6,427)</u>

The notes on pages 7 to 21 are an integral part of these financial statements

ICAP SHIPPING DERIVATIVES LIMITED

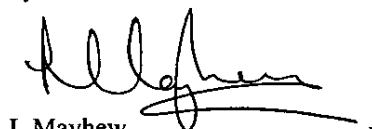
Balance Sheet as at 31 March 2013

Company Number 3076492

	<u>Note</u>	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Fixed Assets			
Intangible assets	9	-	1
Deferred tax assets	10	8	10
Debtors	11	-	73
		<u>8</u>	<u>84</u>
Current assets			
Debtors	11	565	637
Tax receivable		12	1,650
Cash at bank and in hand	12	667	658
		<u>1,244</u>	<u>2,945</u>
Creditors - amounts falling due within one year			
Tax payable		-	(1,748)
		<u>-</u>	<u>(1,748)</u>
Net current assets		<u>1,244</u>	<u>1,197</u>
Total assets less current liabilities		<u>1,252</u>	<u>1,281</u>
Non-current liabilities			
Preference share capital	13	(863)	(863)
Net assets		<u>389</u>	<u>418</u>
Capital and reserves			
Called up share capital	14	287	287
Profit and loss account	15	102	131
Total shareholders' funds	16	<u>389</u>	<u>418</u>

The notes on pages 7 to 21 are an integral part of these financial statements

The financial statements on pages 4 to 21 were approved by the board of directors on 5 July 2013 and were signed on its behalf by



L Mayhew
Director

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). 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 IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 17 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

This standard has been early adopted and these are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 April 2012. The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the company's previously adopted accounting policies in accordance with EU-adopted IFRS was not material on the shareholders' equity as at the date of transition and as at 31 March 2013 and on the profit or loss for the year ended 31 March 2013.

The following disclosure exemptions have been adopted:

- comparatives for tangible and intangible fixed asset reconciliations,
- cashflow statements,
- key management compensation, and
- related party transactions between wholly owned group companies.

The financial statements have been prepared on a going concern basis.

Prior year adjustment

The comparative results for the year ended 31 March 2012 have been restated to reflect an adjustment in the tax treatment of the provision made against amounts owed by Group companies, which was reflected as a deductible expense for tax purposes in the prior period statutory accounts.

Tax payable has increased by \$1,748,000 while the tax charge on ordinary activities has increased by the same amount.

b) Turnover

Turnover comprises commission and brokerage income derived from broking services supplied to third parties which is recognized on the date of transaction.

Derivatives broking comprises voice broking and is transacted on an agency basis. Turnover is stated net of rebates and discounts, value added tax and other sales taxes.

c) Financial assets

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 11).

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 SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d) Tax

Tax on the profit for the year 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 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.

e) 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, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to reserves. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

f) 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 SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g) Debtors

Debtors are recognised at cost less provision for impairment.

h) Intercompany balances

All UK Group companies are party to a netting agreement and balances have been netted within debtors and creditors

i) 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

j) Cash at bank and in hand

Cash at bank and in hand comprise cash on 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

k) 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

l) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared

m) Functional currency

The directors have concluded that the most appropriate functional currency of the Company is United States Dollars ("USD"). This reflects the fact that the majority of the entity's business is influenced by pricing in international shipping markets, with a predominately US Dollar denominated economic environment, and that the majority of turnover is invoiced in US Dollars

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks, including liquidity, interest rate, currency and credit risk. The overall financial risk management framework, strategy and policies of the Company are determined by the board of its ultimate parent company, ICAP plc. It does this through the Group Risk and Capital Committee, and also by regional and market risk committees. The Company does not manage its own financial risk framework.

Financial assets and liabilities

The Company's financial assets are classified as loans and receivables. None of the Company's financial liabilities are held for trading.

The financial assets can be reconciled as follows:

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Financial assets		
Cash at bank and in hand	667	658
Debtors	564	637
	<u>1,231</u>	<u>1,295</u>

Market risk

Foreign exchange risk

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

Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (USD Dollar). Whilst it is the Group policy to hedge such foreign exchange movements using derivative financial instruments at a Group level, the Company remains exposed to these risks.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into Sterling. The Group hedges up to 100% of its translational exposure at a Group level, but the Company is exposed to the impact of exchange rate movements.

It is estimated that a 10 cent increase in the exchange rates of the British pound (GBP) would have an adverse impact of \$55,000 (2011: adverse \$53,000) on the Company's income statement and equity.

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2013

	<u>USD</u> \$'000	<u>EUR</u> \$'000	<u>Other</u> \$'000	<u>GBP</u> \$'000	<u>Total</u> \$'000
Assets					
Cash at bank and in hand	666	-	-	1	667
Debtors less prepayments	565	-	-	-	565
	<u>1,231</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,232</u>
Liabilities					
Creditors	-	-	-	(863)	(863)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(863)</u>	<u>(863)</u>
Net assets	<u>1,231</u>	<u>-</u>	<u>-</u>	<u>(862)</u>	<u>369</u>

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2012

	<u>USD</u> \$'000	<u>EUR</u> \$'000	<u>Other</u> \$'000	<u>GBP</u> \$'000	<u>Total</u> \$'000
Assets					
Cash at bank and in hand	641	-	-	17	658
Debtors less prepayments	637	-	-	-	637
	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>1,295</u>
Liabilities					
Creditors	-	-	-	(863)	(863)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(863)</u>	<u>(863)</u>
Net assets	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>(846)</u>	<u>432</u>

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Company's interest rate risk arises from cash at bank and in hand where changes in market rates can have an adverse impact on cash flows and income streams. Interest rate risk is monitored at a Group level by the Group Risk and Capital Committee. In terms of cash and other interest bearing investments, the Company must comply with the Group Investment Policy. Limits are in place to restrict the amount that can be invested at one institution and all investments must be credit rated AA or above and be for less than 18 months, unless approved by the Group Risk and Capital Committee.

As at 31 March 2013 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that an increase of 1% in interest rates would have an impact of \$8,000 on the Company's profit and loss account and equity.

The Company's interest rate profile as at 31 March 2013 was as follows:

	<u>None</u> \$'000	<u>Fixed</u> \$'000	<u>Variable</u> \$'000	<u>Total</u> \$'000
Assets				
Cash at bank and in hand	-	666	1	667
Debtors less prepayments	565	-	-	565
	<u>565</u>	<u>666</u>	<u>1</u>	<u>1,232</u>
Liabilities				
Creditors	(863)	-	-	(863)
	<u>(863)</u>	<u>-</u>	<u>-</u>	<u>(863)</u>

The Company's interest rate profile as at 31 March 2012 was as follows:

	<u>None</u> \$'000	<u>Fixed</u> \$'000	<u>Variable</u> \$'000	<u>Total</u> \$'000
Assets				
Cash at bank and in hand	-	642	16	658
Debtors less prepayments	637	-	-	637
	<u>637</u>	<u>642</u>	<u>16</u>	<u>1,295</u>
Liabilities				
Creditors	(863)	-	-	(863)
	<u>(863)</u>	<u>-</u>	<u>-</u>	<u>(863)</u>

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below shows the effective interest rate for each relevant category of financial asset and liability

	Year ended 31/03/2013		Year ended 31/03/2012	
	Fixed	Variable	Fixed	Variable
	%	%	%	%
Cash at bank and in hand	0.16	-	0.23	-

Price Risk

The Company's activities do not expose it to price risk

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. 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 and Capital 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.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to debtors (note 11).

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 Group Risk and Capital 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 institution's credit rating and the nature of financial instruments that can be held.

The Company's exposure to liquidity risk is not significant.

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The following tables show the maturity of the Company's liabilities as at 31 March 2013 and 2012

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 March 2013	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Creditors	(863)	-	-	-	(863)
	<u>(863)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(863)</u>
31 March 2012	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Creditors	(863)	-	-	-	(863)
	<u>(863)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(863)</u>

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. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 March 2013 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2012: none)

Capital management

The Company is regulated on a stand-alone basis by the Financial Conduct Authority under the EU Capital Requirements Directive and is subject to an investment firm consolidation waiver. Capital is managed on a Group basis, please refer to ICAP plc financial statements for further disclosure. Copies of the consolidated financial statements of ICAP plc can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR.

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 2013 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements. None of these items give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

4. OPERATING PROFIT

	<u>Year ended</u> <u>31/03/2013</u>	<u>Year ended</u> <u>31/03/2012</u>
	\$'000	\$'000
Operating profit is stated after charging		
Wages & salaries and social security costs (note 5)	7	71
Other staff costs	1	6
Staff costs	<u>8</u>	<u>77</u>

Services provided by the company's auditor

- Fees payable for the audit	29	46
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The Company's administrative expenses includes auditors' remuneration in respect of statutory audit in the UK of \$29,000 (2012 \$46,000)

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of its parent, ICAP plc, include these fees on a consolidated basis

5. SALARY AND PAYROLL COSTS

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

	<u>Year ended</u> <u>31/03/2013</u>	<u>Year ended</u> <u>31/03/2012</u>
	\$'000	\$'000
Employee costs		
Wages and salaries	6	64
Social security costs	1	7
	<u>7</u>	<u>71</u>

The average number of persons employed by the Company during the year was nil (2012 1).

All staff costs were borne by a fellow subsidiary company of ICAP plc and were charged to the Company by way of the Group management charges referred to in note 4

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

6. DIRECTORS' REMUNERATION

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

	<u>Year ended</u> <u>31/03/2013</u>		<u>Year ended</u> <u>31/03/2012</u>	
	Total	Highest paid director	Total	Highest paid director
	\$'000	\$'000	\$'000	\$'000
Aggregate emoluments	-	-	1	1
	-	-	1	1

As at 31 March 2013, retirement benefits are accruing to no directors (2012 no directors) under defined contribution schemes sponsored by ICAP plc

No fees were paid to the directors in respect of services to the Company during the year (2012 \$nil)

7. OTHER OPERATING INCOME

This represents exchange differences arising on transactions in foreign currencies during the year and on the translation at the balance sheet date of assets and liabilities denominated in foreign currencies

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year ended</u> <u>31/03/2013</u> \$'000	<u>Year ended</u> <u>31/03/2012</u> \$'000
a) Analysis of (credit)/ charge for the year		
Current taxation		
UK Corporation tax	(12)	98
Adjustments to prior years	(2)	(8)
	<u>(14)</u>	<u>90</u>
Deferred taxation		
Deferred taxation (note 10) - current year	2	3
Adjustments to prior years (note 10)	-	(1)
	<u>2</u>	<u>2</u>
	<u>(12)</u>	<u>92</u>
b) Factors affecting the taxation (credit)/ charge for the year		
Loss before tax	<u>(41)</u>	<u>(6,335)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	(10)	(1,647)
Effects of		
Expenses not deductible for tax purposes	-	1,746
Adjustments to prior years – current tax	(2)	(8)
Exchange adjustment on deferred tax	-	1
	<u>(2)</u>	<u>1,739</u>
Tax (credit)/charge for the year	<u>(12)</u>	<u>92</u>
Effective tax rate	-	-1%

Legislation to reduce the main rate of Corporation Tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate to 20% by 1 April 2015. These latter changes had not been substantially enacted at the balance sheet date and are not included in the tax charge for the period. The reduction to 20% is not expected to have a material impact on the deferred tax balances.

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

9. INTANGIBLE ASSETS

	<u>Capitalised software</u> \$'000
Cost	
As at 1 April 2012	46
As at 31 March 2013	<u>46</u>
Amortisation	
As at 1 April 2012	45
Amortisation charge for the year	1
Other movements	-
As at 31 March 2013	<u>46</u>
Net book value	
As at 31 March 2013	<u><u>-</u></u>

10. DEFERRED TAX ASSETS

Deferred taxation assets were as follows

	<u>As at 31/03/2013</u> \$'000	<u>As at 31/03/2012</u> \$'000
Capital allowances	<u>8</u>	<u>10</u>
	<u>8</u>	<u>10</u>
	<u>2013</u> \$'000	<u>2012</u> \$'000
At beginning of the year	10	12
Transferred to the profit and loss account (note 8)	(2)	-
Prior year adjustment (note 8)	-	(2)
As at 31 March	<u>8</u>	<u>10</u>

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

11. DEBTORS

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Non-current		
Accrued income	-	73
	<u>-</u>	<u>73</u>
Current		
Agency trade debtors	2	11
Net trade debtors	<u>2</u>	<u>11</u>
Amounts owed by Group companies	506	7,338
Provision for impairment	-	(6,712)
Other debtors	57	-
	<u>565</u>	<u>637</u>

12. CASH AT BANK AND IN HAND

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Cash at bank and in hand	1	16
Short-term bank deposits	666	642
	<u>667</u>	<u>658</u>

The effective interest rates are disclosed in note 2

The short term deposits have a maturity of less than 30 days

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

13. CREDITORS

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Amounts falling due after one year		
Preference shares	863	863
	<u>863</u>	<u>863</u>

14. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Allotted and fully paid:		
200,000 Ordinary A shares of £1 each	287	287
	<u>287</u>	<u>287</u>

15. RESERVES

	<u>Share</u> <u>premium</u> <u>account</u> \$'000	<u>Revaluation</u> <u>reserve</u> \$'000	<u>Profit and</u> <u>loss</u> <u>account</u> \$'000
As at 1 April 2012	-	-	3,627
Retained loss for the financial year	-	-	(1,777)
Other movements	-	-	(1,748)
As at 31 March 2013	<u>-</u>	<u>-</u>	<u>102</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>2013</u> <u>\$'000</u>	<u>2012</u> <u>\$'000</u>
Loss for the financial year	(1,777)	(6,427)
Retained loss for the financial year	(1,777)	(6,427)
Other movements	1,748	-
Net addition to shareholders' funds	<u>(29)</u>	<u>(6,427)</u>
Closing shareholders' funds	<u>389</u>	<u>418</u>

ICAP SHIPPING DERIVATIVES LIMITED

Notes to the financial statements for the year ended 31 March 2013

17. ULTIMATE PARENT COMPANY

Parent company

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

The Company's ultimate parent is ICAP plc, which is incorporated in England and Wales, and heads the largest group of companies of which the Company is a member. ICAP plc prepares consolidated financial statements in accordance with IFRS and copies may be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR