

Company Number: 6482635

ICAP IEB Z LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2013

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ICAP IEB Z LIMITED

Directors' Report for the year ended 31 March 2013

Company Number 6482635

The directors present their directors report and the audited financial statements of ICAP IEB Z Limited (the 'Company') for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The Company's principal activity is to provide strategic advice on analysis of European government bond markets, analysis of macroeconomic factors, competitor analysis, business planning & forecasting, reviewing of existing and anticipated British and European legislation and lobbying at government and supra government level. At no point shall such strategic advice include any client contact or any activities which are regulated by the Financial Conduct Authority. 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 profit and loss account on page 4.

The profit for the year of £254,000 (2012: £1,633,000) has been transferred to reserves.

The directors do not recommend the payment of a dividend (2012: £nil).

FINANCIAL RISK MANAGEMENT

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.

KEY PERFORMANCE INDICATORS

The directors of ICAP plc manage the Group's operations on a divisional basis. ICAP's considerable investment in technology is essential to keep both the electronic and voice broking business competitive. The measure which ICAP can benchmark itself against competitors is technology spend as a percentage of turnover. The development, performance and position of ICAP plc, which includes the Company, are discussed in their financial statements which do not form part of this report.

DIRECTORS

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

J Edwards
S Caplen

CREDITOR PAYMENT POLICY

The Company has no external trade creditors.

ICAP IEB Z LIMITED

Directors' Report for the year ended 31 March 2013

Company Number 6482635

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 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

INDEPENDENT AUDITORS

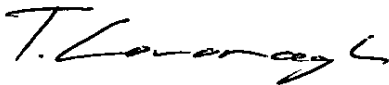
The Company's incumbent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year

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

By order of the Board



T Cavanagh
Company secretary

3 July 2013

ICAP IEB Z LIMITED

Independent Auditors' Report to the members of ICAP IEB Z Limited

We have audited the financial statements of ICAP IEB Z Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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 2013 and of its results 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

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
8 July 2013

ICAP IEB Z LIMITED

Profit and Loss Account for the year ended 31 March 2013

	<u>Note</u>	<u>Year ended</u> <u>31/03/2013</u> £'000	<u>Year ended</u> <u>31/03/2012</u> £'000
Turnover	1	455	2,874
Administrative expenses		(120)	(667)
Profit on ordinary activities before taxation	3	<u>335</u>	<u>2,207</u>
Tax on profit on ordinary activities	6	(81)	(574)
Profit for the financial year		<u>254</u>	<u>1,633</u>

The profit of the Company for the year is derived from continuing operations

The notes on pages 7 to 13 are an integral part of these financial statements

ICAP IEB Z LIMITED

Statement of Total Recognised Gains and Losses for the year ended 31 March 2013

	<u>Year ended</u> <u>31/03/2013</u> £'000	<u>Year ended</u> <u>31/03/2012</u> £'000
Profit for the financial year	254	1,633
Total recognised gains and losses relating to the year	<u>254</u>	<u>1,633</u>

The notes on pages 7 to 13 are an integral part of these financial statements

ICAP IEB Z LIMITED**Balance Sheet as at 31 March 2013**

Company Number 6482635

	<u>Note</u>	<u>As at</u> <u>31/03/2013</u> £'000	<u>As at</u> <u>31/03/2012</u> £'000
Current assets			
Debtors	7	3,139	3,380
		<u>3,139</u>	<u>3,380</u>
Creditors - amounts falling due within one year			
Tax payable		(81)	(576)
		<u>(81)</u>	<u>(576)</u>
Net current assets		<u>3,058</u>	<u>2,804</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	3,057	2,803
Total shareholders' funds	10	<u>3,058</u>	<u>2,804</u>

The notes on pages 7 to 13 are an integral part of these financial statements

The financial statements on pages 4 to 13 were approved by the board of directors on 3 July 2013 and were signed on its behalf by

S Caplen
Director



ICAP IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

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). 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 IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

This standard has been early adopted and these are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 1 April 2012. The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the company's previously adopted accounting policies in accordance with EU-adopted IFRS was not material on the shareholders' equity as at the date of transition and as at 31 March 2013 and on the profit or loss for the year ended 31 March 2013.

The following disclosure exemptions have been adopted:

- financial risk management note,
- cashflow statements,
- 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 an allocation of commission and brokerage income derived from providing strategic advice on analysis of European government bond markets, analysis of macro economic factors, competitor analysis, business planning & forecasting, reviewing of existing and anticipated British and European legislation and lobbying at government and supra government level.

c) Financial assets

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 7).

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 IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

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 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 in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the amounts charged or credited for tax purposes. 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 only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

e) 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 profit and loss account on an accruals basis.

f) Intercompany balances

All UK Group companies are party to a netting agreement and balances have been netted within debtors and creditors.

g) Share capital

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

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 2013 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.

ICAP IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

3 OPERATING PROFIT

	<u>Year ended</u> <u>31/03/2013</u>	<u>Year ended</u> <u>31/03/2012</u>
	£'000	£'000
Operating profit is stated after charging		
Wages & salaries and social security costs (note 4)	102	607
Other staff costs	4	5
Staff costs	<u>106</u>	<u>612</u>

Services provided by the company's auditor

- Fees payable for the audit	3	3
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The Company's administrative expenses includes auditors' remuneration in respect of statutory audit in the UK of £ 3,000 (2012 £ 3,000)

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 financial statements since the consolidated financial statements of its parent, ICAP plc, include these fees on a consolidated basis

4. SALARY AND PAYROLL COSTS

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

	<u>Year ended</u> <u>31/03/2013</u>	<u>Year ended</u> <u>31/03/2012</u>
	£'000	£'000
Employee costs		
Wages and salaries	89	533
Social security costs	12	69
Other pension costs	1	5
	<u>102</u>	<u>607</u>

The average number of persons employed by the Company during the year was 2 (2012 2)

All staff costs were borne by a fellow subsidiary company of ICAP plc and were charged to the Company by way of the Group management charges referred to in note 3

ICAP IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

5. DIRECTORS' REMUNERATION

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

	<u>Year ended</u> <u>31/03/2013</u>		<u>Year ended</u> <u>31/03/2012</u>	
	Total	Highest paid director	Total	Highest paid director
	£'000	£'000	£'000	£'000
Aggregate emoluments	14	10	94	66
Contributions to defined contribution pension schemes	-	-	6	6
	<u>14</u>	<u>10</u>	<u>100</u>	<u>72</u>

As at 31 March 2013, retirement benefits are accruing to no directors (2012 no directors) under defined contribution schemes sponsored by ICAP plc

No fees were paid to the directors in respect of services to the Company during the year (2012 £nil)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year ended</u> <u>31/03/2013</u> £'000	<u>Year ended</u> <u>31/03/2012</u> £'000
a) Analysis of charge for the year		
Current taxation		
UK corporation tax	81	574
	<u>81</u>	<u>574</u>
b) Factors affecting the taxation charge for the year		
Profit before tax	<u>335</u>	<u>2,207</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	81	574
Effects of		
	<u>81</u>	<u>574</u>
Tax charge for the year	<u>81</u>	<u>574</u>
Effective tax rate	24%	26%

Legislation to reduce the main rate of Corporation Tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate to 20% by 1 April 2015. These latter changes had not been substantially enacted at the balance sheet date and are not included in the tax charge for the period. The reduction to 20% is not expected to have a material impact on the deferred tax balances.

ICAP IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

7 DEBTORS

	<u>As at</u> <u>31/03/2013</u> £'000	<u>As at</u> <u>31/03/2012</u> £'000
Current		
Amounts owed by Group companies	3,139	3,380
	<u>3,139</u>	<u>3,380</u>

8 CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2013</u> £'000	<u>As at</u> <u>31/03/2012</u> £'000
Allotted and fully paid:		
750 Ordinary A shares of £1 each	0 75	0 75
250 Ordinary B shares of £1 each	0 25	0 25
	<u>1</u>	<u>1</u>

ICAP IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

9. RESERVES

	<u>Share premium account £'000</u>	<u>Revaluation reserve £'000</u>	<u>Profit and loss account £'000</u>
As at 1 April 2012	-	-	2,803
Profit for the year	-	-	254
As at 31 March 2013	-	-	3,057

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>2013 £'000</u>	<u>2012 £'000</u>
Profit for the financial year	254	1,633
Retained profit for the financial year	254	1,633
Net addition to shareholders' funds	254	1,633
Closing shareholders' funds	3,058	2,804

ICAP IEB Z LIMITED

Notes to the financial statements for the year ended 31 March 2013

11. ULTIMATE PARENT COMPANY

Parent company

The Company's immediate parent is ICAP Electronic Broking 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

During the year ended 31 March 2013, the Company entered into transactions with related parties who are members of the Group

	<u>Costs of management services received</u> £'000	<u>Revenue invoiced</u> £'000	<u>Income from management services provided</u> £'000
Fellow subsidiary companies	-	-	120

During the year ended 31 March 2012, the Company entered into transactions with related parties who are members of the Group

	<u>Costs of management services received</u> £'000	<u>Revenue invoiced</u> £'000	<u>Income from management services provided</u> £'000
Fellow subsidiary companies	-	-	667

All UK domiciled companies are party to a netting agreement. All balances are unsecured, non-interest bearing and have no fixed terms of repayment.

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

	<u>As at 31/03/2013</u> £'000	<u>As at 31/03/2012</u> £'000
Fellow subsidiary companies	3,139	3,380
	<u>3,139</u>	<u>3,380</u>