

Company Number: 3879508

HARLOW (LONDON) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

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HARLOW (LONDON) LIMITED

Directors' Report for the year ended 31 March 2016

Company Number: 3879508

The directors present their Directors' Report and the audited financial statements of Harlow (London) Limited (the 'Company') for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company's principal activity is voice broking on an agency basis in the spot foreign exchange markets. It is anticipated that the Company will continue its present business activities next year.

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 business review and future developments of the Company are detailed in the Strategic Report.

DIVIDENDS

No dividends were paid during the year (2015: nil).

DIRECTORS

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

A Berry	(appointed 18 April 2011)
J Scard Morgan	(appointed 23 September 2013)
N Dargan	(appointed 1 June 2013)

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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

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.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group (ICAP plc, the ultimate parent undertaking, and its subsidiaries) and are not managed separately. Accordingly, the principal risks and uncertainties of ICAP plc, which include those of the Company, are discussed on page 16 to 21 of the Group's annual report, which does not form part of this report.

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.

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


N Dargan
Director

9 December, 2016

HARLOW (LONDON) LIMITED

Strategic Report for the year ended 31 March 2016

The directors present their Strategic Report and the audited financial statements of Harlow (London) Limited (the 'Company') for the year ended 31 March 2016.

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.

The Company principally operates in the Spot FX market, offering products in a variety of currencies including Euro, Sterling and Yen. General market conditions have been difficult over the last 12 months. Volumes have declined as a result of reduced exchange rate volatility, the low interest rate environment and bank internalisation of foreign exchange flows. This was compounded by a lower risk appetite and increased commission pressure. The business is moving towards a hybrid voice-electronic model, and continues to actively manage down the cost base.

On 11 November 2015, the Company's ultimate parent ICAP plc signed a Sale and Purchase Agreement with Tullett Prebon for the disposal of its Global Broking business together with related information services and i-Swap. The disposal was fully approved by regulatory authorities across jurisdictions and commercial terms finalised with a date of completion of 29 December 2016. The directors do not expect the transaction to have a material impact on the financial position and performance of the Company.

On 23 June 2016, following the United Kingdom European Union membership referendum, the United Kingdom has decided to leave the European Union. The Directors are still assessing the impact of this decision on the Company.

RESULTS

The results of the Company are set out in the income statement on page 6.

The loss for the financial year of £1,518,000 (2015: loss of £436,000) has been transferred to reserves.

The net assets of the Company are £3,450,000 (2015: £4,968,000).

EXCEPTIONAL ITEMS

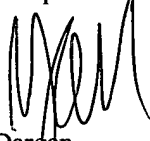
Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results. These are shown as 'exceptional items' on the face of the income statement.

In response to the prevailing market conditions, the Company has completed a restructuring programme aimed at focusing and realigning systems, processes and legal entity structures and increasing workforce productivity. As a result, the Company recognised staff termination costs of £357,000 (2015: £280,000) during the year.

KEY PERFORMANCE INDICATORS

The directors of ICAP plc manage the Group's operations on a divisional 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 ICAP plc, which includes the Company, are discussed on page 10 and 11 of 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 on behalf of the board:



N Dargan
Director

9 December, 2016

HARLOW (LONDON) LIMITED

Independent Auditors' Report to the members of Harlow (London) Limited

Report on the financial statements

Our opinion

In our opinion, Harlow (London) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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.

What we have audited

The financial statements, included within the financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2016;
- the Profit and Loss account and the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

HARLOW (LONDON) LIMITED

Independent Auditors' Report to the members of Harlow (London) Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Claire Tucker

**Claire Tucker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 December, 2016**

HARLOW (LONDON) LIMITED

Profit and Loss Account for the year ended 31 March 2016

	<u>Note</u>	<u>Year ended</u> <u>31/03/2016</u> £'000	<u>Year ended</u> <u>31/03/2015</u> £'000
Turnover		4,749	6,587
Administrative expenses		(6,231)	(6,758)
Other operating expenses	8	(20)	(54)
Exceptional items	5	(357)	(280)
Loss on ordinary activities before taxation	4	<u>(1,859)</u>	<u>(505)</u>
Tax credit	9	341	69
Loss for the financial year		<u><u>(1,518)</u></u>	<u><u>(436)</u></u>

The notes on pages 10 to 20 are an integral part of these financial statements.

HARLOW (LONDON) LIMITED

Statement of Comprehensive Income for the year ended 31 March 2016

	<u>Year ended</u> <u>31/03/2016</u> £'000	<u>Year ended</u> <u>31/03/2015</u> £'000
Loss for the financial year	(1,518)	(436)
Total comprehensive loss for the financial year	<u>(1,518)</u>	<u>(436)</u>

The notes on pages 10 to 20 are an integral part of these financial statements.

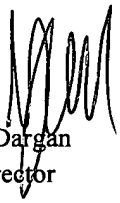
HARLOW (LONDON) LIMITED**Balance Sheet as at 31 March 2016**

Company Number: 3879508

	<u>Note</u>	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Non-current assets			
Deferred tax asset	10	<u>1</u>	<u>1</u>
		1	1
Current assets			
Debtors	11	3,012	4,828
Tax receivable		354	69
Cash and cash equivalents	12	<u>83</u>	<u>83</u>
		3,449	4,980
Total assets		<u>3,450</u>	<u>4,981</u>
Current liabilities			
Creditors	13	<u>-</u>	<u>(13)</u>
		-	(13)
Total liabilities		<u>-</u>	<u>(13)</u>
Net assets		<u>3,450</u>	<u>4,968</u>
Equity			
Share capital	14	1,200	1,200
Share premium		300	300
Retained earnings		<u>1,950</u>	<u>3,468</u>
Total equity		<u>3,450</u>	<u>4,968</u>

The notes on pages 10 to 20 are an integral part of these financial statements.

The financial statements on pages 6 to 20 were approved by the Board of directors 9 December 2016 and were signed on its behalf by:



N Dargan
Director

HARLOW (LONDON) LIMITED

Statement of Changes in Equity for the year ended 31 March 2016

	<u>Share capital</u> (note 14) £'000	<u>Share premium</u> £'000	<u>Retained earnings</u> £'000	<u>Total equity</u> £'000
As at 1 April 2014	1,200	300	3,904	5,404
Loss for the financial year	-	-	(436)	(436)
As at 31 March 2015	1,200	300	3,468	4,968
Loss for the financial year	-	-	(1,518)	(1,518)
As at 31 March 2016	1,200	300	1,950	3,450

The notes on pages 10 to 20 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 premium

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

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

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) 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 Company is a qualifying entity for the purposes of FRS 101. Note 15 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:

- cash flow statements;
- process for managing capital;
- key management compensation; and
- related party transactions between wholly owned group companies.

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

b) Turnover

Turnover comprises commission and brokerage income derived from broking services supplied to third parties which is recognised at trade date.

Broking services comprises voice and electronic broking and is transacted on an agency basis. For agency trades, turnover is stated net of rebates and discounts, value added tax and other sales taxes. Turnover from broking on electronic platforms is recognised in accordance with the treatment for the equivalent voice-brokered products.

c) Pension costs

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

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 income statement, 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 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.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 income statement, 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) Debtors

Debtors are recognised at cost less provision for impairment.

g) 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.

h) 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 sometime 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 income statement.

i) Cash and cash equivalents

Cash and cash equivalents are deposits held at call with banks

j) Share capital

Ordinary shares are classified as equity.

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

k) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on after 1 April 2015 have had a material impact on the company.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

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 Finance 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>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Financial assets		
Cash at bank and in hand	83	83
Debtors	3,012	4,828
<i>Less</i>		
Prepayments	<u>(121)</u>	<u>(74)</u>
	<u>2,974</u>	<u>4,837</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 (Sterling), principally United States Dollars and Euros. 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.

The net foreign currency positions are considered to be insignificant. Any movements in these currencies against GBP is not expected to have a significant impact on the financial statements.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2016:

	<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	-	-	-	83	83
Debtors less prepayments	16	117	6	2,752	2,891
	<u>16</u>	<u>117</u>	<u>6</u>	<u>2,835</u>	<u>2,974</u>
Liabilities					
Creditors	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>16</u>	<u>117</u>	<u>6</u>	<u>2,835</u>	<u>2,974</u>

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2015:

	<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	-	-	-	83	83
Debtors less prepayments	19	132	6	4,598	4,754
	<u>19</u>	<u>132</u>	<u>6</u>	<u>4,681</u>	<u>4,837</u>
Liabilities					
Creditors	-	-	-	(13)	(13)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>(13)</u>
Net assets	<u>19</u>	<u>132</u>	<u>6</u>	<u>4,668</u>	<u>4,824</u>

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 Finance 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 Finance Committee.

As at 31 March 2016 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that a change of 1% in interest rates would have an immaterial impact on the financial statements.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's interest rate profile as at 31 March 2016 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	-	-	83	83
Debtors less prepayments	2,891	-	83	2,891
	<u>2,891</u>	<u>-</u>	<u>83</u>	<u>2,974</u>
Liabilities				
Creditors	-	-	-	-
	<u>2,891</u>	<u>-</u>	<u>-</u>	<u>2,974</u>

The Company's interest rate profile as at 31 March 2015 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	-	-	83	83
Debtors less prepayments	4,754	-	-	4,754
	<u>4,754</u>	<u>-</u>	<u>83</u>	<u>4,837</u>
Liabilities				
Creditors	(13)	-	-	(13)
	<u>4,741</u>	<u>-</u>	<u>-</u>	<u>4,824</u>

Price Risk

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

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The Company has no significant concentrations of credit risk.

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 Finance 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.

The following tables show the maturity of the Company's liabilities as at 31 March 2016 and 2015:

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
	£'000	£'000	£'000	£'000	£'000
31 March 2016					
Liabilities					
Creditors	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
	£'000	£'000	£'000	£'000	£'000
31 March 2015					
Liabilities					
Creditors	-	-	(13)	-	(13)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 March 2016 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2015: none).

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

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 2016 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements.

4. LOSS BEFORE TAX

	<u>Year ended</u> <u>31/03/2016</u> £'000	<u>Year ended</u> <u>31/03/2015</u> £'000
Loss before tax is stated after charging:		
Wages & salaries, pension and social security costs (note 6)	2,614	3,577
Travel & entertainment costs	127	219
Professional fees	1,323	361
Charity donations	27	43
Telecom costs	323	369
Other staff costs	59	67

Services provided by the Company's auditors:

- Fees payable for the audit	22	22
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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.

The Company's administrative expenses includes an intercompany recharge in relation to a Save-As-You-Earn (SAYE) share option scheme of £17,000 (2015: £13,000) for options over ordinary shares in ICAP plc, the Company's ultimate parent company.

The remainder of the administrative expenses primarily relate to intercompany recharges in relation to a service agreement.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

5. EXCEPTIONAL ITEMS

In response to the prevailing market conditions, the Company has completed a restructuring programme aimed at focusing and realigning systems, processes and legal entity structures and increasing workforce productivity. As a result, the Company recognised staff termination costs of £357,000 (2015: £280,000) during the year.

6. SALARY AND PAYROLL COSTS

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

	<u>Year ended</u> <u>31/03/2016</u> £'000	<u>Year ended</u> <u>31/03/2015</u> £'000
Employee costs:		
Wages and salaries	2,203	3,116
Social security costs	405	453
Other pension costs	6	8
	<u>2,614</u>	<u>3,577</u>

The monthly average number of persons employed by the Company during the year was 14 (2015: 19).

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

7. DIRECTORS' REMUNERATION

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

	<u>Year ended</u> <u>31/03/2016</u>		<u>Year ended</u> <u>31/03/2015</u>	
	Total	Highest paid director	Total	Highest paid director
	£'000	£'000	£'000	£'000
Aggregate emoluments	31	21	39	26
Contributions to defined contribution pension schemes	1	-	1	-
	<u>32</u>	<u>21</u>	<u>40</u>	<u>26</u>

As at 31 March 2016, retirement benefits are accruing to 0 director (2015: 1 director) under defined contribution schemes sponsored by ICAP plc.

8. OTHER OPERATING EXPENSES

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.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

9. TAX CREDIT

	<u>Year ended</u> <u>31/03/2016</u> £'000	<u>Year ended</u> <u>31/03/2015</u> £'000
a) Analysis of tax credit for the year		
Current tax:		
UK Corporation tax	(354)	(69)
Adjustments in respect of prior years	13	1
	<u>(341)</u>	<u>(68)</u>
Deferred tax:		
Adjustments in respect of prior years (note 10)	-	(1)
	<u>-</u>	<u>(1)</u>
	<u>(341)</u>	<u>(69)</u>
b) Factors affecting the tax credit for the year		
Loss on ordinary activities before tax	<u>(1,859)</u>	<u>(505)</u>
Tax calculated at a rate of 20% (2015: 21%)	(372)	(106)
Effects of:		
Expenses not deductible for tax purposes	24	40
Adjustments in respect of prior years – current tax	13	1
Adjustments in respect of prior years – deferred tax	-	(1)
Double tax relief	(6)	(3)
	<u>31</u>	<u>37</u>
Tax credit for the year	<u>(341)</u>	<u>(69)</u>
Effective tax rate	0%	0%

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Further reductions to the main rate in Finance Act 2016 have been substantively enacted by the balance sheet date reducing it to 19% by 1 April 2017 and 17% from 1 April 2020. Deferred tax is anticipated to unwind at an approximate rate of 19%.

The above current tax credit for the year in respect of UK Corporation tax corresponds to losses to be surrendered by way of group relief. Tax receivable included within current assets represents amounts receivable from Group companies in this regard.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

10. DEFERRED TAX ASSET

The deferred tax asset was as follows:

	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Capital allowances	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>
	<u>2016</u> £'000	<u>2015</u> £'000
At beginning of the year	1	-
Transferred to the profit and loss account (note 9)	-	1
As at the end of the year	<u>1</u>	<u>1</u>

11. DEBTORS

	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Current		
Trade debtors	351	649
Amounts owed from related companies	2,540	4,105
Prepayments and accrued income	121	74
	<u>3,012</u>	<u>4,828</u>

The majority of net trade debtors which are neither impaired nor past their normal settlement dates are held with high quality credit institutions.

As at 31 March the following trade debtors were unsettled, but had not been impaired:

	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Less than 30 days, and not yet due	276	437
Over 30 days, but less than 90 days, and past due date	70	201
Over 90 days, but less than 180 days, and past due date	1	(1)
Over 180 days, and past due date	4	12
	<u>351</u>	<u>649</u>

HARLOW (LONDON) LIMITED

Notes to the financial statements for the year ended 31 March 2016

12. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Cash at bank	83	83
	<u>83</u>	<u>83</u>

13. CREDITORS

	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Accruals	-	13
	<u>-</u>	<u>13</u>

14. SHARE CAPITAL

	<u>As at</u> <u>31/03/2016</u> £'000	<u>As at</u> <u>31/03/2015</u> £'000
Allotted and fully paid:		
1,200,000 Ordinary shares of £1 each (2015: 1,200,000)	1,200	1,200
	<u>1,200</u>	<u>1,200</u>

15. 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 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.