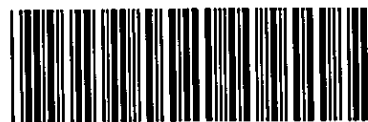


**Company Number: 6524710**

**ICAP US INVESTMENT COMPANY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2012**

TUESDAY



A29      \*A1K4WEL6\*      23/10/2012      #68  
COMPANIES HOUSE

**ICAP US INVESTMENT COMPANY**  
**Directors' Report for the year ended 31 March 2012**

Company Number 6524710

The directors present their report and the audited financial statements of ICAP US Investment Company (the 'Company') for the year ended 31 March 2012

**PRINCIPAL ACTIVITY**

The Company is an investment holding company for the Group. 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 loss for the year of \$nil (2011: \$10,684,000) has been transferred to reserves.

The directors do not recommend the payment of a dividend (2011: \$nil).

**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:

T Kidd	(resigned 5 October 2011)
D Abrehart	
S Wren	(resigned 5 October 2011)
D Ireland	(appointed 5 October 2011)
L Barclay	(appointed 5 October 2011)

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

# **ICAP US INVESTMENT COMPANY**

**Directors' Report for the year ended 31 March 2012**

Company Number 6524710

## **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**

There have been no material post balance sheet events which require separate disclosure.

## **AUDITORS**

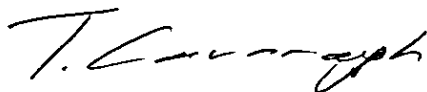
The Company's incumbent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

## **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

28 September 2012

# **ICAP US INVESTMENT COMPANY**

## **Independent Auditors' Report to the members of ICAP US Investment Company**

We have audited the financial statements of ICAP US Investment Company for the year ended 31 March 2012 which comprise the Income Statement, the Statement of Comprehensive Loss, 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 2012 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

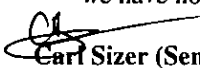
### **Opinion on other matters prescribed by the Companies Act 2006**

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  
4 October 2012

**ICAP US INVESTMENT COMPANY**  
**Income Statement for the year ended 31 March 2012**

	<u>Note</u>	<u>Year ended</u> <u>31/03/2012</u> \$'000	<u>Гн</u> <u>Year ended</u> <u>31/03/2011</u> \$'000
Investment income	6	21,074	23,015
Finance costs	7	(21,074)	(23,015)
<b>Profit before tax</b>		<u>-</u>	<u>-</u>
Tax	8	-	(10,684)
<b>Loss for the year</b>		<u><u>-</u></u>	<u><u>(10,684)</u></u>

The profit of the Company for the year is derived from continuing operations  
The notes on pages 9 to 19 are an integral part of these financial statements

# ICAP US INVESTMENT COMPANY

## Statement of Comprehensive Loss for the year ended 31 March 2012

	<u>Year ended</u> <u>31/03/2012</u> \$'000	<u>Year ended</u> <u>31/03/2011</u> \$'000
Loss for the year	-	(10,684)
Total comprehensive loss for the year	<u>-</u>	<u>(10,684)</u>

The notes on pages 9 to 19 are an integral part of these financial statements

**ICAP US INVESTMENT COMPANY****Balance Sheet as at 31 March 2012**

Company Number 6524710

	<u>Note</u>	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
<b>Non-current assets</b>			
Investments in associates	9	<u>1,587,678</u>	<u>1,587,678</u>
		1,587,678	1,587,678
<b>Current assets</b>			
Trade and other receivables	10	752	752
Cash and cash equivalents	11	<u>9</u>	<u>9</u>
		761	761
Total assets		<u>1,588,439</u>	<u>1,588,439</u>
<b>Current liabilities</b>			
Trade and other payables	12	(335,044)	(335,044)
Total liabilities		<u>(335,044)</u>	<u>(335,044)</u>
Net assets		<u>1,253,395</u>	<u>1,253,395</u>
<b>Equity</b>			
Called up share capital	13	20	20
Share premium account		1,252,668	1,252,668
Retained earnings		<u>707</u>	<u>707</u>
Total equity		<u>1,253,395</u>	<u>1,253,395</u>

The notes on pages 9 to 19 are an integral part of these financial statements

The financial statements on pages 4 to 19 were approved by the board of directors on 28 September 2012 and were signed on its behalf by



D Ireland

Director

**ICAP US INVESTMENT COMPANY**  
**Statement of Changes in Equity as at 31 March 2012**

	<u>Called up</u> <u>share</u> <u>capital</u> <u>(note 13)</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 2010	20	1,252,668	11,391	1,264,079
Loss for the year	-	-	(10,684)	(10,684)
As at 31 March 2011	20	1,252,668	707	1,253,395
As at 31 March 2012	20	1,252,668	707	1,253,395

The notes on pages 9 to 19 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 \$100 ordinary shares

**Share premium reserve**

The share premium reserve includes the value of the proceeds above nominal on issue of the Company's called up share capital, comprising \$100 ordinary shares



# ICAP US INVESTMENT COMPANY

## Statement of Cash Flow for the year ended 31 March 2012

	<u>Note</u>	<u>Year ended</u> <u>31/03/2012</u> \$'000	<u>Year ended</u> <u>31/03/2011</u> \$'000
<b>Cash flows from operating activities</b>			
Profit before tax		-	-
Adjustments for			
Income from investments		(21,074)	(23,015)
Net finance expense		21,074	23,015
		<hr/>	<hr/>
Decrease in trade and other receivables		-	1
<i>Operating cash flows after movements in working capital</i>		<hr/> -	<hr/> 1
		<hr/>	<hr/>
Net cash from operating activities		-	1
<b>Cash flows from investing activities</b>			
Dividends received		-	23,015
		<hr/>	<hr/>
Net cash from investing activities		-	23,015
<b>Cash flows from financing activities</b>			
Interest paid		-	(23,015)
		<hr/>	<hr/>
Net cash used in financing activities		-	(23,015)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		-	1
Net cash and cash equivalents at beginning of year	11	9	8
		<hr/>	<hr/>
Net cash and cash equivalents at end of year	11	9	9
		<hr/>	<hr/>

The notes on pages 9 to 19 are an integral part of these financial statements

The dividend income and the payment of interest to fellow subsidiary undertakings of ICAP plc, is partly settled through the netting of related party balances. Similarly, tax is paid to the authorities on behalf of the company by a fellow subsidiary undertaking of ICAP plc, and is settled through the netting of related party balances.

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 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 US Dollars, which is the functional currency of the Company.

#### b) Recent accounting developments

The following amendment is mandatory for the first time for the financial year beginning 1 April 2011 and is considered relevant to the Company:

- Revised IAS24 'Related party disclosures' issued in November 2009 supersedes IAS24 'Related party disclosures' issued in 2003. The adoption of this standard will not have a material impact on the Company.

The following new standards and amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2011 and have not been early adopted:

- IFRS9 'Financial instruments' addresses classification 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 2015, subject to EU endorsement. The impact on the Company's financial statements of the future adoption of the standard is still under review.
- IFRS10 'Consolidated financial statements' requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS27 'Consolidated and separate financial statements' and SIC-12 'Consolidation – special purpose entities'. The standard becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS11 'Joint arrangements' replaces IAS31 'Interests in joint ventures' and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. The standard becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS12 'Disclosure of interests in other entities' requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The standard becomes effective for annual periods beginning on or after 1 January 2013.
- IFRS13 'Fair value measurement' replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. The standard becomes effective for annual periods beginning on or after 1 January 2013.
- IAS27 'Consolidated and separate financial statements' – reissued as IAS27 'Separate financial statements' (as amended in 2011). This standard is an amended version of IAS27 'Consolidated and separate financial statements' which now deals only with the requirements for separate financial statements, which have been carried over largely unchanged from IAS27 'Consolidated and separate financial statements'. Requirements for consolidated financial statements are now contained in IFRS10 'Consolidated financial statements'. The standard becomes effective for annual periods beginning on or after 1 January 2013.

The impact on the Company's financial statements of adopting IFRS10, IFRS11, IFRS12, IFRS13 and IAS27 is currently under review. However the adoption of these standards is not expected to have a material impact.

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### c) Investment in Associates

An associate is an entity in which the Company has an interest and, in the opinion of the directors, can exercise significant influence, but not control, over its operating and financial policies. An interest exists where an investment is held on a long-term basis for the purpose of securing a contribution to the Company's activities. Significant influence will generally exist where the Company holds more than 20% and less than 50% of the shareholders' voting rights.

#### d) Borrowing costs

All borrowing costs are expensed as finance costs in the income statement using the applicable effective interest rate.

#### e) 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.

#### f) 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 income statement, 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.

#### g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, overdrafts and demand deposits and other short-term highly liquid investments which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

#### h) 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. Impairment losses are recognised in the income statement except where the asset was previously revalued. For revalued assets the loss is recognised directly against any revaluation surplus with the surplus being recognised in the income statement.

#### i) Share capital

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

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 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 financial assets can be reconciled as follows:

	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
<b>Financial assets</b>		
Cash and cash equivalents	9	9
Trade and other receivables	752	752
	<u>761</u>	<u>761</u>

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### *Market risk*

##### Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements

Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (United States dollars), principally sterling. Whilst it is the Group policy to hedge such foreign exchange exposures using derivative financial instruments at a Group level, the Company remains exposed to these exposures. Derivative transactions are only carried out with counterparties of an acceptable credit standing such as global banks with a credit rating of at least AA.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into US Dollars. The Group hedges up to 100% of its translational exposure at a Group level, but the Company is exposed to the impact of exchange rate movements.

It is estimated that a 10 cent increase in the exchange rates of the Great British Pound would have an unfavourable impact of \$47,000 on the Company's income statement and equity.

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2012.

	<u>USD</u> \$'000	<u>EUR</u> \$'000	<u>Other</u> \$'000	<u>GBP</u> \$'000	<u>Total</u> \$'000
<b>Assets</b>					
Cash and cash equivalents	9	-	-	-	9
Trade and other receivables less prepayments	-	-	-	752	752
	<u>9</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>761</u>
<b>Liabilities</b>					
Trade and other payables	(335,044)	-	-	-	(335,044)
	<u>(335,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335,044)</u>
<b>Net assets</b>	<u>(335,035)</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>(334,283)</u>

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2011

	<u>USD</u> \$'000	<u>EUR</u> \$'000	<u>Other</u> \$'000	<u>GBP</u> \$'000	<u>Total</u> \$'000
<b>Assets</b>					
Cash and cash equivalents	9	-	-	-	9
Trade and other receivables less prepayments	-	-	-	752	752
	<u>9</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>761</u>
<b>Liabilities</b>					
Trade and other payables	(335,044)	-	-	-	(335,044)
	<u>(335,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335,044)</u>
<b>Net assets</b>	<u>(335,035)</u>	<u>-</u>	<u>-</u>	<u>752</u>	<u>(334,283)</u>

#### 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.

As at 31 March 2012 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that an increase of 1% in interest rates would have an impact of \$5,000 on the Company's income statement and equity.

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's interest rate profile as at 31 March 2012 was as follows

	<u>None</u> \$'000	<u>Fixed</u> \$'000	<u>Variable</u> \$'000	<u>Total</u> \$'000
<b>Assets</b>				
Cash and cash equivalents	-	-	9	9
Trade and other receivables less prepayments	752	-	-	752
	<u>752</u>	<u>-</u>	<u>9</u>	<u>761</u>
<b>Liabilities</b>				
Trade and other payables	-	-	(335,044)	(335,044)
	<u>-</u>	<u>-</u>	<u>(335,044)</u>	<u>(335,044)</u>

The Company's interest rate profile as at 31 March 2011 was as follows

	<u>None</u> \$'000	<u>Fixed</u> \$'000	<u>Variable</u> \$'000	<u>Total</u> \$'000
<b>Assets</b>				
Cash and cash equivalents	-	-	9	9
Trade and other receivables less prepayments	752	-	-	752
	<u>752</u>	<u>-</u>	<u>9</u>	<u>761</u>
<b>Liabilities</b>				
Trade and other payables	-	-	(335,044)	(335,044)
	<u>-</u>	<u>-</u>	<u>(335,044)</u>	<u>(335,044)</u>

The table below shows the effective interest rate for each relevant category of financial asset and liability

	<u>Year ended 31/03/2012</u>		<u>Year ended 31/03/2011</u>	
	<u>Fixed</u> %	<u>Variable</u> %	<u>Fixed</u> %	<u>Variable</u> %
Other loans	6.87	-	6.87	-

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Price Risk

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

#### Credit Risk

The Company's activities do not expose it to credit risk

#### 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

The following tables show the maturity of the Company's liabilities as at 31 March 2012 and 2011

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
<b>31 March 2012</b>					
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>					
Trade and other payables	(335,044)	-	-	-	(335,044)
	<u>(335,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335,044)</u>

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
<b>31 March 2011</b>					
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>					
Trade and other payables	(335,044)	-	-	-	(335,044)
	<u>(335,044)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335,044)</u>

#### 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 2012 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2011: none)



# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 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 2012 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

During the current year, the Company did not trade on its own account and had no employees. The Company's auditors' remuneration in the UK was \$ 4,000 (2011: \$ 4,000), which has been borne by other Group companies

### 5. DIRECTORS' REMUNERATION

No fees were paid to the directors in respect of services to the Company during the year (2011: \$nil)

### 6. INVESTMENT INCOME

	<u>Year ended</u> <u>31/03/2012</u> \$'000	<u>Year ended</u> <u>31/03/2011</u> \$'000
Dividends received	21,074	23,015
	<u>21,074</u>	<u>23,015</u>

### 7. FINANCE COSTS

	<u>Year ended</u> <u>31/03/2012</u> \$'000	<u>Year ended</u> <u>31/03/2011</u> \$'000
Interest on loans from other Group companies	21,074	23,015
	<u>21,074</u>	<u>23,015</u>

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 8. TAX

	<u>Year ended</u> <u>31/03/2012</u> \$'000	<u>Year ended</u> <u>31/03/2011</u> \$'000
a) Analysis of charge for the year		
Current taxation		
Adjustments to prior years	-	10,684
	<u>-</u>	<u>10,684</u>
b) Factors affecting the taxation charge for the year		
Profit before tax	<u>-</u>	<u>-</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 28% (2011 28%)	-	-
Effects of		
Adjustments to prior years – current tax	-	10,684
Tax charge for the year	<u>-</u>	<u>10,684</u>
Effective tax rate	0%	0%

### 9. INVESTMENT IN ASSOCIATES

	<u>2012</u> \$'000	<u>2011</u> \$'000
Cost and Net book value		
As at beginning of the year	1,587,678	1,587,678
As at 31 March	<u>1,587,678</u>	<u>1,587,678</u>

Although the Company owns 50% of the ICAP US Financial Services LLC (IUSFS) ordinary shares and 100% of preference shares, the directors of the Company consider that it does not have control of or significant influence over the operating and financial activities of (IUSFS) as the remaining common shares are owned by the Company's immediate parent, ICAP North America Inc (INAI). The directors of INAI are also the directors of IUSFS and the directors of the Company have no direct representation on the board of IUSFS.

The equity method of accounting has not been used for the investment in IUSFS. IUSFS has total assets of \$843,962,849, total liabilities of \$336,356,558 and profit for the year of \$75,225,133 as at 31 March 2012.

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 10. TRADE AND OTHER RECEIVABLES

	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
<b>Current</b>		
Amounts owed by Group companies (note 14)	752	752
	<u>752</u>	<u>752</u>

### 11. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
Cash in hand and at bank	9	9
	<u>9</u>	<u>9</u>

### 12. TRADE AND OTHER PAYABLES

	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
<b>Current</b>		
Amounts owed to Group companies (note 14)	335,044	335,044
	<u>335,044</u>	<u>335,044</u>

The amount due to the parent company represents a loan of \$335m (2011 \$335m) from ICAP North America Inc which is unsecured and is repayable on demand. The weighted average interest rate during the period was 6.87 % (2011 6.87%).

# ICAP US INVESTMENT COMPANY

## Notes to the financial statements for the year ended 31 March 2012

### 13. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
<b>Authorised:</b>		
1,000,000 Ordinary share(s) of \$100 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Allotted and fully paid:</b>		
202 Ordinary share(s) of \$100 each	20	20
	<u>20</u>	<u>20</u>

### 14. RELATED PARTY TRANSACTIONS

#### Parent company

The Company's immediate parent is ICAP North America Inc, 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 Company had the following outstanding net balances owed to related parties who are members of the Group

	<u>As at</u> <u>31/03/2012</u> \$'000	<u>As at</u> <u>31/03/2011</u> \$'000
Fellow subsidiary companies	(334,292)	(334,292)
	<u>(334,292)</u>	<u>(334,292)</u>

All UK domiciled group undertakings are party to a netting agreement

All balances are unsecured, non-interest bearing and have no fixed terms of repayment, except for the loan disclosed in note 12

#### Remuneration of key management personnel

There is no key management personnel other than the directors of the Company. Directors' remuneration is disclosed in note 5