

Company Number: 6173794

ICAP SHIPPING INTERNATIONAL LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

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ICAP SHIPPING INTERNATIONAL LIMITED

Directors' Report for the year ended 31 March 2016

Company Number 6173794

The directors present their Directors' Report and the unaudited financial statements of ICAP Shipping International Limited (the Company') for the year ended 31 March 2016

PRINCIPAL ACTIVITIES

The Company is an investment holding 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 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:

L Barclay	(appointed 1 September 2016)
P Newman	(appointed 1 September 2016)
S Wren	(appointed 1 September 2016)
N Dargan	(resigned 1 September 2016)
D Casterton	(resigned 1 September 2016)
L Mayhew	(resigned 1 September 2016)
H Liddell	(resigned 1 April 2015)

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.

ICAP SHIPPING INTERNATIONAL LIMITED

Directors' Report for the year ended 31 March 2016

Company Number 6173794

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

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.

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.

POST BALANCE SHEET EVENTS

There were no material post balance sheet events that required separate disclosure.

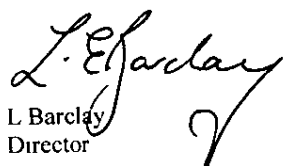
PRINCIPAL RISKS AND UNCERTAINTIES

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 as at 31 March 2016, 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 pages 16 to 21 of the Group's annual report, which does not form part of this report.

GOING CONCERN

The Company's financial statements have been prepared on a going concern basis because its immediate parent entity, ICAP Group Holdings plc, has indicated that it will provide financial support to the Company until at least twelve months from the date of signing the financial statements.

This report has been approved by the board of directors and signed by order of the board.


L. Barclay
Director

22 December 2016

ICAP SHIPPING INTERNATIONAL LIMITED

Strategic Report for the year ended 31 March 2016

The directors present their Strategic Report and the unaudited financial statements of ICAP Shipping International 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

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 30 December 2016. The directors do not expect the transaction to have a material impact on the financial position and performance of the Company as the Company is not an ICAP Global Broking business.

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 profit and loss account on page 4.

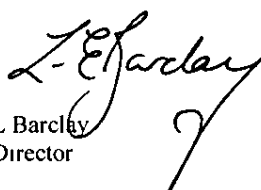
The profit for the financial year of \$3,371,000 (2015: \$1,656,000) has been transferred to reserves.

The net liabilities of the Company are \$54,793,000 (2015: \$58,164,000).

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.

By order of the Board



L Barclay
Director

22 December 2016

ICAP SHIPPING INTERNATIONAL 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		-	-
Administrative (expenses)/income		(160)	160
Impairment of investment		-	(4,012)
Other operating income	5	5,593	185
Operating profit	3	<u>5,433</u>	<u>(3,667)</u>
Dividend income	6	147	5 819
Interest payable and similar charges	7	(1,377)	(638)
Profit on ordinary activities before taxation		<u>4,203</u>	<u>1,514</u>
Tax (charge)/credit on profit on ordinary activities	8	(832)	142
Profit for the financial year		<u><u>3,371</u></u>	<u><u>1,656</u></u>

The notes on pages 8 to 15 are an integral part of these financial statements

ICAP SHIPPING INTERNATIONAL 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
Profit for the financial year	3,371	1,656
Total comprehensive income relating to the year	<u>3,371</u>	<u>1,656</u>

The notes on pages 8 to 15 are an integral part of these financial statements

ICAP SHIPPING INTERNATIONAL LIMITED**Balance Sheet as at 31 March 2016**

Company Number 6173794

	<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			
Investment in subsidiaries	9	7,124	7,624
Deferred tax asset	10	-	-
		<u>7,124</u>	<u>7,624</u>
Current assets			
Debtors	11	29,493	24,524
Tax receivable		-	152
Cash and cash equivalents	12	23	1,145
		<u>29,516</u>	<u>25,821</u>
Total assets		<u>36,640</u>	<u>33,445</u>
Current liabilities			
Creditors	13	(90,611)	(78,689)
Tax payable		(822)	-
		<u>(91,433)</u>	<u>(78,689)</u>
Non-current liabilities			
Subordinated loans		-	(12,900)
Creditors - amounts falling due after more than one year	13	-	(20)
		<u>-</u>	<u>(12,920)</u>
Total liabilities		<u>(91,433)</u>	<u>(91,609)</u>
Net liabilities		<u>(54,793)</u>	<u>(58,164)</u>
Equity			
Share capital	14	358	358
Retained earnings		(55,151)	(58,522)
Total equity		<u>(54,793)</u>	<u>(58,164)</u>

The notes on pages 8 to 15 are an integral part of these financial statements

The Company was entitled to exemption from audit for the year ended 31 March 2016 under section 479A of the Companies Act 2006 relating to subsidiary companies

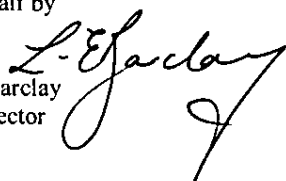
Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for

- (i) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 393 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company

The financial statements on pages 4 to 15 were approved by the Board of directors on 22 December 2016 and were signed on its behalf by

L Barclay
Director



ICAP SHIPPING INTERNATIONAL LIMITED
Statement of Changes in Equity for the year ended 31 March 2016

	<u>Share capital</u> <u>(note 14)</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total equity</u> \$'000
As at 31 March 2014	358	(60,178)	(59,820)
Profit for the year	-	1,656	1,656
As at 31 March 2015	<u>358</u>	<u>(58,522)</u>	<u>(58,164)</u>
Profit for the year	-	3,371	3,371
As at 31 March 2016	<u>358</u>	<u>(55,151)</u>	<u>(54,793)</u>

The notes on pages 8 to 15 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

ICAP SHIPPING INTERNATIONAL LIMITED

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

I 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 16 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:

- financial risk management note,
- cash flow statements,
- process for managing capital,
- key management compensation, and
- related party transactions between wholly owned group companies

As at 31 March 2016, the Company's total liabilities exceeded its total assets by £54,793,000. The financial statements have been prepared on a going concern basis as its parent entity, ICAP Group Holdings plc has confirmed its undertaking to provide financial support to the Company so that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of the financial statements.

The Company has exercised its entitlement not to produce consolidated financial statements as consolidated financial statements have been prepared by its ultimate parent undertaking, ICAP plc, as at 31 March 2016.

b) Functional currency

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

c) Turnover

Turnover relates to a royalty agreement that has been transferred from a fellow subsidiary, ICAP Shipping No 1 Limited, which has been dissolved, and which entitles the Company to 15% of the commission generated from yacht sale deals.

ICAP SHIPPING INTERNATIONAL LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d) Tax

Tax on the loss for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity in which case the current and deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised 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.

e) Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the profit and loss account, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to reserves. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

f) Financial assets

Financial assets are classified as available-for-sale or loans and receivables on initial recognition.

Available-for-sale available-for-sale financial assets are debt and equity non-derivative financial assets and are initially recognised at fair value. Any subsequent changes in fair value are recognised directly in equity. When an investment is disposed of or is determined to be impaired, any cumulative gain or loss previously recognised in equity is transferred to the profit and loss account. For equity financial assets, where the fair value cannot be reliably measured, the assets are held at cost less any provision for impairment. These assets are generally expected to be held for the long-term and are included in non-current assets. Assets such as shares or seats in exchanges, cash-related instruments, and long-term equity investments that do not qualify as associates or joint ventures are classified as available-for-sale.

Loans and receivables loans and receivables are non-derivative financial instruments which have a fixed or easily determined value. They are recognised at cost, less any provisions for impairment in their value. These assets are included in debtors (note 11).

Financial assets not held at fair value are impaired where there is objective evidence that the value may be impaired. The amount of the impairment is calculated as the difference between carrying value and the present value of any expected future cash flows, with any impairment being recognised in the profit and loss account. Subsequent recovery of amounts previously impaired are credited to the profit and loss account.

ICAP SHIPPING INTERNATIONAL LIMITED

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

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

g) Investment in subsidiaries

Investments comprise equity shareholdings. These investments are recorded at historical cost less provision for any impairment in their values.

A subsidiary is an entity over which the Company has control. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

h) 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.

i) Debt provisioning

Provisions are made for specific debts when it is considered that the creditworthiness of the debtor has deteriorated such that the recovery of all or part of a debt is in serious doubt.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date, but which will not be identified as such until some time in the future. The level of provision is based upon the previous experience of such losses in the Company and is reviewed on a periodic basis. The appropriateness of the provision is periodically assessed against any actual losses that have arisen. All provisions are recorded within administrative expenses in the profit and loss account.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash held at call with banks.

k) Impairment of assets

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

l) Share capital

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

m) New standards, amendments and interpretations

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

ICAP SHIPPING INTERNATIONAL LIMITED

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

2 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 the only such judgements are related to the impairment review of investments (note 9) When considering the investments value in use, cashflow projections have been used which extend forward to a terminal value and which take account of the approved budget for the coming year The Company applies a suitable discount factor to the future cash flows based on its weighted average costs of capital at 8.3% (2015: 8.5%) Growth rates are conservatively applied and do not exceed the expected growth in the local economy after the fifth year Management applied a rate of 5% which is consistent with that of ICAP Group

3 OPERATING PROFIT

Administrative expenses primarily relate to insurance costs

4 DIRECTORS' REMUNERATION

No fees were paid to the directors in respect of services to the Company during the year (2015: nil)

5 OTHER OPERATING INCOME

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

6 DIVIDEND INCOME

	<u>Year ended</u> <u>31/03/2016</u>	<u>Year ended</u> <u>31/03/2015</u>
	\$'000	\$'000
Dividends received	147	5,819
	<u>147</u>	<u>5,819</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year ended</u> <u>31/03/2016</u>	<u>Year ended</u> <u>31/03/2015</u>
	\$'000	\$'000
Interest on loans from related companies	1,377	638
	<u>1,377</u>	<u>638</u>

ICAP SHIPPING INTERNATIONAL LIMITED
Notes to the financial statements for the year ended 31 March 2016

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year ended</u> <u>31/03/2016</u> \$'000	<u>Year ended</u> <u>31/03/2015</u> \$'000
a) Analysis of charge/(credit) for the year		
Current tax		
UK Corporation tax – current year	822	(142)
UK Corporation tax – prior year	10	-
	<u>832</u>	<u>(142)</u>
	<u>832</u>	<u>(142)</u>
b) Factors affecting the tax charge/(credit) for the year		
Profit on ordinary activities before tax	<u>4,203</u>	<u>1 514</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 20% (2015 21%)	841	318
Effects of		
Dividend received	-	(1,303)
Expenses not deductible for tax purposes	11	-
Adjustments in respect of prior years – current tax	10	-
Impairment of investment	-	843
Non taxable income	(30)	-
	<u>(9)</u>	<u>(460)</u>
Tax charge/(credit) for the year	<u>832</u>	<u>(142)</u>
Effective tax rate	20%	-

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 have been substantively enacted in Finance Act 2016 reducing it to 19% from 1 April 2017 and 17% from 1 April 2020.

ICAP SHIPPING INTERNATIONAL LIMITED

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

9 INVESTMENT IN SUBSIDIARIES

	<u>As at</u> <u>31/03/2016</u> \$'000	<u>As at</u> <u>31/03/2015</u> \$'000
As at beginning of the year	7,624	11,637
Disposals	(500)	-
Impairment	-	(4 013)
As at end of the year	<u>7,124</u>	<u>7,624</u>

During the year, ICAP Shipping USA Inc was dissolved. During the prior year, the Company impaired its investments in ICAP Shipping USA Inc by \$4,013,000.

At 31 March 2016, the Company's subsidiary companies and related undertakings were as follows:

Name	% held	Country of incorporation
ICAP Shipping Derivatives Limited (in liquidation)	100%	England and Wales
ICAP Hyde Holdings Limited (in liquidation)	100%	England and Wales
ICAP Shipping Tankers Limited	100%	England and Wales
Capital Shipbroking Limited	100%	England and Wales
*Capital Shipbrokers LLP	100%	England and Wales
ICAP Shipping Limited	100%	England and Wales

*50% held by ICAP Shipping International Limited, and 50% by Capital Shipbroking Limited

Name	% Indirectly held	Country of incorporation
Midhurst Chartering Limited	100%	England and Wales
ICAP Shipping (Hong Kong) Limited	100%	Hong Kong
ICAP Shipping (Germany) GmbH	100%	Germany
ICAP Shipping Middle East DMCCO	100%	United Arab Emirates
ICAP Shipping Singapore Pte Limited	100%	Singapore
ICAP Shipping (Shanghai) Co. Limited	100%	China
ICAP Shipping Tankers Pte Limited	100%	Singapore
Howe Robinson Shipping (India) Pvt Limited	100%	India
Capital Shipbrokers Limited (HK)	49%	Hong Kong

ICAP SHIPPING INTERNATIONAL 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
As at beginning of the year	-	1
Transferred to the profit and loss account (note 8)	-	(1)
As at end of the year	<u>-</u>	<u>-</u>

11 DEBTORS

	<u>As at</u> <u>31/03/2016</u> \$'000	<u>As at</u> <u>31/03/2015</u> \$'000
Amounts owed by immediate parent company	600	-
Amounts owed by related companies	28,729	24,485
Prepayments and accrued income	164	39
	<u>29,493</u>	<u>24,524</u>

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	22	1,145
	<u>22</u>	<u>1,145</u>

ICAP SHIPPING INTERNATIONAL LIMITED

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

13. CREDITORS

	<u>As at</u> <u>31/03/2016</u> \$'000	<u>As at</u> <u>31/03/2015</u> \$'000
Non-current		
Deferred income	-	20
Subordinated loan	-	12,900
	<u>-</u>	<u>12,920</u>
	<u>As at</u> <u>31/03/2016</u> \$'000	<u>As at</u> <u>31/03/2015</u> \$'000
Current		
Loans owed to immediate parent company	80,353	673
Loans owed to related companies	-	32,439
Amounts owed to immediate parent company	-	-
Amounts owed to related companies	10,258	45,539
Accruals	-	38
	<u>90,611</u>	<u>78,689</u>

Deferred income relates to the acquisition of subsidiary companies during the year ended 31 March 2008. The movement in deferred income reflects the performance of those subsidiaries during the year.

The subordinated loan represented a loan from BrokerTec Europe Limited with a term of no less than 5 years. The interest rate applied on this loan is equal to LIBOR plus 0.75%.

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		
250,000 Ordinary shares of £1 each (2015: 250,000)	358	358
	<u>358</u>	<u>358</u>

15. POST BALANCE SHEET EVENTS

There were no material post balance sheet events that required separate disclosure.

16. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is ICAP Group Holdings plc, which does not prepare consolidated financial statements.

As at 31 March 2016, the Company's ultimate parent was 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.