

**Company Number: 6524710**

**ICAP US INVESTMENT COMPANY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2013**

TUESDAY



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# **ICAP US INVESTMENT COMPANY**

## **Directors' Report for the year ended 31 March 2013**

Company Number 6524710

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

### **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 profit for the year of \$nil (2012: \$nil) 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**

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 and up to the date of signing the financial statements were:

D Abreham

D Ireland

L Barclay

(resigned 15 November 2012)

S Caplen

(appointed 15 November 2012)

**ICAP US INVESTMENT COMPANY**  
**Directors' Report for the year ended 31 March 2013**

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 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.

**POST BALANCE SHEET EVENTS**

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

**INDEPENDENT AUDITORS**

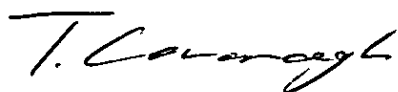
The Company's incumbent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

**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

9 October 2013

# **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 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.

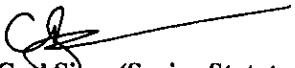
### **Opinion on other matters prescribed by the Companies Act 2006**

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

10 October 2013

# ICAP US INVESTMENT COMPANY

## 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
Investment income	5	18,358	21,074
Interest payable and similar charges	6	(18,358)	(21,074)
<b>Operating profit</b>	3	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities		-	-
<b>Profit for the financial year</b>		<u>-</u>	<u>-</u>

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

The notes on pages 7 to 12 are an integral part of these financial statements

# ICAP US INVESTMENT COMPANY

## 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
<b>Profit for the financial year</b>	-	-
<b>Total recognised gains and losses relating to the year</b>	<u>-</u>	<u>-</u>

The notes on pages 7 to 12 are an integral part of these financial statements



**ICAP US INVESTMENT COMPANY****Balance Sheet as at 31 March 2013**

Company Number 6524710

	<u>Note</u>	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
<b>Fixed assets</b>			
Investments in associates	7	1,587,678	1,587,678
		<u>1,587,678</u>	<u>1,587,678</u>
<b>Current assets</b>			
Debtors	8	541	752
Cash at bank and in hand	9	9	9
		<u>550</u>	<u>761</u>
<b>Creditors - amounts falling due within one year</b>			
Creditors	10	(334,833)	(335,044)
		<u>(334,833)</u>	<u>(335,044)</u>
<b>Net current liabilities</b>		<u>(334,283)</u>	<u>(334,283)</u>
<b>Net assets</b>		<u>1,253,395</u>	<u>1,253,395</u>
<b>Capital and reserves</b>			
Called up share capital	11	20	20
Share premium account	12	1,252,668	1,252,668
Profit and loss account	12	707	707
<b>Total shareholders' funds</b>	13	<u>1,253,395</u>	<u>1,253,395</u>

The notes on pages 7 to 12 are an integral part of these financial statements

The financial statements on pages 4 to 12 were approved by the board of directors on 9 October 2013 and were signed on its behalf by



D Ireland  
Director



# ICAP US INVESTMENT COMPANY

## 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 14 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 financial statements are prepared in US Dollars, which is the functional currency of the Company.

The following disclosure exemptions have been adopted:

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

The financial statements have been prepared on a going concern basis.

# ICAP US INVESTMENT COMPANY

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

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### b) 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. Investments in associates are accounted for at cost.

#### c) Borrowing costs

All borrowing costs are expensed as finance costs in the profit and loss account using the applicable effective interest rate.

#### d) 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 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.

#### 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) Cash at bank and in hand

Cash at bank and in hand 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.

#### g) 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 profit and loss account 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 profit and loss account.

#### h) Share capital

Ordinary shares are classified as equity. Dividends are recognised as deductions from the profit and loss account in the period in which they are declared.

# ICAP US INVESTMENT COMPANY

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

### 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

### 3. OPERATING PROFIT

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 \$ 3,000 (2012 \$ 4,000), which has been borne by other Group companies

### 4. DIRECTORS' REMUNERATION

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

### 5. INCOME FROM FIXED ASSET INVESTMENTS

	<u>Year ended</u> <u>31/03/2013</u> \$'000	<u>Year ended</u> <u>31/03/2012</u> \$'000
Dividends received	18,358	21,074
	<u>18,358</u>	<u>21,074</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year ended</u> <u>31/03/2013</u> \$'000	<u>Year ended</u> <u>31/03/2012</u> \$'000
Interest on loans from other Group companies	18,358	21,074
	<u>18,358</u>	<u>21,074</u>

# ICAP US INVESTMENT COMPANY

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

### 7. INVESTMENT IN ASSOCIATES

	<u>2012</u> \$'000	<u>2011</u> \$'000
<b>Cost and Net book value</b>		
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 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 ICAP US Financial Services LLC (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.

IUSFS has total assets of \$844,404,853 total liabilities of \$336,356,558 and profit for the year of \$1,529,833 as at 31 March 2013.

### 8. DEBTORS

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
<b>Current</b>		
Amounts owed by Group companies	541	752
	<u>541</u>	<u>752</u>

### 9. CASH AT BANK AND IN HAND

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
Cash at bank and in hand	9	9
	<u>9</u>	<u>9</u>

# ICAP US INVESTMENT COMPANY

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

### 10 CREDITORS

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
<b>Amounts falling due within one year</b>		
Amounts owed to Group companies	334,833	335,044
	<u>334,833</u>	<u>335,044</u>

The amount due to the parent company represents a loan of \$335m (2012 \$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% (2012 6.87%).

### 11. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2013</u> \$'000	<u>As at</u> <u>31/03/2012</u> \$'000
<b>Allotted and fully paid:</b>		
202 Ordinary share(s) of \$100 each	20	20
	<u>20</u>	<u>20</u>

### 12. RESERVES

	<u>Share</u> <u>premium</u> <u>account</u> \$'000	<u>Other</u> <u>reserves</u> \$'000	<u>Profit and</u> <u>loss</u> <u>account</u> \$'000
As at 1 April 2012	1,252,668	-	707
As at 31 March 2013	<u>1,252,668</u>	<u>-</u>	<u>707</u>

### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>2013</u> \$'000	<u>2012</u> \$'000
Closing shareholders' funds	<u>1,253,395</u>	<u>1,253,395</u>

# **ICAP US INVESTMENT COMPANY**

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

### **14. ULTIMATE PARENT COMPANY**

#### 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