

Company Number: 1691432

MKI SECURITIES INTERNATIONAL, LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2012

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MKI SECURITIES INTERNATIONAL, LIMITED

Directors' Report for the year ended 31 March 2012

Company Number 1691432

The directors present their report and the unaudited financial statements of MKI Securities International, Limited (the 'Company') for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The Company is incorporated and domiciled in England and Wales. The registered office is 2 Broadgate, London, EC2M 7UR.

The Company did not trade during the year and is dormant within the meaning of section 480 of the Companies Act 2006. The directors expect that the Company will remain dormant for the foreseeable future.

RESULTS AND DIVIDENDS

The results of the Company are set out in the income statement on page 2.

The loss for the year of £nil (2011: £2,554,000) has been transferred to reserves.

FINANCIAL RISK MANAGEMENT

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

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.

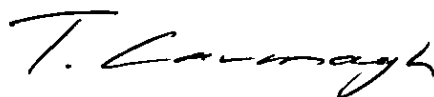
DIRECTORS

The directors of the Company, who held office during the year were:

D Abrehart	
Exco Nominees Limited	(resigned 1 June 2012)
D Ireland	(appointed 1 June 2012)
L Barclay	(appointed 1 June 2012)

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

By order of the Board



T Cavanagh
Company secretary

9 November 2012

MKI SECURITIES INTERNATIONAL, LIMITED
Income Statement 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
Administrative expenses	4	-	(2,554)
Loss before tax		<u>-</u>	<u>(2,554)</u>
Tax		-	-
Loss for the year		<u><u>-</u></u>	<u><u>(2,554)</u></u>

The loss of the Company for the year is derived from continuing operations
The notes on pages 6 to 10 are an integral part of these financial statements

MKI SECURITIES INTERNATIONAL, LIMITED
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	-	(2,554)
Total comprehensive loss for the year	<u>-</u>	<u>(2,554)</u>

The notes on pages 6 to 10 are an integral part of these financial statements

MKI SECURITIES INTERNATIONAL, LIMITED

Balance Sheet as at 31 March 2012

Company Number 1691432

	<u>Note</u>	<u>As at</u> <u>31/03/2012</u> £'000	<u>As at</u> <u>31/03/2011</u> £'000
Current assets			
Trade and other receivables	6	3,448	3,448
Net assets		<u>3,448</u>	<u>3,448</u>
Equity			
Called up share capital	7	10	10
Retained earnings		3,438	3,438
Total equity		<u>3,448</u>	<u>3,448</u>

The notes on pages 6 to 10 are an integral part of these financial statements

The Company was dormant throughout the year ended 31 March 2012 and entitled to an exemption under section 480 of the Companies Act 2006

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

The directors acknowledge their responsibility for

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

The financial statements on pages 2 to 10 were approved by the Board of directors on 9 November 2012 and were signed on its behalf by



D Ireland
Director

MKI SECURITIES INTERNATIONAL, LIMITED
Statement of Changes in Equity as at 31 March 2012

	<u>Called up share capital (note 7) £'000</u>	<u>Retained earnings £'000</u>	<u>Total £'000</u>
As at 1 April 2010	10	5,992	6,002
Loss for the year	-	(2,554)	(2,554)
As at 31 March 2011	10	3,438	3,448
Profit for the year	-	-	-
As at 31 March 2012	10	3,438	3,448

The notes on pages 6 to 10 are an integral part of these financial statements

Called up share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's called up share capital, comprising £1 ordinary shares

MKI SECURITIES INTERNATIONAL, LIMITED

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 pound sterling, which is the functional currency of the Company and presented in thousands.

During the year, the Company did not trade on its own account and therefore has not prepared an income or cash flow statement. The Company had no employees and annual filing fees were borne by a fellow subsidiary company of ICAP plc.

MKI SECURITIES INTERNATIONAL, LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

- 1 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

- 2 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
- 3 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
- 4 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
- 5 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
- 6 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
- 7 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

c) Trade receivables

Trade receivables are recognised at fair value less provision for impairment

d) Share capital

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

MKI SECURITIES INTERNATIONAL, LIMITED

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.

Market risk

Foreign exchange risk

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

Interest rate risk

The Company's financial assets are non interest bearing.

Price Risk

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

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. All counterparties are subject to regular review and assessment by regional credit officers and credit limits are set and approved by the appropriate credit committee as overseen by the Group Risk and Capital Committee. Limits are set based on Group parameters determining the maximum loss any one Company (within the Group) can suffer as a result of counterparty default.

The Company has no significant concentrations of 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.

MKI SECURITIES INTERNATIONAL, LIMITED
Notes to the financial statements for the year ended 31 March 2012

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

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).

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

	<u>Year ended</u> <u>31/03/2012</u> £'000	<u>Year ended</u> <u>31/03/2011</u> £'000
Write off on balance due from Group companies	-	2,554
	<u>-</u>	<u>2,554</u>

During the prior year the Company wrote off its balance with Garban Broking Services Limited as this was no longer recoverable.

5. DIRECTORS' REMUNERATION

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

During both the current and comparative years, the directors received no remuneration in respect of their services as directors of the Company.

6. TRADE AND OTHER RECEIVABLES

	<u>As at</u> <u>31/03/2012</u> £'000	<u>As at</u> <u>31/03/2011</u> £'000
Current		
Amounts owed by Group companies (note 8)	3,448	3,448
	<u>3,448</u>	<u>3,448</u>

MKI SECURITIES INTERNATIONAL, LIMITED
Notes to the financial statements for the year ended 31 March 2012

7. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2012</u> £'000	<u>As at</u> <u>31/03/2011</u> £'000
Authorised, allotted and fully paid:		
10,000 Ordinary share(s) of £1 each	10	10
	<u>10</u>	<u>10</u>

8. RELATED PARTY TRANSACTIONS

Parent company

The Company's immediate parent is ICAP Broking Holdings North America LLC, 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 by 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 Group undertakings	3,448	3,448
	<u>3,448</u>	<u>3,448</u>

All UK domiciled Group companies are party to a netting agreement

All balances are unsecured, non-interest bearing and have no fixed terms of repayment

Remuneration of key management personnel

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