UK Company Number: FC023354
Irish Company Number: 285477

CARLINGDALE COMPANY

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2006

CARLINGDALE COMPANY
Directors and other information

DIRECTORS

Tim Kidd		
Deborah Abrehart	-	Appointed 9 January 2006
Mark Yallop	-	Appointed 13 July 2005
Jim Pettigrew	-	Resigned 2 June 2006
Helen Broomfield	-	Resigned 9 January 2006
David Gelber	-	Resigned 13 July 2005

SECRETARY AND REGISTERED OFFICE

William Fry Limited
Fitzwilton House
Wilton Place
Dublin 2

AUDITORS

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2

SOLICITORS

William Fry Solicitors
Fitzwilton House
Wilton Place
Dublin 2

CARLINGDALE COMPANY
Directors' report

The directors submit their report together with the audited financial statements of Carlingdale Company for the year ended 31 March 2006.

1. REVIEW OF THE BUSINESS

The company is involved in lending and related treasury activities in the UK. The company commenced trading on 14 May 1999. The company has prepared accounts for the year ended 31 March 2006. The comparatives cover the period from 29 June 2004 to 31 March 2005.

The company's place of business and tax regulation moved to the United Kingdom with effect from 29 June 2001, but it continues to be registered in Ireland. The reporting currency is UK sterling (£).

2. RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 MARCH 2006

	Year ended 31/3/2006 £	Period ended 31/3/2005 £
Profit on ordinary activities before taxation	796,422	607,633
Taxation	(238,667)	(145,402)
Profit for the financial period	557,755	462,231

The directors consider the company's trading performance and its state of affairs to be satisfactory and do not anticipate any significant changes in its activity in the forthcoming year.

3. DIVIDENDS AND RETENTION

No dividend was paid during the year (2005: £nil).

4. FUTURE DEVELOPMENTS

It is the intention of the directors to continue to develop the trading activities of the company.

5. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

On 1 April 2005 the company adopted International Financial Reporting Standards ("IFRS"), as adopted by the European Union, for consistency with its ultimate parent company, ICAP plc. Previously the financial statements had been prepared in accordance with UK generally accepted accounting principles ("UK GAAP"). International Accounting Standard ("IAS") 39, "Financial Instruments: Recognition and Measurement", and IAS 32, "Financial Instruments: Disclosure and Presentation", have been adopted prospectively from 1 April 2005 as permitted by IFRS 1, "First-time Adoption of International Financial Reporting Standards". The adoption of IFRS has not impacted significantly on the results of the company as at 31 March 2006 and no restatement of the comparatives is required.

6. FINANCIAL RISK MANAGEMENT

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

7. DIRECTORS & SECRETARY

The directors who held office during the year under review are listed on page 1.

CARLINGDALE COMPANY
Directors' report (continued)

8. **INTERESTS OF DIRECTORS AND SECRETARY**

Directors' interests in the share capital of the company, its ultimate parent company, ICAP plc, and any of its fellow subsidiary companies are set out in note 6 to the financial statements.

9. **HOLDING COMPANY**

The company is a subsidiary of Garban-Intercapital (Dakleigh), which is incorporated in the Republic of Ireland. The company is ultimately owned by ICAP plc, which is incorporated in England & Wales.

10. **AUDITORS**

PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office in accordance with Section 162(2) of the Companies Act, 1963.

ON BEHALF OF THE BOARD

Director

....

Director

DA Nathan
....

25/1/07

CARLINGDALE COMPANY
Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Irish company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of the company's affairs and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

(1) Select suitable accounting policies and then apply them consistently;
(2) Make judgements and estimates that are reasonable and prudent;
(3) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with IFRSs as adopted by the European Union and comply with Irish Companies Acts 1963 to 2005. 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.

Books of Account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent persons. The books of account are kept at 2 Broadgate, London, EC2m 7UR.

ON BEHALF OF THE BOARD

Director

....

Director

....

25/1/07

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
George's Quay
Dublin 2
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Facsimile +353 (0) 1 704 8600
I.D.E. Box No. 1283
Internet www.pwc.com/ie

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLINGDALE

We have audited the company financial statements of Carlingdale Company for the year ended 31 March 2006 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related notes. These company financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report and the company financial statements in accordance with applicable Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, and have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2005. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to
- convene an extraordinary general meeting of the company; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

PRICEWATERHOUSECOOPERS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARLINGDALE - CONTINUED

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the company financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the company financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the company financial statements.

Opinion

In our opinion the company financial statements:

- give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2005.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2006 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

31 January 2007

CARLINGDALE COMPANY
Income Statement for the year ended 31 March 2006

	Note	Year ended 31/3/2006 £	Period ended 31/3/2005 £
Other Income		695	-
Administrative expenses	4	-	(4,000)
Operating profit/(loss)		695	(4,000)
Finance income	7	795,727	611,633
Profit before taxation		796,422	607,633
Taxation	8	(238,667)	(145,402)
Profit for the year		557,755	462,231

Approved by the Board:

Director

....

Director

DA Noelan
....

25/1/07

CARLINGDALE COMPANY

Statement of Changes in Equity for the year ended 31 March 2006

	Called up share capital £	Share premium reserve £	Retained earnings £	Total £
As at 29 June 2004	255	282,869,612	16,195,904	299,065,771
Profit for the period	-	-	462,231	462,231
Total recognised income and expense for the period			462,231	462,231
As at 31 March 2005	255	282,869,612	16,658,135	299,528,002
Profit for the year	-	-	557,755	557,755
Total recognised income and expense for the year			557,755	557,755
As at 31 March 2006	255	282,869,612	17,215,890	300,085,757

Approved by the Board:

Director

....

Director

DA Moreham
....

25/1/07

CARLINGDALE COMPANY
Balance Sheet as at 31 March 2006

	Note	As at 31/3/2006 £	As at 31/3/2005 £
Current assets			
Other receivables	9	301,173,232	300,377,505
Current liabilities			
Other payables	11	(1,087,475)	(849,503)
Net assets		300,085,757	299,528,002
Equity			
Called up share capital	12	255	255
Share premium reserve		282,869,612	282,869,612
Retained earnings		17,215,890	16,658,135
Total equity		300,085,757	299,528,002

The financial statements on pages 7 to 16 were approved by the board of directors on ………….. and were signed on its behalf by:

Director

……………………………

Director

DKNaelan
……………………………

25/1/07

CARLINGDALE COMPANY

Notes to the financial statements for the year ended 31 March 2006

1. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, the Companies Acts 1963 to 2005, the European Communities (Companies Group Accounts) Regulations, 1992 and under the historical cost convention.

On 1 April 2005 the company adopted International Financial Reporting Standards ("IFRS"), as adopted by the EU, for consistency with its ultimate parent company, ICAP plc. Previously the financial statements had been prepared in accordance with UK generally accepted accounting principles ("UK GAAP"). International Accounting Standard ("IAS") 39, "Financial Instruments: Recognition and Measurement", and IAS 32, "Financial Instruments: Disclosure and Presentation", have been adopted prospectively from 1 April 2005 as permitted by IFRS 1, "First-time Adoption of International Financial Reporting Standards". The adoption of IFRS has not impacted significantly on the results of the company as at 31 March 2006 and no restatement of the comparatives is required.

(b) Taxation

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

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

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.

(c) 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.

(d) Share capital

Ordinary and non-mandatory redeemable preference shares are classified as equity. Dividends are recognised as deductions from retained earnings in the period in which they are declared.

(e) Income recognition

Interest income is credited to the profit and loss account on an accruals basis.

2. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity 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 (the "Group"). It does this through two board committees, the Group Risk and Treasury Committees, and also by regional and market risk committees. The company does not manage its own financial risk framework.

(i) *Market risk*

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

Price risk
The company has no exposure to price risk since its investments are unlisted and therefore carried at cost.

Interest rate risk
The company's interest rate risk arises from subordinated loans where changes in market rates can have an adverse impact on profit for the year. Interest rate risk is monitored at a Group level by the Treasury Committee and is hedged using derivative financial instruments where appropriate. The company's exposure is not considered to be significant and consequently is not hedged. The applicable effective interest rate is disclosed in note 9.

(ii) *Credit risk*
Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the company. The company is exposed to concentrations of credit risk in amounts due from group companies (note 9). The Group policy is to limit exposure by netting balances. All group companies are party to a netting agreement.

(iii) *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 Treasury 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 institutions credit rating and the nature of financial instruments that can be held. Overall the company's exposure to liquidity risk is not significant.

(iv) *Fair value*
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. As at 31 March 2006 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value.

3. KEY ACCOUNTING JUDGEMENTS

The company makes various judgements in applying its accounting policies and various assumptions and estimates when determining the carrying value of certain assets and liabilities. As at 31 March 2006 there were no such judgements or assumptions that had a significant effect on the amounts recognised in the financial statements, or a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

CARLINGDALE COMPANY

Notes to the financial statements for the year ended 31 March 2006 (continued)

4. ADMINISTRATIVE EXPENSES

Annual filing and audit fees for the current year have been borne by a fellow subsidiary company of ICAP plc.

The company had no employees during the year (2005: nil).

5. DIRECTORS' REMUNERATION

The directors received no remuneration in respect of their services as directors of the company.

6. DIRECTORS' INTERESTS

None of the directors had any interest in the ordinary shares of the company.

The interests of the directors in office as at 31 March 2006 (and their connected parties) in the shares of the company's ultimate parent company, ICAP plc, are shown below:

ICAP plc Ordinary shares of 10p each

	As at 31/03/2006	As at 31/3/2005*
J M Yallop	350,000	
T C Kidd	-	-
D A Abrehart	-	-
J N Pettigrew	77,520	77,520

*or date of appointment if later.

6. DIRECTORS' INTERESTS (continued)

Options over ICAP plc Ordinary shares of 10p each

The directors' interests in the share capital of the company's ultimate parent company, ICAP plc, in the form of options over ICAP plc ordinary shares of 10p each, through various share schemes are as follows:

Name	Option scheme	Exercise price (p)	Grant date	As at 31/3/2005*	Granted in Year	Exercised in year	As at 31/3/2006
J M Yallop	UCSOP	297.00	1.07.05	-	1,000,000	-	1,000,000
J Pettigrew	UCSOP	100.30	31.05.01	250,000	-	-	250,000
	SAYE	168.20	27.06.03	5,495	-	-	5,495
				255,495	-	-	255,495
T Kidd	UESOP	188.50	17.01.03	100,000	-	(100,000)	-
	SAYE	168.20	27.06.03	5,495	-	-	5,495
				105,495	-	(100,000)	5,495

*or date of appointment if later.

The SAYE is an Inland Revenue approved scheme that enables employees to acquire options over ordinary shares at a discount of up to 20% of their market value, using the proceeds of a related SAYE contract. Options granted under the SAYE scheme are not subject to performance conditions. A qualifying employee share ownership trust (QUEST) has been established through which the SAYE scheme has operated to date.

The UCSOP is a long term incentive plan for employees through which they invest in shares of ICAP plc at market value on the date of grant and is not an Inland Revenue approved scheme. Options are exercisable in three equal instalments on the third, fourth and fifth anniversary of the date of grant, provided on the date of exercise ICAP plc has achieved certain performance criteria (currently growth in earnings per share in excess of growth in the Retail Price Index by an average of 3% per annum over the preceding three years).

The UESOP is a long term incentive plan for directors through which they invest in shares of ICAP plc at market value on the date of grant. The grants of options have a maximum overall grant value of four times annual salary including bonuses. Options granted cannot be exercised until ICAP plc has achieved certain performance criteria (currently growth in earnings per share in excess of growth in the Retail Price Index by an average of 3% per annum over a rolling three year period).

The directors' interests in the share capital of the company's ultimate parent company, ICAP plc, in the form of options over ICAP plc ordinary shares of 10p each, through a Long Term Incentive Plan are as follows:

CARLINGDALE COMPANY

Notes to the financial statements for the year ended 31 March 2006 (continued)

6. DIRECTORS' INTERESTS (continued)

Bonus Share Matching Plan (BSMP)

The BSMP was approved by shareholders at the Annual General Meeting held in 2003. The table below sets out the shares awarded as part of the executive directors' variable remuneration for the years ended 31 March 2003 and 2005.

Name	Performance year	Total options as at 1 April 2005	Grant date	Basic award options (1)	Matching award options (2)	Total options as at 31 March 2006
J Pettigrew	2003	348,320	16.07.03	174,160	174,160	348,320
	2004	360,068	04.06.04	180,034	180,034	360,068
	2005	-	10.06.05	201,742	201,742	403,484
		708,388				1,111,872

Notes

1. One half of each director's bonus has been used to purchase ordinary shares (a basic award) which are held by the ICAP Employee Share Trust and will be used to satisfy the exercise of the options at the end of three years.
2. Matching award options will normally be exercisable at the end of three years as long as the basic award options are still held and only if the executive director remains in employment. No additional performance conditions are required to be met on the grant made on 16 July 2003.
3. Exercise price for a basic award is £1 and the exercise price for a matching award is £1.

7. FINANCE INCOME

	Year ended 31/3/2006 £	Period ended 31/3/2005 £
Interest income from loans to parent companies	786,589	604,609
Interest income on loans to fellow subsidiary companies	9,138	7,024
	795,727	611,633

CARLINGDALE COMPANY

Notes to the financial statements for the year ended 31 March 2006 (continued)

8. TAXATION

	Year ended 31/3/2006 £	Period ended 31/3/2005 £
Current taxation		
- UK Corporation Tax charge at 30%	238,927	182,290
- Adjustment in respect of prior periods	(260)	(36,888)
	238,667	145,402

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

Profit before taxation	796,422	607,633
Corporation tax charge at standard rate of 30% (2005: 30%)	238,927	182,290
Tax effect on:		
Adjustment in respect of prior period	(260)	(36,888)
Tax charge for period	238,667	145,402

9. OTHER RECEIVABLES

	As at 31/3/2006 £	As at 31/3/2005 £
Due from parent companies, payable on demand	19,954,309	19,167,719
Due from fellow subsidiary companies, payable on demand	281,218,923	281,209,786
	301,173,232	300,377,505

Amounts due from parent companies include a loan of £14,087,593 to Garban Group Holdings Limited, the company's intermediate parent company. Interest is charged at the UK base rate plus 1% and the loan is payable on demand. Outstanding interest as at 31 March 2006 amounted to £5,866,716.

Amounts due from fellow subsidiary companies of ICAP plc include a loan of £163,660 to Intercapital plc. Interest is charged at the UK base rate plus 1% and the loan is payable on demand. Outstanding interest as at 31 March 2006 amounted to £16,942. Also included in amounts due from fellow subsidiary companies of ICAP plc is a loan of £281,038,321 to Zedco Limited which is non interest bearing.

The weighted average effective interest rate on amounts due from group companies is 5.58%.

10. CASH AND CASH EQUIVALENTS

The company does not hold any cash or cash equivalents and therefore no cash flow statement has been prepared. Interest received and taxes are settled through the netting of related party balances.

CARLINGDALE COMPANY

Notes to the financial statements for the year ended 31 March 2006 (continued)

11. OTHER PAYABLES

	As at 31/3/2006	As at 31/3/2005
	£	£
Group tax relief payable	1,079,475	840,808
Amounts due to fellow subsidiaries	8,000	8,695
	1,087,475	849,503

Group tax relief payable is the amount due to a fellow subsidiary company of ICAP plc in relation to Corporation Tax settled on the company's behalf. The amount is unsecured, non-interest bearing and has no fixed terms of payment.

12. CALLED UP SHARE CAPITAL

	As at 31/3/2006	As at 31/3/2005
Authorised:		
1,000,000 Ordinary shares of €1.25 each	€1,250,000	€1,250,000
500,000 Ordinary shares of US$1.00 each	$500,000	$500,000
	£	£
Allotted and fully paid:		
2 Ordinary shares of €1.25 each	2	2
356 Ordinary shares of US$1.00 each	253	253
	255	255

13. RELATED PARTY DISCLOSURES

Parent company

The company's immediate parent company is Intercapital PLC which does not prepare consolidated financial statements.

The company's ultimate parent company is ICAP plc, which is incorporated in the United Kingdom and heads the smallest and largest group of companies ("Group") of which the company is a member. ICAP plc prepares consolidated financial statements in accordance with IFRS and copies can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR.

Related party transactions

All Group companies are party to a netting agreement. There were no related party transactions or balances during the periods ended 31 March 2006 and 31 March 2005 other than disclosed in the above notes.

14. SUBSEQUENT EVENTS

On 15 December 2006 Garban-Intercapital (Dakleigh) sold its investment in Carlingdale Company to Intercapital PLC, a fellow subsidiary, for £282.9m.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on ....