

**Company Number: 5012697**

**ICAP US (NO.2) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2007**

**SATURDAY**



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# ICAP US (NO.2) LIMITED

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

### PRINCIPAL ACTIVITY

The company is an investment holding company and it is not anticipated that the company's activities will change in the foreseeable future

The company is incorporated and domiciled in the United Kingdom ("UK") 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 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

### RESULTS AND DIVIDENDS

The results of the company are set out in the income statement on page 4 During the year the company paid a dividend of £nil (2006 £1,448,500) No cashflow statement is presented as the company settles all transactions through intercompany netting

### FINANCIAL RISK MANAGEMENT

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

### DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year and thereafter were

Exco Nominees Limited	-	Appointed 23 January 2007
Garban Nominees Limited	-	Appointed 23 January 2007
D A Abrehart	-	Resigned 23 January 2007
T C Kidd	-	Resigned 23 January 2007
J N Pettigrew	-	Resigned 2 June 2006
J M Yallop	-	Resigned 23 January 2007

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

### 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

**ICAP US (NO.2) LIMITED**  
**Directors' report (continued)**

**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 steps that 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

**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether the financial statements comply with IFRS as adopted by the European Union, 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 confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 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

The directors are satisfied that the company has adequate resources to continue to operate for the foreseeable future and confirm that the company is a going concern

By Order of the Board



D A Abrehart  
Secretary

18 January 2008

## ICAP US (NO.2) LIMITED

### Independent auditor's report to the members of ICAP US (No.2) Limited

We have audited the financial statements of ICAP US (No 2) Limited for the year ended 31 March 2007 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable 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 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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

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

#### 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 financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

*22 January 2008*

**ICAP US (NO.2) LIMITED**  
**Income statement for the year ended 31 March 2007**

	<u>Note</u>	<u>Year ended 31/3/2007</u> £	<u>Year ended 31/3/2006</u> £
Administrative expenses	4	(600)	-
Income from investments		-	1,448,500
<b>(Loss)/profit before taxation</b>		<u>(600)</u>	<u>1,448,500</u>
Taxation	7	-	-
<b>(Loss)/profit for the year</b>		<u><u>(600)</u></u>	<u><u>1,448,500</u></u>

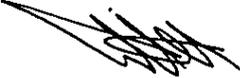
**ICAP US (NO.2) LIMITED**  
**Statement of Changes in Equity for the year ended 31 March 2007**

	<u>Note</u>	<u>Called up share capital</u> £	<u>Share premium account</u> £	<u>Retained earnings</u> £	<u>Total</u> £
As at 31 March 2005		301	300	-	601
Profit for the year		-	-	1,448,500	1,448,500
Dividends paid	13	-	-	(1,448,500)	(1,448,500)
As at 31 March 2006		<u>301</u>	<u>300</u>	<u>-</u>	<u>601</u>
Loss for the year		-	-	(600)	(600)
As at 31 March 2007		<u><u>301</u></u>	<u><u>300</u></u>	<u><u>(600)</u></u>	<u><u>1</u></u>

**ICAP US (NO.2) LIMITED**  
**Balance Sheet as at 31 March 2007**

	<u>Note</u>	<u>As at</u> <u>31/3/2007</u> £	<u>As at</u> <u>31/3/2006</u> £
<b>Non-current assets</b>			
Investment in joint ventures	8	-	600
<b>Current assets</b>			
Other receivables	9	8,012,377	1,448,501
<b>Total assets</b>		<u>8,012,377</u>	<u>1,449,101</u>
<b>Current liabilities</b>			
Other payables	11	(8,012,376)	(1,448,500)
<b>Net assets</b>		<u>1</u>	<u>601</u>
<b>Equity</b>			
Called up share capital	12	301	301
Share premium account		300	300
Retained earnings		(600)	-
<b>Total equity</b>		<u>1</u>	<u>601</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 18 January 2008 and were signed on its behalf by

  
**Exco Nominees Limited**  
**Director**

# ICAP US (NO.2) LIMITED

## Notes to the financial statements for the year ended 31 March 2007

### 1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and under the historical cost convention

The company has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by its ultimate parent company (note 14)

(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

(c) Investments in joint ventures

Investments comprise equity shareholdings and other interests. These investments are recorded at historical cost less provision for any impairment in their values. Dividend income is recognised upon declaration and interest when receivable

A joint venture is an entity in which the company has an interest and, in the opinion of the directors, exercises joint 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

(d) 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

(e) Share capital and reserves

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

### 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 company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance

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

## ICAP US (NO.2) LIMITED

### Notes to the financial statements for the year ended 31 March 2007 (continued)

#### 2. FINANCIAL RISK MANAGEMENT (continued)

##### (i) *Market risk*

###### Foreign exchange risk

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

Previously, the company was exposed to both transactional and translational fluctuations in the value of financial instruments. Transactional exposure arose from finance income and remittance of funds in currencies other than the company's functional currency (Sterling), principally US dollars. Translational exposure arises on the conversion of the foreign currency denominated cash and related party balances into Sterling.

###### Price risk

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

###### Interest rate risk

The company's interest rate risk arises from loans to group companies (note 9) where changes in market rates can have an adverse impact on cash flows and 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.

##### (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 institution's 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 2007 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 2007 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.

## ICAP US (NO.2) LIMITED

### Notes to the financial statements for the year ended 31 March 2007 (continued)

#### 4. ADMINISTRATIVE EXPENSES

Annual filing fees and audit fees of £2,000 (2006 nil) were borne by a fellow subsidiary company of ICAP plc. An impairment of £600 on the company's investment was made in the year.

The company had no employees during the year (2006 nil).

#### 5. DIRECTORS' REMUNERATION

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

#### 6. DIRECTORS' INTERESTS

The directors had no interest in the share capital of the company, its ultimate parent company, ICAP plc or fellow subsidiaries.

#### 7. TAXATION

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

	<u>Year ended</u> <u>31/3/2007</u>	<u>Year ended</u> <u>31/3/2006</u>
	£	£
(Loss)/profit before taxation	(600)	1,448,500
UK Corporation Tax at 30% (2006 30%)	(180)	434,550
Income from investments	-	(434,550)
Expenses not allowable for tax	180	-
	-	-
	-	-

All tax balances are group relieved.

#### 8. INVESTMENT IN JOINT VENTURES

	<u>As at</u> <u>31/3/2007</u>	<u>As at</u> <u>31/3/2006</u>
	£	£
As at 1 April	600	600
Impairment	(600)	-
As at 31 March	-	600
	-	600

During the year the company's joint venture sold its investment and ceased trading, therefore the directors consider the investment has been impaired.

At 31 March 2007, the company's joint venture was as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Class of shares held</u>	<u>Percentage held</u>
Garban-Intercapital America (No 1) Limited	England & Wales	Ordinary	50%

## ICAP US (NO.2) LIMITED

### Notes to the financial statements for the year ended 31 March 2007 (continued)

#### 9. OTHER RECEIVABLES

	<u>As at</u> <u>31/3/2007</u>	<u>As at</u> <u>31/3/2006</u>
	£	£
Amount due from parent company	1	1
Amount due from joint venture	8,012,376	1,448,500
	<u>8,012,377</u>	<u>1,448,501</u>

The amounts due from group company are unsecured, non-interest bearing and have no fixed date of repayment

#### 10. CASH AND CASH EQUIVALENTS

The company does not hold any cash or cash equivalents and therefore no cash flow statement has been prepared Dividends received and paid are settled by netting related party balances

#### 11. OTHER PAYABLES

	<u>As at</u> <u>31/3/2007</u>	<u>As at</u> <u>31/3/2006</u>
	£	£
Amount due to parent company	<u>8,012,376</u>	<u>1,448,500</u>

#### 12. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/3/2007</u>	<u>As at</u> <u>31/3/2006</u>
	£	£
Authorised 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid 301 Ordinary shares of £1 each	<u>301</u>	<u>301</u>

#### 13. DIVIDENDS

	<u>Year</u> <u>ended</u> <u>31/3/2007</u>	<u>Year</u> <u>ended</u> <u>31/3/2006</u>
	£	£
<b>Dividends in respect of ordinary shares</b>		
Dividend paid of £nil per share (2006 - £4,812.29 per share)	<u>-</u>	<u>1,448,500</u>

## **ICAP US (NO.2) LIMITED**

### **Notes to the financial statements for the year ended 31 March 2007 (continued)**

#### **14. RELATED PARTIES**

##### Parent company

The company's immediate and 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 year ended 31 March 2007 and period ended 31 March 2006 other than disclosed in the above notes.