

Company Number: 5887529

ICAP UK INVESTMENTS NO.1

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2011



ICAP UK INVESTMENTS NO.1

Directors' Report for the year ended 31 March 2011

Company Number 5887529

The directors present their report and the audited financial statements of ICAP UK Investments No 1 (the 'Company') for the year ended 31 March 2011

PRINCIPAL ACTIVITY

The Company is a financing Company. 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 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 income statement on page 4.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2011 (2010: £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

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

DIRECTORS

The directors of the Company, who held office during the year were:

D Abrehart	
S Wren	(appointed 17 November 2010)
I Torrens	(resigned 17 November 2010)

None of the directors had any interests in the shares of the Company during the year.

ICAP UK INVESTMENTS NO.1

Directors' Report for the year ended 31 March 2011

Company Number 5887529

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

POST BALANCE SHEET EVENTS

On 31 May 2011, the Company purchased 46% of the share capital of Linkbrokers Derivatives LLC (formerly known as LinkBrokers Derivatives Corporation) from a fellow subsidiary for an amount of £16.5m. The Company then paid an interim dividend in specie to the value of £16.5m to its parent.

Also on 31 May 2011, the Company went through capital reconstruction to convert £39.8m of the share premium account into distributable reserves.

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



D Abrehart
Director

Friday, September 16, 2011

ICAP UK INVESTMENTS NO.1

Independent Auditors' Report to the members of ICAP UK Investments No.1

We have audited the financial statements of ICAP UK Investments No 1 for the year ended 31 March 2011 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 2011 and of its results and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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 Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Friday, September 16, 2011

ICAP UK INVESTMENTS NO.1
Income Statement for the year ended 31 March 2011

	<u>Note</u>	<u>Year ended</u> <u>31/03/2011</u> £'000	<u>Year ended</u> <u>31/03/2010</u> £'000
Finance income	6	247	219
Profit before tax		<u>247</u>	<u>219</u>
Tax	7	(69)	(61)
Profit for the year		<u>178</u>	<u>158</u>

The operating profit of the Company for the year is derived from continuing operations
The notes on pages 9 to 15 are an integral part of these financial statements

ICAP UK INVESTMENTS NO.1

Statement of Comprehensive Income for the year ended 31 March 2011

	<u>Year ended</u> <u>31/03/2011</u> £'000	<u>Year ended</u> <u>31/03/2010</u> £'000
Profit for the year	178	158
Total comprehensive income for the year	<u>178</u>	<u>158</u>

The notes on pages 9 to 15 are an integral part of these financial statements

ICAP UK INVESTMENTS NO.1
Balance Sheet as at 31 March 2011

Company Number 5887529

	<u>Note</u>	<u>As at</u> <u>31/03/2011</u> £'000	<u>As at</u> <u>31/03/2010</u> £'000
Current assets			
Other receivables	8	41,320	28,731
Total assets		<u>41,320</u>	<u>28,731</u>
Current liabilities			
Other payables	9	(676)	-
Tax payable		(69)	(61)
Total liabilities		<u>(745)</u>	<u>(61)</u>
Net assets		<u>40,575</u>	<u>28,670</u>
Equity			
Called up share capital	10	78	67
Share premium account		39,792	28,076
Retained earnings		705	527
Total equity		<u>40,575</u>	<u>28,670</u>

The notes on pages 9 to 15 are an integral part of these financial statements

The financial statements on pages 4 to 15 were approved by the Board of directors on 16 September 2011 and were signed on its behalf by



D Abrehart

Director

ICAP UK INVESTMENTS NO.1

Statement of Changes in Equity as at 31 March 2011

	<u>Called up</u> <u>share</u> <u>Capital</u> <u>(note 10)</u> <u>£'000</u>	<u>Share</u> <u>premium</u> <u>account</u> <u>£'000</u>	<u>Retained</u> <u>earnings</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
As at 1 April 2009	52	12,937	369	13,358
Profit for the year	-	-	158	158
Shares issued to the parent on 30 June 2009	2	1,943	-	1,945
Shares issued to the parent on 29 September 2009	3	3,030	-	3,033
Shares issued to the parent on 24 December 2009	3	3,052	-	3,055
Shares issued to the parent on 29 March 2010	7	7,114	-	7,121
As at 31 March 2010	<u>67</u>	<u>28,076</u>	<u>527</u>	<u>28,670</u>
Profit for the year	-	-	178	178
Shares issued to the parent on 30 June 2010	3	3,232	-	3,235
Shares issued to the parent on 29 September 2010	3	3,092	-	3,095
Shares issued to the parent on 24 December 2010	3	3,158	-	3,161
Shares issued to the parent on 29 March 2011	2	2,234	-	2,236
As at 31 March 2011	<u>78</u>	<u>39,792</u>	<u>705</u>	<u>40,575</u>

The notes on pages 9 to 15 are an integral part of these financial statements

Called up share capital

The balance classified as called up share capital includes the nominal value of the proceeds on issue of the Company's called up share capital, comprising £0 001 ordinary shares

Share premium account

The share premium account includes the value of the proceeds above nominal on issue of the Company's called up share capital, comprising £0 001 ordinary shares

ICAP UK INVESTMENTS NO.1

Statement of Cash Flow for the year ended 31 March 2011

<u>Note</u>	<u>Year ended</u> <u>31/03/2011</u> £'000	<u>Year ended</u> <u>31/03/2010</u> £'000
Cash flows from operating activities		
Profit before tax	247	219
Adjustments for		
Finance income	(247)	(219)
	<hr/>	<hr/>
Increase in other receivables	(12,342)	(15,003)
Increase/ (decrease) in other payables	615	(151)
	<hr/>	<hr/>
<i>Operating cash flows after movements in working capital</i>	<i>(11,727)</i>	<i>(15,154)</i>
	<hr/>	<hr/>
Net cash used in operating activities	(11,727)	(15,154)
	<hr/>	<hr/>
Cash flows from financing activities		
Issue of shares	11,727	15,154
	<hr/>	<hr/>
Net cash from financing activities	11,727	15,154
	<hr/>	<hr/>
Net cash and cash equivalents at end of year	-	-

The notes on pages 9 to 15 are an integral part of these financial statements

Tax is paid to the authorities on behalf of the company by a fellow subsidiary company of ICAP plc, and is settled through the netting of related party balances

ICAP UK INVESTMENTS NO.1

Notes to the financial statements for the year ended 31 March 2011

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with IFRS adopted by the EU, IFRIC interpretations and with those parts of the companies Act 2006 applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU IAS Regulation. The financial statements have also been prepared under the historical cost convention, as modified to include the fair value of certain financial instruments in accordance with IFRS. The financial statements are prepared in pound sterling, which is the functional currency of the Company and presented in thousands.

b) Recent accounting developments

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2010 and are considered relevant to the Company.

IFRS3 (revised), 'Business combinations' and consequential amendments to IAS27, 'Consolidated and separate financial statements', IAS28, 'Investments in associates', and IAS31, 'Interests in joint ventures'. These changes apply to the Company prospectively for business combinations enacted on or after 1 April 2010. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classed as debt subsequently remeasured through the consolidated income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

All acquisition-related costs should be expensed. The Company expects that the impact on results will depend on the nature of transactions undertaken by the Company. Contingent deferred consideration payable arising from acquisitions enacted before 1 April 2010 will be remeasured in accordance with IFRS3 "(revised) Business Combinations" as movements to goodwill and not through the consolidated income statement as required by IFRS3 "(revised) Business Combinations".

A number of other interpretations and amendments to existing standards have been made by the IASB and IFRIC but are not considered relevant to the Company's operations.

The following new standards and amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2010 and have not been early adopted.

– revised IAS24 'Related party disclosures' was issued in November 2009 and is required to be applied for accounting periods on or after 1 January 2011. It supersedes IAS24 'Related party disclosures' issued in 2003.

– IFRS9 'Financial instruments' addresses clarification and measurement of financial assets, as the first phase of the replacement of IAS39 'Financial instruments: recognition and measurement' and is effective for annual periods beginning after 1 January 2013, subject to EU endorsement.

The impact on the Company's financial statements of the future adoption of the standard is still under review.

c) Taxation

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.

ICAP UK INVESTMENTS NO.1

Notes to the financial statements for the year ended 31 March 2011

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d) 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

e) Share capital

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

f) Finance income

Interest income is recognised using the effective interest method

ICAP UK INVESTMENTS NO.1

Notes to the financial statements for the year ended 31 March 2011

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 Company's financial assets of £41,320,000 (2010: £28,731,000) are classified as loans and receivables. Liabilities of £745,000 (2010: £61,000) are held at amortised cost. The fair value of the financial assets and liabilities is not materially different from their book values.

Market risk

Foreign exchange risk

The Company operates principally in the United Kingdom and therefore has no exposure to foreign exchange risk.

Interest rate risk

The Company's interest rate risk arises from cash and cash equivalents 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.

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. Typically the Company's counterparties are highly credit rated large financial institutions.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to receivables (note 8).

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Notes to the financial statements for the year ended 31 March 2011

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 as the majority of current liabilities at year end are bonus accruals, which will be funded by fellow subsidiaries. The company's financial liabilities have no fixed term of repayment and are repayable upon demand.

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 2011 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2010: none).

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 2011 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.

4 ADMINISTRATIVE EXPENSES

The Company's administrative expenses includes auditors' remuneration in respect of statutory audit in the UK of £3,000 (2010: £2,000).

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 accounts since the consolidated accounts of its parent, ICAP plc, include these fees on a consolidated basis.

5 DIRECTORS' REMUNERATION

The directors received no remuneration during the current or prior year in respect of their services as directors of the Company.

6. FINANCE INCOME

	<u>Year ended</u> <u>31/03/2011</u> £'000	<u>Year ended</u> <u>31/03/2010</u> £'000
Interest receivable from Group companies	247	219
	<u>247</u>	<u>219</u>

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Notes to the financial statements for the year ended 31 March 2011

7. TAX

	<u>Year ended</u> <u>31/03/2011</u> £'000	<u>Year ended</u> <u>31/03/2010</u> £'000
a) Analysis of charge for the year		
Current taxation		
UK Corporation tax	69	61
	<u>69</u>	<u>61</u>
b) Factors affecting the taxation charge for the year		
Profit before tax	<u>247</u>	<u>219</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 28% (2010 28%)	69	61
	<u>69</u>	<u>61</u>
Tax charge for the year		
Effective tax rate	28%	28%

8. OTHER RECEIVABLES

	<u>As at</u> <u>31/03/2011</u> £'000	<u>As at</u> <u>31/03/2010</u> £'000
Current		
Amounts owed by Group companies (note 12)	41,320	28,731
	<u>41,320</u>	<u>28,731</u>

This consists mainly of a loan amount due from ICAP Group Holdings Plc of £41,212,000 (2010 £11,195,000) and is part of a £100,000,000 revolving credit facility. Each drawdown is repayable within 364 days and bears interest at 3 month UK £LIBOR + 0.38%. The average rate of interest for the year was 1.1% (2010 1.37%).

The loan to Intercapital Limited has been settled (2010 £13,687,000) and the funds have been loaned to ICAP Group Holdings plc as a part of the revolving credit facility.

The remaining £108,000 (2010 £3,959,000) is repayable on demand and is non interest bearing.

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Notes to the financial statements for the year ended 31 March 2011

9. OTHER PAYABLES

	<u>As at</u> <u>31/03/2011</u> £'000	<u>As at</u> <u>31/03/2010</u> £'000
Current		
Other payables	676	-
	<u>676</u>	<u>-</u>

Other payables relate to unissued share capital

10. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2011</u> £'000	<u>As at</u> <u>31/03/2010</u> £'000
Authorised:		
125,000,000 Ordinary share(s) of £0 001 each	125	125
	<u>125</u>	<u>125</u>
Allotted and fully paid:		
78,892,693 Ordinary share(s) of £0 001 each (2010 67,165,693 Ordinary share(s) of £0 001 each)	78	67
	<u>78</u>	<u>67</u>

11. POST BALANCE SHEET EVENTS

On 31 May 2011, the Company purchased 46% of the share capital of Linkbrokers Derivatives LLC (formerly known as LinkBrokers Derivatives Corporation) from a fellow subsidiary for an amount of £16 5m. The Company then paid an interim dividend in specie to the value of £16 5m to its parent.

Also on 31 May 2011, the Company went through capital reconstruction to convert £39 8m of the share premium account into distributable reserves.

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Notes to the financial statements for the year ended 31 March 2011

12. RELATED PARTY TRANSACTIONS

Parent company

The Company's immediate parent is ICAP Luxembourg Holdings No 1 S A R L , 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

The smallest Group of which the Company is a member is headed by ICAP Group Holdings plc which prepares consolidated financial statements in accordance with IFRS as adopted by the European Union and copies may be obtained from the Company Secretary, ICAP Group Holdings plc, 2 Broadgate, London, EC2M 7UR

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

	<u>As at</u> <u>31/03/2011</u> £'000	<u>As at</u> <u>31/03/2010</u> £'000
Fellow subsidiary companies	41,320	28,731
	<u>41,320</u>	<u>28,731</u>

All UK domiciled Group companies are party to a netting agreement

Remuneration of key management personnel

There are no key management personnel other than the directors of the Company Director's remuneration is disclosed in note 5