

**Company Number: 5887529**

**ICAP UK INVESTMENTS NO 1**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2010**

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# **ICAP UK INVESTMENTS NO 1**

## **Directors' report for the year ended 31 March 2010**

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2010

### **PRINCIPAL ACTIVITY**

The company is a financing company and it is not anticipated that the company's activities will change in the foreseeable future

The company is incorporated and domiciled in the United Kingdom and is unlimited 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 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

### **RESULTS AND DIVIDENDS**

The results of the company are set out in the income statement on page 4 and are for the year ended the 31 March 2010

The directors do not recommend the payment of a dividend (2009 £nil)

### **FINANCIAL RISK MANAGEMENT**

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

### **DIRECTORS**

The directors of the company during the year and thereafter were

D A Abrehart  
I W Torrens

### **AUDITORS**

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

**ICAP UK INVESTMENTS NO 1**  
**Directors' report for the year ended 31 March 2010 (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**

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 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.

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that 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 A Abrehart  
Director

6 September 2010

# **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 2010 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows 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 Directors' Responsibilities Statement 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 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 Sections 495 and 496 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.

### **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 2010 and of its profit 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the parent company 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 by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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  
6 September 2010

**ICAP UK INVESTMENTS NO 1**  
**Income Statement for the year ended 31 March 2010**

	<u>Note</u>	<u>Year ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
Finance income	6	219	254
<b>Profit before taxation</b>		219	254
Taxation	7	(61)	(71)
<b>Profit for the year</b>		<u>158</u>	<u>183</u>

**Statement of Comprehensive Income for the year ended 31 March 2010**

	<u>Year ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
<b>Profit for the year</b>	158	183
<b>Total comprehensive income for the year</b>	<u>158</u>	<u>183</u>

**ICAP UK INVESTMENTS NO 1**  
**Statement of Changes in Equity for the year ended 31 March 2010**

	<u>Note</u>	<u>Share capital</u> £'000	<u>Share Premium reserve</u> £'000	<u>Retained Earnings</u> £'000	<u>Total</u> £'000
<b>As at 31 March 2008</b>		7	2,367	186	2,560
Profit for the year		-	-	183	183
Shares issued to parent on 30 June 2008	11	2	1,773	-	1,775
Shares issued to parent on 29 September 2008	11	1	1,232	-	1,233
Shares issued to parent on 23 December 2008	11	4	3,692	-	3,696
Shares issued to parent on 30 March 2009	11	38	3,873	-	3,911
<b>As at 31 March 2009</b>		52	12,937	369	13,358
Profit for the year		-	-	158	158
Shares issued to parent on 30 June 2009	11	2	1,943	-	1,945
Shares issued to parent on 29 September 2009	11	3	3,030	-	3,033
Shares issued to parent on 24 December 2009	11	3	3,052	-	3,055
Shares issued to parent on 29 March 2010	11	7	7,114	-	7,121
<b>As at 31 March 2010</b>		<u>67</u>	<u>28,076</u>	<u>527</u>	<u>28,670</u>

**ICAP UK INVESTMENTS NO 1**  
**Balance Sheet as at 31 March 2010**

	<u>Note</u>	<u>As at</u> <u>31/3/2010</u> £'000	<u>As at</u> <u>31/3/2009</u> £'000
<b>Current assets</b>			
Other receivables	9	28,731	13,509
Total assets		<u>28,731</u>	<u>13,509</u>
<b>Current liabilities</b>			
Other payables	10	(61)	(151)
<b>Net assets</b>		<u>28,670</u>	<u>13,358</u>
<b>Equity</b>			
Called up share capital	11	67	52
Share premium reserve		28,076	12,937
Retained earnings		527	369
<b>Equity</b>		<u>28,670</u>	<u>13,358</u>

The financial statements on pages 4 to 12 were approved by the board of directors on 6 September 2010 and were signed on its behalf by



**D A Abrehart**  
**Director**

**ICAP UK INVESTMENTS NO 1**  
**Statement of Cash Flows for the year ended 31 March 2010**

	<u>Note</u>	<u>Year ended 31/3/2010 £'000</u>	<u>Year ended 31/3/2009 £'000</u>
<b>Cash flows from operating activities</b>			
Profit before taxation		219	254
Adjustment for Finance income		(219)	(254)
Operating cash flows before movements in working capital		-	-
Increase in other receivables		(15,154)	(10,620)
Net cash from operating activities		(15,154)	(10,620)
<b>Cash flows from financing activities</b>			
Issue of shares		15,154	10,615
Net cash from financing activities		15,154	10,615
Net decrease in cash and cash equivalents		-	(5)
Net cash and cash equivalents at beginning of year		-	5
Net cash and cash equivalents at end of year	8	-	-



# ICAP UK INVESTMENTS NO 1

## Notes to the financial statements for the year ended 31 March 2010

### 1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with IFRS adopted by the European Union, International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU International Accounting Standards (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 pounds sterling, which is the functional currency of the parent company, ICAP Plc and presented in thousands.

(b) Taxation

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior periods. 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 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.

(c) Finance Income

Interest income is recognised using the effective interest method.

(d) Cash and cash equivalents

Cash equivalents includes all investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value when it has a maturity of three months or less from the date of acquisition.

(e) Loans and receivables

Loans and receivables are non-derivative financial instruments which have a fixed or easily determinable value. They are recognised at cost, less any provisions for impairment in their value.

An impairment review of the recoverable amounts of loans and receivables is undertaken at each balance sheet date or when such events or changes in circumstances indicate that an impairment loss may have occurred.

(f) Trade Payables

Accounts payable are recognised initially at fair value based on the amounts exchanged.

(g) Share capital and reserves

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

### 2. FINANCIAL RISK MANAGEMENT

(i) *Financial risk factors*

The company's activities expose it to a variety of financial risks, such as market risk, credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

The overall financial risk management framework, strategy and policies of the company are determined by the board of its ultimate parent company, ICAP plc (the "Group"). It does this through two board committees, the Group Risk and Treasury Committees, and also by regional and market risk committees. The company does not manage its own financial risk framework.

(ii) *Financial assets and liabilities*

The company's financial assets of £28,731,000 (2009: £13,509,000) are classified as loans and receivables. Liabilities of £61,000 (2009: £151,000) are held at amortised cost. The fair value of the financial assets and liabilities is not materially different from their book values.

## **ICAP UK INVESTMENTS NO 1**

### **Notes to the financial statements for the year ended 31 March 2010 (continued)**

#### **2 FINANCIAL RISK MANAGEMENT (continued)**

##### *(iii) Market risk*

###### Foreign exchange risk

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

###### Price risk

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

###### Interest rate risk

The company's financial liabilities are non interest bearing

##### *(iv) 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. As at 31 March 2010 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2009 Nil)

##### *(v) 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 is exposed to concentrations of credit risk in amounts due from group companies (note 9). The Group policy is to limit exposure by netting balances. All group companies are party to a netting agreement.

##### *(vi) Liquidity risk*

The company's activities do not expose it liquidity risk as all of its financial liabilities are payable on demand.

#### **3. KEY ACCOUNTING JUDGEMENTS**

The company makes various judgements in applying its accounting policies and various assumptions and estimates when determining the carrying value of certain assets and liabilities. As at 31 March 2010 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements, or 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, including the auditors' remuneration of £1,500 (2009 £1,500) have been borne by a fellow subsidiary company of ICAP plc.

The company had no employees during the current or prior year.

#### **5. DIRECTORS' REMUNERATION**

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

# ICAP UK INVESTMENTS NO 1

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 6. FINANCE INCOME

	<u>Year ended 31/3/2010</u> £'000	<u>Year ended 31/3/2009</u> £'000
Interest from fellow group companies	219	254
	<u>219</u>	<u>254</u>

### 7. TAXATION

The company's tax charge for the year and the statutory charge can be reconciled as follows

	<u>Year ended 31/3/2010</u> £'000	<u>Year ended 31/3/2009</u> £'000
Tax charge for the year	61	71
Profit before taxation	219	254
UK Corporation Tax at 28%	61	71
All tax balances are group relieved		

### 8. CASH AND CASH EQUIVALENTS

At the 31 March 2010 and 2009 the company does not hold any cash or cash equivalents

### 9. OTHER RECEIVABLES

	<u>As at 31/3/2010</u> £'000	<u>As at 31/3/2009</u> £'000
Amounts due from fellow group companies	28,731	13,509

This consists of loans fellow group companies. A loan from Intercapital Limited of £13,687,000 (2009 £13,509,000) is unsecured, bears interest at 3 month UK£ LIBOR + 0.38% and each drawdown is repayable after two years or earlier upon demand. The average rate of interest for the year was 1.37% (2009 5.62%).

Of the balance of £15,044,000 (2009 £Nil), an amount of £11,195,000 (2009 £Nil) is due from ICAP Group Holdings Plc 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 remaining £3,959,000 (2009 £Nil) is repayable on demand and is non interest bearing.

# ICAP UK INVESTMENTS NO 1

## Notes to the financial statements for the year ended 31 March 2010 (continued)

### 10. OTHER PAYABLES

	<u>As at</u> <u>31/3/2010</u> <u>£'000</u>	<u>As at</u> <u>31/3/2009</u> <u>£'000</u>
Group tax relief payable	<u>61</u>	<u>151</u>

Group tax relief payable is the amount due to a fellow subsidiary company of ICAP plc in relation to Corporation Tax losses group relieved. The amount is unsecured, non-interest bearing and is payable on demand.

### 11. CALLED UP SHARE CAPITAL

	<u>2010</u> <u>£'000</u>	<u>2009</u> <u>£'000</u>
Authorised 1,713,596,000 ordinary shares of £0.001 each	<u>1,714</u>	<u>1,714</u>
Allotted and fully paid		
As at 1 April	52	7
Issued in year		
30 June 2009 – 1,945,537 Ordinary shares of £0.001 each (30 June 2008 – 1,800,000)	2	2
29 September 2009 – 3,030,000 Ordinary shares of £0.001 each (29 September 2008 – 1,233,738)	3	1
24 December 2009 – 3,055,000 Ordinary shares of £0.001 each (23 December 2008 – 3,695,000)	3	4
29 March 2010 – 7,120,000 Ordinary shares of £0.001 each (30 March 2009 – 38,000,000)	<u>7</u>	<u>38</u>
As at 31 March	<u>67</u>	<u>52</u>

All shares were allotted to the parent company during the year for the following amounts of consideration:

30 June 2009	£1,945,537	29 September 2009	£3,033,335
24 December 2009	£3,054,672	29 March 2010	£7,120,901

As at 31 March 2010, there are 67,162,692 (2009: 52,012,155) ordinary shares of £0.001 in issue.

On 25 June 2010, the Company issued 3,234,000 ordinary shares of £0.001 each to ICAP Luxembourg Holdings No 1 SARL for a consideration of £3,234,627.

**ICAP UK INVESTMENTS NO 1**  
**Notes to the financial statements for the year ended 31 March 2010 (continued)**

**12. RELATED PARTIES**

Parent company

The company's immediate parent company is ICAP Luxembourg Holdings No 1 S A R.L, which does not prepare consolidated financial statements

The company's ultimate parent company is ICAP plc, which is incorporated in the United Kingdom 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.

Related party transactions

All Group companies are party to a netting agreement There were no related party transactions during the year ended 31 March 2010 or balances due other than disclosed in notes 6, 9 and 10