

Company Number: 4668969

ICAP AMERICA INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MARCH 2004



ICAP AMERICA INVESTMENTS LIMITED

Directors' report

The directors present their report and the audited financial statements of the company for the period from the date of incorporation on 18 February 2003 to 31 March 2004.

PRINCIPAL ACTIVITY

The company was incorporated as an investment company and it is not anticipated that the company's activities will change in the foreseeable future.

RESULTS AND DIVIDENDS

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

These financial statements cover the period since incorporation and therefore are presented with no comparative figures.

The financial statements are presented in United States dollars (US\$) as the company's investments are all denominated in US\$. The exchange rate at 31 March 2004 was US\$1.8378/£.

The directors do not recommend the payment of a dividend and the retained profit for the year of US\$5,828,000 has been transferred to reserves.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the period were:

D Gelber	Appointed 18 February 2003
J N Pettigrew	Appointed 18 February 2003
T C Kidd	Appointed 18 February 2003
H F Broomfield	Appointed 1 August 2003
E C Pank	Appointed 18 February 2003 and resigned 1 August 2003

Directors' interests in the share capital of the company, its ultimate parent undertaking, ICAP plc, and any of its fellow subsidiary undertakings are set out in note 5 to the financial statements.

LAYING OF REPORTS AND ACCOUNTS

The company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the members of the company in general meeting. However, under the provisions of Section 253(2) of the Companies Act 1985 (as amended), any member of the company has the right to require this report and accounts to be laid before the members of the company in a general meeting. Any member wishing to exercise this right must deposit notice at the company's registered office within 28 days of the date of this report.

AUDITORS

During the period, the company appointed PricewaterhouseCoopers LLP as its auditors. The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

ICAP AMERICA INVESTMENTS LIMITED
Directors' report (cont'd)

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

A handwritten signature in cursive script, appearing to read 'K Dickinson', is written over a horizontal line.

K Dickinson
Secretary

29 June 2004

ICAP AMERICA INVESTMENTS LIMITED
Independent auditor's report to the members of ICAP America Investments Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

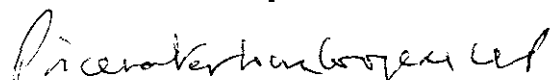
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
LONDON

30/06/04

ICAP AMERICA INVESTMENTS LIMITED
Profit and loss account for the period from 18 February 2003 to 31 March 2004

		<u>Period ended 31/3/2004 US\$'000</u>
Income from shares in group undertakings		30
Profit before interest		<u>30</u>
Interest receivable and similar income	6	8,283
Profit on ordinary activities before taxation		<u>8,313</u>
Tax on profit on ordinary activities	7	(2,485)
Retained profit for the financial period	12	<u><u>5,828</u></u>

The profit on ordinary was derived wholly from continuing operations.

The company had no recognised gains and losses for the period other than those included in the profit and loss account.

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

ICAP AMERICA INVESTMENTS LIMITED
Balance sheet as at 31 March 2004

	<u>Note</u>	<u>As at</u> <u>31/3/2004</u> US\$'000
Fixed assets		
Investments	8	7,434
		<u>7,434</u>
Current assets		
Debtors	9	225,494
Cash at bank and in hand		859
		<u>226,353</u>
Current liabilities:		
Creditors: Amounts falling due within one year	10	(2,485)
		<u>223,868</u>
Net current assets		
		<u>231,302</u>
Net assets		
		<u><u>231,302</u></u>
Capital and reserves		
Called up share capital	11	225,474
Profit and loss account	12	5,828
		<u>231,302</u>
Equity shareholders' funds	12	<u><u>231,302</u></u>

The financial statements on pages 4 to 9 were approved by the board of directors on 29 June 2004 and were signed on its behalf by:


T C Kidd
Director

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the period ended 31 March 2004

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with Accounting Standards applicable in the United Kingdom.

The financial statements are presented in US dollars (US\$) because the company considers US dollars to be its functional currency.

2. CASH FLOW STATEMENT

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

3. PROFIT AND LOSS ACCOUNT

Annual filing fees and audit fees were borne by a fellow subsidiary undertaking of ICAP plc.

The company had no employees during the year.

4. DIRECTORS' REMUNERATION

During the period, the directors received no remuneration in respect of their services as directors of the company.

5. DIRECTORS' INTERESTS

None of the directors held interests in the securities of the company.

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

The other directors' interests in the share capital of the company's ultimate parent company, ICAP plc, in the form of options over ICAP plc ordinary shares of 10p each and through Long Term Incentive Plans are as follows:

ICAP AMERICA INVESTMENTS LIMITED

Notes to the financial statements for the period ended 31 March 2004 (cont'd)

5. DIRECTORS' INTERESTS (cont'd)

ICAP plc Ordinary shares of 10p each*

	<u>Exercise</u> <u>price (p)</u>	<u>Grant date</u>	<u>As at</u> <u>18/2/2003</u>	<u>Granted in</u> <u>period</u>	<u>Exercised in</u> <u>period</u>	<u>As at</u> <u>31/3/2004</u>
H F Broomfield						
SAYE	168.2	27/6/2003	-	5,495	-	5,495
			-	5,495	-	5,495
T C Kidd						
SEPP						
Basic award	100.0	1/6/1999	5,430	-	(5,430)	-
Matching award	100.0	1/6/1999	5,430	-	(5,430)	-
UESOP	188.5	17/1/2003	100,000	-	-	100,000
SAYE	168.2	27/6/2003	-	5,495	-	5,495
			110,860	5,495	(10,860)	105,495

*On 6 February 2004 the shareholders of ICAP plc voted to convert each ordinary share of 50p each to five ordinary shares of 10p each. Balances and exercise prices have been restated to reflect this change.

The SEPP is a long term incentive plan for directors and senior executives through which those directors and executives invest in shares of ICAP plc. Directors and senior executives are invited to waive part of their potential cash bonus in return for rights over the number of shares (Basic Award), which can be purchased with the foregone bonus at the market value of the shares in ICAP plc on the date of grant. Participants may also be granted a provisional allocation over additional shares (Matching Award); these matching shares are transferred to the executive on a sliding scale if he/she remains in employment as follows: no shares up to three years; 40% following completion of three but less than four years; and 100% on the fourth anniversary of the date of grant. These interests are held in trust, however the beneficial interest lies with the individual.

The UESOP is a long term incentive plan for the directors and senior executives through which those directors and executives invest in shares of ICAP plc. The grants of options have a maximum overall grant value of four times annual salary including bonuses. Options granted cannot be exercised until ICAP plc has achieved certain performance criteria (currently growth in earnings per share in excess of growth in the Retail Price Index by an average of 3% per annum over a rolling three year period).

The SAYE is an Inland Revenue approved scheme that enables employees to acquire options over ordinary shares at a discount of up to 20% of their market value, using the proceeds of a related SAYE contract. Options granted under the SAYE scheme are not subject to performance conditions. A qualifying employee share ownership trust (QUEST) has been established through which the SAYE scheme has operated to date.

6. INTEREST RECEIVABLE

	<u>Period</u> <u>ended</u> <u>31/3/2004</u> <u>US\$'000</u>
Bank interest receivable	4
Interest receivable from fellow subsidiary undertakings	8,279
	8,283

ICAP AMERICA INVESTMENTS LIMITED

Notes to the financial statements for the period ended 31 March 2004 (cont'd)

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>Period ended 31/3/2004 US\$'000</u>
Current taxation	
- UK corporation tax charge at 30%	<u>2,485</u>
The company's tax charge for the year is higher than the UK statutory rate and can be reconciled as follows:	
Profit on ordinary activities before tax	<u>8,313</u>
Corporation tax at charge standard rate of 30%	<u>2,494</u>
Tax effect on:	
Income from fixed asset investments	<u>(9)</u>
	<u>2,485</u>

8. FIXED ASSET INVESTMENTS

	<u>Cost US\$'000</u>
As at 18 February 2003	-
Additions during the period	<u>7,434</u>
As at 31 March 2004	<u>7,434</u>

During the period the company invested in US\$ denominated preference share capital of a fellow subsidiary undertaking.

9. DEBTORS

	<u>As at 31/3/2004 US\$'000</u>
Amounts due from fellow subsidiary undertakings	<u>225,494</u>

Amounts owed by fellow subsidiary undertakings include an interest bearing loan of US\$225,463,841 which is repayable within one year. The loan is due from ICAP New Jersey (No. 1) LLC and interest is charged at a rate of 4.08%.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>As at 31/3/2004 US\$'000</u>
UK corporation tax	<u>2,485</u>

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the period ended 31 March 2004 (cont'd)

11. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2004</u> <u>US\$'000</u>
Authorised:	
250,000,000 Ordinary shares of \$1 each	250,000
	<u> </u>
Allotted and fully paid:	
225,473,841 Ordinary shares of \$1 each	225,474
	<u> </u>

The company was incorporated on 18 February 2003 with an authorised share capital of 250,000,000 ordinary \$1 shares. On that day, the company issued 2 shares to ICAP North America Inc. On 8 May 2003, the company issued 225,473,839 shares to ICAP North America Inc.

12. SHAREHOLDERS' FUNDS

	<u>Share</u> <u>capital</u> <u>US\$'000</u>	<u>Profit</u> <u>and loss</u> <u>account</u> <u>US\$'000</u>	<u>Total</u> <u>US\$'000</u>
As at 18 February 2003	-	-	-
Issued during period	225,474	-	225,474
Retained profit for the period	-	5,828	5,828
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2004	225,474	5,828	231,302
	<u> </u>	<u> </u>	<u> </u>

13. RELATED PARTY TRANSACTIONS

As more than 90% of the voting rights in the company are controlled by ICAP plc which publishes consolidated financial statements, no disclosure is required under FRS8 "Related Party Disclosures" of any transactions between the company and the other members, associates or joint ventures of the group of undertakings headed by ICAP plc.

14. ULTIMATE PARENT UNDERTAKING

On 8 May 2003, ICAP North America Inc, the company's immediate parent undertaking, sold its entire shareholding to ICAP plc which became the company's immediate and ultimate parent undertaking. ICAP plc heads the smallest and largest group of undertakings of which the company is a member that prepares consolidated financial statements. Copies of the consolidated financial statements of ICAP plc can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR.