

Company Number: 4668969

ICAP AMERICA INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006

WEDNESDAY



A24 *AKPSBLW3* 391
03/01/2007
COMPANIES HOUSE

ICAP AMERICA INVESTMENTS LIMITED

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The company was incorporated as an investment company and it is not anticipated that the company's activities will change in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the company are set out in the profit and loss account on page 4.

The financial statements are presented in United States dollars (US\$) as the company's investments are all denominated in US\$ and the company considers US\$ to be its functional currency. The exchange rate at 31 March 2006 was US\$1.7346/£ (2005: US\$1.8896/£).

The company paid an interim dividend of US\$50,163,000 (2005: US\$10,141,117).

The company continues to present its financial statements under UK GAAP. Other companies within the ICAP plc group have presented their financial statements under IFRS to be consistent with the parent. The directors of the company consider that the transition to IFRS would be detrimental to the interests of the company and its shareholders, and so have resolved to continue with UK GAAP for the time being.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year and thereafter were:

T C Kidd		
J M Yallop	-	Appointed 13 July 2005
D A Abrehart	-	Appointed 9 January 2006
J N Pettigrew	-	Resigned 2 June 2006
H F Broomfield	-	Resigned 9 January 2006
D Gelber	-	Resigned 13 July 2005

Directors' interests in the share capital of the company, its ultimate parent undertaking, ICAP plc, and any of its fellow subsidiary undertakings are set out in note 5 to the financial statements.

LAYING OF REPORTS AND ACCOUNTS

The company has passed an elective resolution dispensing with the requirement to lay reports and accounts before the members of the company in general meeting. However, under the provisions of Section 253(2) of the Companies Act 1985 (as amended), any member of the company has the right to require this report and accounts to be laid before the members of the company in a general meeting. Any member wishing to exercise this right must deposit notice at the company's registered office within 28 days of the date of this report.

AUDITORS

The company has passed an elective resolution dispensing with the requirement to appoint auditors annually. The company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

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.

ICAP AMERICA INVESTMENTS LIMITED
Directors' report (continued)

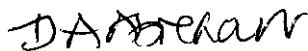
DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each accounting period which 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 year.

The directors confirm that suitable accounting policies have been used and that these policies have been applied on a consistent basis. The directors also confirm that applicable accounting standards have been followed and that reasonable and prudent judgements and estimates have been made in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By Order of the Board



D A Abrehart
Secretary

10/10/2006

ICAP AMERICA INVESTMENTS LIMITED
Independent auditor's report to the members of ICAP America Investments Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
LONDON
10 Oct 2006

ICAP AMERICA INVESTMENTS LIMITED
Profit and loss account for the year ended 31 March 2006

	<u>Note</u>	<u>Year ended</u> <u>31/3/2006</u> US\$'000	<u>Year ended</u> <u>31/3/2005</u> US\$'000
Income from fixed asset investments		185,668	153
Other income		450	-
Profit before interest and taxation		<u>186,118</u>	<u>153</u>
Interest receivable and similar income	6	17,237	13,280
Interest payable and similar expenses	7	(610)	(3,273)
Profit on ordinary activities before taxation		<u>202,745</u>	<u>10,160</u>
Tax on profit on ordinary activities	8	(4,988)	(3,002)
Profit on ordinary activities after taxation		<u>197,757</u>	<u>7,158</u>
Equity dividend paid	9	(50,163)	(10,141)
Retained profit/(loss) for the year	15	<u><u>147,594</u></u>	<u><u>(2,983)</u></u>

The profit on ordinary activities was derived wholly from continuing operations.

The company had no recognised gains and losses for the year other than those included in the profit and loss account.

There is no difference between the profit on ordinary activities before tax and the retained profit/(loss) for the year stated above and their historical cost equivalents.

ICAP AMERICA INVESTMENTS LIMITED

Balance sheet as at 31 March 2006

	Note	As at 31/3/2006 US\$'000	As at 31/3/2005 US\$'000
Fixed assets			
Investments in subsidiary undertakings	10	136,548	-
Other investments	11	-	7,434
		<u>136,548</u>	<u>7,434</u>
Current assets			
Debtors	12	550,531	355,464
Cash at bank and in hand		2,345	908
		<u>552,876</u>	<u>356,372</u>
Current liabilities			
Creditors: Amounts falling due within one year	13	(18,322)	(135,487)
		<u>534,554</u>	<u>220,885</u>
Net current assets			
Net assets		<u>671,102</u>	<u>228,319</u>
Capital and reserves			
Called up share capital	14	520,663	225,474
Profit and loss account	15	150,439	2,845
Equity shareholders' funds	15	<u>671,102</u>	<u>228,319</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 20/10/2006 and were signed on its behalf by:



T C Kidd
Director

ICAP AMERICA INVESTMENTS LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with Accounting Standards applicable in the United Kingdom.

The financial statements are presented in US dollars (US\$) because the company considers US dollars to be its functional currency.

2. CASH FLOW STATEMENT

As more than 90% of the voting rights in the company are controlled by ICAP plc, which publishes a consolidated cash flow statement, the company is not required under Financial Reporting Standard 1 "Cash flow statements" to present a cash flow statement in its own financial statements.

3. PROFIT AND LOSS ACCOUNT

Annual filing fees and audit fees were borne by a fellow subsidiary undertaking of ICAP plc.

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

4. DIRECTORS' REMUNERATION

The directors received no remuneration in respect of their services as directors of the company or any its subsidiary undertakings.

5. DIRECTORS' INTERESTS

None of the directors held interests in the called up share capital of the company.

J M Yallop and J N Pettigrew are directors of the company's ultimate parent undertaking, ICAP plc, and their interests are disclosed in that company's financial statements.

D A Abreheart has no interest in the share capital of ICAP plc. The other director's interest 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 and through Long Term Incentive Plans is as follows:

ICAP plc Ordinary shares of 10p each

	<u>Exercise</u> <u>price (p)</u>	<u>Grant date</u>	<u>As at</u> <u>31/3/2005</u>	<u>Lapsed in</u> <u>year</u>	<u>Exercised in</u> <u>year</u>	<u>As at</u> <u>31/3/2006</u>
T C Kidd						
UESOP	188.5	17/1/2003	100,000	-	(100,000)	-
SAYE	168.2	27/6/2003	5,495	-	-	5,495
			<u>105,495</u>	<u>-</u>	<u>(100,000)</u>	<u>5,495</u>

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the year ended 31 March 2006 (cont'd)

5. DIRECTORS' INTERESTS (CONTINUED)

The UESOP is a long term incentive plan for the directors and senior executives through which those directors and executives invest in shares of ICAP plc. 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 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.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>Year ended 31/3/2006</u> US\$'000	<u>Year ended 31/3/2005</u> US\$'000
Bank interest receivable	102	14
Interest receivable from fellow subsidiary undertakings	17,135	13,266
	<u>17,237</u>	<u>13,280</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>Year ended 31/3/2006</u> US\$'000	<u>Year ended 31/3/2005</u> US\$'000
Interest payable to fellow group undertakings	608	3,273
Bank interest payable	2	-
	<u>610</u>	<u>3,273</u>

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the year ended 31 March 2006 (cont'd)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>Year ended 31/3/2006 US\$'000</u>	<u>Year ended 31/3/2005 US\$'000</u>
Current taxation		
- UK corporation tax on profit for the year	<u>4,988</u>	<u>3,002</u>

The company's tax charge for the year is lower than the UK statutory rate and can be reconciled as follows:

Profit on ordinary activities before tax	202,745	10,160
Profit multiplied by standard rate in the UK of 30% (2005: 30%)	60,824	3,048
Effects of:		
Income from fixed asset investments	(55,701)	(46)
Other income	(135)	-
Current tax charge for the year	<u>4,988</u>	<u>3,002</u>

9. DIVIDENDS

	<u>Year ended 31/3/2006 US\$'000</u>	<u>Year ended 31/3/2005 US\$'000</u>
Dividends on ordinary shares		
Interim dividend of US\$0.10 per share (2005: US\$0.04 per share)	<u>50,163</u>	<u>10,141</u>

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the year ended 31 March 2006 (cont'd)

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	Cost US\$'000
As at 1 April 2005	-
Additions	136,548
As at 31 March 2006	<u>136,548</u>

During the year the company acquired interests in the following subsidiary undertakings in a share for share exchange transaction with its parent company, ICAP plc (note 14).

	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Class of share held</u>	<u>Percentage held (%)</u>
ICAP North America Investments Limited	Investment holding	England and Wales	Ordinary	100.0
Garban-Intercapital (2001) Limited	Investment holding	England and Wales	Ordinary	100.0

The company has exercised its entitlement under section 228 of the Companies Act 1985 (as amended) to dispense with the requirement to prepare consolidated financial statements.

At 31 March 2006, the company's principal subsidiary undertakings were as follows:

<u>Name</u>	<u>Country of incorporation and operation</u>	<u>Percentage held (%)</u>
* ICAP North America Investments Limited	England and Wales	100.0
* Garban-Intercapital (2001) Limited	England and Wales	100.0
ICAP New Jersey Holdings Inc.	USA	100.0
ICAP North America Inc.	USA	100.0
GovPX, Inc.	USA	100.0
ICAP United, Inc.	USA	100.0
ICAP Electronic Broking LLC (formerly BrokerTec USA LLC)	USA	100.0
** ICAP Securities USA LLC (formerly Garban LLC)	USA	100.0
ICAP Capital Markets LLC (formerly Garban Capital Markets LLC)	USA	100.0
ICAP Corporates LLC (formerly Garban Corporates LLC)	USA	100.0
Intercapital Securities LLC (formerly Garban Securities LLC)	USA	100.0
ICAP Information Services LLC (formerly Garban Information Systems (America) LLC)	USA	100.0
Garban Harlow LLC	USA	100.0
ICAP Services North America LLC	USA	100.0
First Brokers Securities Inc.	USA	100.0
ICAP Energy LLC	USA	100.0
** ICAP Energy AS	Norway	100.0
Harlows LLC	USA	100.0
Wrightson ICAP LLC	USA	100.0

The percentage held represents the percentage of issued share capital held (all classes).

* Except where marked with an asterisk, the above subsidiary undertakings are owned indirectly.

** ICAP Securities USA LLC also operates in England & Wales. ICAP Energy AS also operates in the Netherlands.

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the year ended 31 March 2006 (cont'd)

11. OTHER INVESTMENTS

	<u>Cost</u> US\$'000
As at 1 April 2005	7,434
Disposals	(7,434)
	<hr/>
As at 31 March 2006	<u><u>-</u></u>

During the financial year the company's investment in unlisted US\$ denominated preference shares of a fellow group undertaking was redeemed for US\$7,434,000.

12. DEBTORS

	<u>As at</u> <u>31/3/2006</u> US\$'000	<u>As at</u> <u>31/3/2005</u> US\$'000
Deferred consideration receivable	155,931	-
Amounts due from fellow subsidiary undertakings	394,600	355,464
	<hr/>	<hr/>
	<u>550,531</u>	<u>355,464</u>

Deferred consideration receivable includes US\$131,711,917 (2005: \$nil) falling due after more than one year.

Amounts due from fellow subsidiary undertakings of ICAP plc include interest bearing loans of US\$225,463,841 (2005: US\$225,463,841) and US\$130,000,000 (2005: US\$130,000,000) with no fixed term for repayment. The loans are due from ICAP North America Inc. and ICAP New Jersey Holdings Inc. and interest is charged at a rate of 4.08% and 5.12% respectively.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>As at</u> <u>31/3/2006</u> US\$'000	<u>As at</u> <u>31/3/2005</u> US\$'000
UK corporation tax	3,713	5,487
Amounts due to fellow subsidiary undertakings	14,609	130,000
	<hr/>	<hr/>
	<u>18,322</u>	<u>135,487</u>

The amounts due to fellow subsidiary undertakings include an unsecured loan of US\$14,000,000 (2005: US\$130,000,000) on which interest is charged at a rate of 5.54% per annum.

ICAP AMERICA INVESTMENTS LIMITED
Notes to the financial statements for the year ended 31 March 2006 (cont'd)

14. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2006</u> US\$'000	<u>As at</u> <u>31/3/2005</u> US\$'000
Authorised:		
525m (2005: 250m) Ordinary shares of US\$1 each	<u>525,000</u>	<u>250,000</u>
Allotted and fully paid:		
520,663,089 (2005: 225,473,841) Ordinary shares of US\$1 each	<u>520,663</u>	<u>225,474</u>

During the year the company increased its authorised share capital to 525,000,000 ordinary shares of US\$1 each.

During the year 158,641,736 ordinary shares were issued for cash consideration of US\$158,641,736. A further 136,547,512 ordinary shares were issued in a share for share exchange transaction to acquire subsidiary undertakings, ICAP North America Investments Limited and Garban-Intercapital (2001) Limited (note 10).

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>Share</u> <u>capital</u> US\$'000	<u>Profit</u> <u>and loss</u> <u>account</u> US\$'000	<u>Total</u> US\$'000
As at 1 April 2005	225,474	2,845	228,319
Retained profit for the year	-	147,594	147,594
Issue of ordinary shares (note 14)	<u>295,189</u>	<u>-</u>	<u>295,189</u>
As at 31 March 2006	<u>520,663</u>	<u>150,439</u>	<u>671,102</u>

16. RELATED PARTY TRANSACTIONS

As more than 90% of the voting rights in the company are controlled by ICAP plc which publishes consolidated financial statements, no disclosure is required under FRS8 "Related Party Disclosures" of any transactions between the company and the other members, associates or joint ventures of the group of undertakings headed by ICAP plc.

17. ULTIMATE PARENT UNDERTAKING

The immediate and ultimate parent undertaking is ICAP plc.

ICAP plc heads the smallest and largest group of undertakings of which the company is a member that prepares consolidated financial statements. Copies of the consolidated financial statements of ICAP plc can be obtained from the Company Secretary, ICAP plc, 2 Broadgate, London, EC2M 7UR.