

Company Number: 05887529

ICAP UK INVESTMENTS NO.1
REPORT AND FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
31 DECEMBER 2017



ICAP UK INVESTMENTS NO.1

Strategic Report for the nine months ended 31 December 2017

The directors present their Report and the audited financial statements of ICAP UK Investments No.1 (the 'Company') for the nine-month period ended 31 December 2017.

On 20 October 2017, the Company changed its accounting reference date to 31 December to align with the TP ICAP plc group's accounting period. As a result, the Company's current accounting period is shortened to nine months period ended 31 December 2017.

The prior year comparison is for the year ended 31 March 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the period end financial position was satisfactory and do not anticipate any changes to the principal activities.

RESULTS

The results of the Company are set out on the profit and loss account on page 7.

The profit for the financial period/year of £957,000 (31 March 2017: £1,286,000) has been transferred to reserves.

The net assets of the Company are £66,931,000 (31 March 2017: £65,974,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day-to-day operations can broadly be categorised as credit, market, operational, liquidity and strategic and business risk.

Credit risk is the risk of financial loss to the Company in the event of non performance by a client or counterparty with respect to its contractual obligations to the Company.

Market risk is the vulnerability of the Company to movements in the value of financial instruments.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events. Operational risk covers a wide and diverse range of risk types and the overall objective of the Company's approach to operational risk management is not to attempt to avoid all potential risks but to proactively identify and assess risk and risk situations in order to manage them in an efficient and informed manner.

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms. Cash and equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns. Funding requirements are monitored by the Group Finance and Operations departments.

Strategic and business risk is the risk that the Company's ability to do business might be damaged as a result of its failure to adapt to change market dynamics, customer requirements or the way OTC markets and their participants are regulated.

TP ICAP plc group ('the Group') is preparing for the departure of the UK from the EU in March 2019. There are material implications for the Group and the wider financial markets of Brexit and significant differences between the so called 'soft' or 'hard' Brexit outcomes. In the future, the Group will likely manage more client relationships from within the Eurozone, where the ultimate parent company TP ICAP plc already has a network of offices in Paris, Frankfurt, Madrid and in other locations. The Group has a working group which is designing and implementing the changes required in order to be in a position to provide uninterrupted service to our clients after March 2019. These might encompass, inter alia, changes to our operating model, our corporate structure, our technology provision, our governance and our processes and workflow.

Management in front office and support functions have the day to day responsibility for ensuring that the Company operates in accordance with the Enterprise Risk Management Framework which includes policies and procedures for these key risks. Further details of the Enterprise Risk Management Framework are fully outlined in the TP ICAP plc group (the "Group") Annual Report, which does not form part of this report.

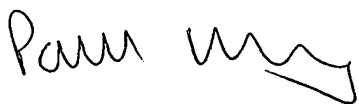
ICAP UK INVESTMENTS NO.1

Strategic Report for the nine months ended 31 December 2017

KEY PERFORMANCE INDICATORS

The directors of TP ICAP plc manage the Group's operations on a regional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of TP ICAP plc, which includes the Company, are discussed in the Group's Annual Report, which does not form part of this report.

This report has been approved by the board of directors and signed by order of the board:

A handwritten signature in black ink, appearing to read 'P Ashley', followed by a stylized flourish or scribble.

P Ashley
Director

14 September 2018

ICAP UK INVESTMENTS NO.1

Directors' Report for the nine months ended 31 December 2017

Company Number: 05887529

PRINCIPAL ACTIVITIES

The Company is a financing company. It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated in the United Kingdom and domiciled in England and Wales. The registered office is Tower 42, Level 37, 25 Old Broad Street, London, England, EC2N 1HQ.

On 20 October 2017, the Company changed its accounting reference date to 31 December to align with the TP ICAP plc group's accounting period. As a result, the Company's current accounting period is shortened to nine months period ended 31 December 2017.

The prior year comparison is for the year ended 31 March 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business review and future developments of the Company are detailed in the Strategic Report on page 1.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

No dividends (31 March 2017: nil) were paid during the period or up to the date of signing.

DIRECTORS

The directors of the Company, who held office during the period and up to the date of signing the financial statements were:

D McClumpha (resigned 2 March 2018)
D Casterton
P Ashley (appointed 5 March 2018)

DIRECTOR'S INDEMNITIES

The Company's ultimate parent, TP ICAP plc, has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

POLITICAL CONTRIBUTIONS

There were no political donations made by the Company during the period (31 March 2017: nil).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Company is committed to attracting, retaining, developing and advancing the most qualified persons without regard to their race, ethnicity, religion or belief, gender, age, sexual orientation or disability. This commitment is underpinned by policies on equal opportunities, harassment and discrimination, to which all employees are required to adhere.

In the event that an employee becomes disabled, the Group's policy is to make reasonable adjustments, including arranging training, to enable the employee to continue working for the Group.

The Company participates in the Group's policies and practices relating to current and prospective employees. These policies and practices are outlined in the Group's Annual Report which does not form part of this report.

ICAP UK INVESTMENTS NO.1

Directors' Report for the nine months ended 31 December 2017

Company Number: 05887529

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the 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;
- 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 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 between the period end and the date of this report.

INDEPENDENT AUDITOR

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

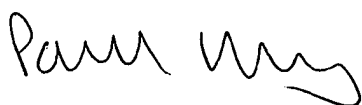
PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been approved by the board of directors and signed by order of the board:



P Ashley
Director

14 September 2018

ICAP UK INVESTMENTS NO.1

Independent Auditor's Report to the members of ICAP UK Investments No.1

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the period ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ICAP UK Investments No.1 which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

ICAP UK INVESTMENTS NO.1

Independent Auditor's Report to the members of ICAP UK Investments No.1

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Adam Cichocki FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

14 September 2018

ICAP UK INVESTMENTS NO.1

Profit and Loss Account for the nine months ended 31 December 2017

	<u>Note</u>	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Administrative expenses		-	(14)
Interest receivable and similar income	5	1,181	1,622
Operating profit	3	<u>1,181</u>	<u>1,608</u>
Tax expense	6	(224)	(322)
Profit for the financial period/year		<u><u>957</u></u>	<u><u>1,286</u></u>

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

There were no items of comprehensive income in the current period or prior year other than the profit for the period/year and, accordingly, no statement of comprehensive income is presented.

The notes on pages 10 to 13 are an integral part of these financial statements.

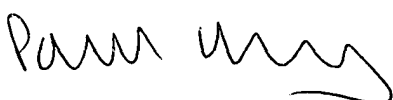
ICAP UK INVESTMENTS NO.1
Balance Sheet as at 31 December 2017

Company Number: 05887529

	<u>Note</u>	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Current assets			
Debtors	7	67,829	66,648
		<u>67,829</u>	<u>66,648</u>
Total assets		<u>67,829</u>	<u>66,648</u>
Current liabilities			
Creditors	8	(352)	(352)
Tax payable		(546)	(322)
		<u>(898)</u>	<u>(674)</u>
Total liabilities		<u>(898)</u>	<u>(674)</u>
Net current assets		<u>66,931</u>	<u>65,974</u>
Net assets		<u>66,931</u>	<u>65,974</u>
Equity			
Share capital	9	-	1
Share premium		-	3,222
Retained earnings		66,931	62,751
Total equity		<u>66,931</u>	<u>65,974</u>

The notes on pages 10 to 13 are an integral part of these financial statements.

The financial statements on pages 7 to 13 were approved and authorised for issue by the board of directors on 14 September 2018 and were signed on its behalf by:



P Ashley
Director

ICAP UK INVESTMENTS NO.1

Statement of Changes in Equity for the nine months ended 31 December 2017

	<u>Share capital</u> (note 9) £'000	<u>Share premium</u> £'000	<u>Retained earnings</u> £'000	<u>Total equity</u> £'000
As at 1 April 2016	-	2,894	61,465	64,359
Profit for the financial year and total comprehensive income	-	-	1,286	1,286
Shares capital issued	1	328	-	329
As at 31 March 2017	1	3,222	62,751	65,974
Profit for the financial period and total comprehensive income	-	-	957	957
Shares capital reduced	(1)	(3,222)	3,223	-
As at 31 December 2017	-	-	66,931	66,931

The notes on pages 10 to 13 are an integral part of these financial statements.

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising £0.001 ordinary shares.

Share premium

The share premium includes the value of the proceeds above nominal on issue of the Company's share capital, comprising £0.001 ordinary shares. During the period, the Company reduced its shares and share premium of £3,222,000.

ICAP UK INVESTMENTS NO.1

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

i) General information

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) as applicable to companies using FRS 101 and under the historic cost convention. 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 International Financial Reporting Standards ('IFRS'). The accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements are prepared in pound sterling which is the functional currency of the Company.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following disclosure exemptions have been adopted:

- financial risk management note;
- cash flow statements;
- process for managing capital;
- key management compensation;
- related party transactions between wholly-owned group companies; and
- the expected impact of future accounting standards not yet effective.

ii) Principal accounting policies

a) Interest income

Interest income is recognised using the effective interest method.

b) Tax

Tax on the profit for the period comprises current 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 tax is also dealt with in equity.

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

Calculations of current tax liability have been based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially, such differences will impact the current and deferred tax amounts in the period in which a reassessment of the liability is made.

c) Intercompany balances

Intercompany balances are shown in accordance with the netting agreement, which allows netting of bilateral intercompany balances within entities that are party to the netting agreement, these balances are settled net in practice.

d) Cash and cash equivalents

Cash and cash equivalents are deposits held on call with banks.

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Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

e) Share capital

Ordinary shares are classified as equity.

f) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for first time for the financial year beginning on or after 1 April 2017, have had a material impact on the Company.

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 December 2017 there were no such judgements, assumptions or estimates 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 period, the Company did not trade on its own account and had no employees (31 March 2017: nil). Administrative expenses primarily relate to intercompany recharges in relation to a service agreement. The Company's auditor's remuneration in the UK was £4,500 (31 March 2017: £4,950), 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 period (31 March 2017: nil).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Interest receivable from group related companies	1,181	1,622
	<u>1,181</u>	<u>1,622</u>

ICAP UK INVESTMENTS NO.1

Notes to the financial statements for the nine months ended 31 December 2017

6. TAX EXPENSE

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
a) Analysis of charge for the period/year		
Current taxation:		
UK Corporation tax	224	322
	<u>224</u>	<u>322</u>
b) Factors affecting the tax charge for the period/year		
Operating profit	1,181	1,608
Tax calculated at tax rate of 19% (31 March 2017: 20%)	224	322
Tax charge for the period/year	<u>224</u>	<u>322</u>
Effective tax rate	19%	20%

In the UK, legislation to reduce the corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 has been enacted. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2020 and at a rate of 17% thereafter.

7. DEBTORS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Current		
Loan owed by group related company	67,764	66,591
Amounts owed by group related company	65	57
	<u>67,829</u>	<u>66,648</u>

Loan owed by group related company is a loan of £67,764,000 (31 March 2017: £66,591,000) owed by ICAP Global Broking Holdings Limited, which is repayable on demand and interest is charged at 2% above GBP LIBOR.

ICAP UK INVESTMENTS NO.1

Notes to the financial statements for the nine months ended 31 December 2017

8. CREDITORS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Current		
Amounts due to group related companies	352	352
	<u>352</u>	<u>352</u>

9. SHARE CAPITAL

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Allotted and fully paid:		
1,000 Ordinary shares of £0.001 each (31 March 2017: 894,644)	-	1
	<u>-</u>	<u>1</u>

10. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which require separate disclosure between the period end and the date of this report.

11. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is ICAP Luxembourg Holdings No.1 S.A.R.L., which does not prepare consolidated financial statements.

The Company's ultimate parent is TP ICAP plc, which is incorporated in the United Kingdom and registered in England and Wales, and heads the largest and smallest group of companies of which the Company is a member. TP ICAP plc prepares consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ.