

Company Number: 7282077

ISWAP EURO LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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ISWAP EURO LIMITED

Directors' Report for the year ended 31 March 2016

Company Number: 7282077

The directors present their Directors' Report and the audited financial statements of iSwap Euro Limited (the 'Company') for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company's principal activity is to provide access to customers to trade Euro interest rate derivatives on the iSwap trading platform. The platform supports electronic trading in fixed/floating Interest Rate Swaps. The Company is regulated by the Financial Conduct Authority. It is anticipated that the Company will continue its present business activities next year.

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

DIVIDENDS

The directors do not recommend the payment of a dividend (2015: nil).

DIRECTORS

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

J Brigstock	(appointed 29/05/2015)
J Lundstrom	
L Paulhac	
N Saggars	(appointed 05/10/2015)
T Prickett	(appointed 30/03/2016)
A Battersby	(resigned 21/05/2015)
C Bristow	(resigned 30/03/2016)
G Adams	(resigned 15/12/2015)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

ISWAP EURO LIMITED

Directors' Report for the year ended 31 March 2016

Company Number: 7282077

POST BALANCE SHEET EVENTS

On 26 May 2016, full approval was received for the recapitalisation of iSwap Euro Ltd by way of an issue of 100 new €1 ordinary shares at a premium of €2,499,900. Total consideration will therefore be €2,500,000. Recapitalisation took place on 31 May 2016.

On 1 June 2016, ICAP plc transferred iSwap Limited, as a capital contribution, to ICAP Global Broking Holdings Limited.

INDEPENDENT AUDITORS

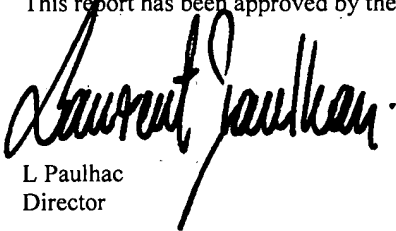
The Company's incumbent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed reappointed in the next financial year.

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 the steps 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.

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



L Paulhac
Director

25 July 2016

ISWAP EURO LIMITED

Strategic Report for the year ended 31 March 2016

The directors present their Strategic Report and the audited financial statements of iSwap Euro Limited (the 'Company') for the year ended 31 March 2016.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

2015 was a challenging year with lower levels of overall activity principally due to the consequences of excessive volatility as markets grappled with a series of successive downgrades in Global Economic Activity. These conditions coupled with the consequences of tougher regulation, higher costs of capital and the ongoing shift away from capital intensive operating models to capital light operating models material impacted platform volumes.

The focus on benchmark instruments remains, and pricing on the 2, 5, and 10 year points has remained competitive. The % of ICAP plc's overall activity represented by i-Swap trades in these instruments has fluctuated. In normal market conditions the uptrend remains intact, but in periods of excessive volatility market makers are naturally more defensive, and activity migrates back to voice. More participants are using i-Swap to execute issue related activity, for speed, efficiency, downstream risk position updates and STP. The electronic audit trail is also a valuable tool to prove execution.

Targeted streaming remains the principle strategic thrust. Whilst there is consistent liquidity provision from 3 of the 5 current market makers, we are looking to expand the number of liquidity providers to ensure that we have a competitive venue for our target audience. The gestation time required to bring a new liquidity provider to market is significant, but we expect 2 new liquidity providers to be live by the end of the third quarter. The tiering deployed by each liquidity provider has a bearing on the aggregated pricing available to each liquidity consumer, however the initiative is designed to allow i-Swap partners and liquidity providers to target tier 2 and 3 banks that are i-Swap users with bespoke streams unique to each permissioned counterparty and is in direct competition to the "click to trade" component of Bloomberg ALLQ. We have made some steady progress, with notional volume and trades increasing from August. We have introduced order cloning and resting order functionality for liquidity consumers, and "e" RFQ will be rolled out in Q4 2016.

On 11 November 2015, the Company's ultimate parent ICAP plc signed a Sale and Purchase Agreement with Tullett Prebon for the disposal of its Global Broking business together with related information services and i-Swap. The disposal is subject to approvals from regulatory authorities across jurisdictions as well as finalisation of certain commercial terms. We do not expect this to have a material impact on the financial statements of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's risk profile and financial risk management policies are disclosed in note 2 to the financial statements. The principal business risks and uncertainties faced by ICAP plc, which includes the Company, are discussed on pages 24 to 30 of the Group's annual report.

RESULTS

The results of the Company are set out in the income statement on page 7.

The loss for the year of €3,990,605 (2015: €3,508,712) has been transferred to reserves.

The net assets of the Company are €11,682,783 (2015: €13,673,388).

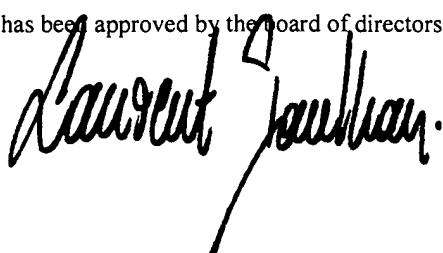
KEY PERFORMANCE INDICATORS

The directors of ICAP plc manage the Group's operations on a divisional 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 ICAP plc, which includes the Company, are discussed on page 22 and 23 of the Group's annual report, which does not form part of this report.

The Company's return on assets, calculated as net loss divided by net assets is -34% (2015: -26%).

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

L Paulhac
Director



25 July 2016

ISWAP EURO LIMITED

Independent Auditors' Report to the members of iSwap Euro Limited

Report on the financial statements

Our opinion

In our opinion, iSwap Euro Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the balance sheet as at 31 March 2016;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

ISWAP EURO LIMITED

Independent Auditors' Report to the members of iSwap Euro Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

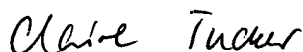
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Claire Tucker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 July 2016

ISWAP EURO LIMITED**Income Statement for the year ended 31 March 2016**

	<u>Note</u>	<u>Year ended</u> <u>31/03/2016</u> €	<u>Year ended</u> <u>31/03/2015</u> €
Revenue		2,639,873	3,045,528
Administrative expenses	4	(6,928,411)	(6,791,888)
Other operating expenses	6	(52,847)	(38,152)
Operating loss		<u>(4,341,385)</u>	<u>(3,784,512)</u>
Finance income	7	11,190	6,969
Loss before tax		<u>(4,330,195)</u>	<u>(3,777,543)</u>
Tax	8	339,590	268,831
Loss for the financial year		<u><u>(3,990,605)</u></u>	<u><u>(3,508,712)</u></u>

The loss of the Company for the year is derived from continuing operations.
The notes on pages 12 to 25 are an integral part of these financial statements.

ISWAP EURO LIMITED**Statement of Comprehensive Income for the year ended 31 March 2016**

	<u>Year ended</u> <u>31/03/2016</u> €	<u>Year ended</u> <u>31/03/2015</u> €
Loss for the financial year	(3,990,605)	(3,508,712)
Total comprehensive loss for the financial year	<u>(3,990,605)</u>	<u>(3,508,712)</u>

The notes on pages 12 to 25 are an integral part of these financial statements.

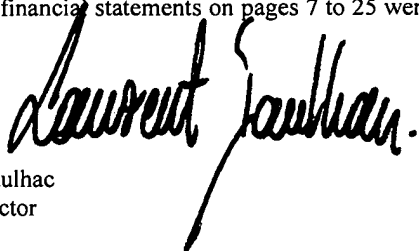
ISWAP EURO LIMITED
Balance Sheet as at 31 March 2016

Company Number: 7282077

	<u>Note</u>	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Non-current assets			
Intangible assets	9	2,931,290	4,078,370
Deferred tax asset	10	1,307,896	968,306
		<u>4,239,186</u>	<u>5,046,676</u>
Current assets			
Trade and other receivables	11	2,716,427	2,283,325
Cash and cash equivalents	12	6,185,192	8,273,780
		<u>8,901,619</u>	<u>10,557,105</u>
Total assets		<u>13,140,805</u>	<u>15,603,781</u>
Current liabilities			
Trade and other payables	13	(1,458,022)	(1,930,393)
		<u>(1,458,022)</u>	<u>(1,930,393)</u>
Total liabilities		<u>(1,458,022)</u>	<u>(1,930,393)</u>
Net assets		<u>11,682,783</u>	<u>13,673,388</u>
Equity			
Called up share capital	14	302	202
Share premium account		8,499,700	6,499,800
Accumulated losses		(10,305,741)	(6,315,136)
Other reserves		13,488,522	13,488,522
Total equity		<u>11,682,783</u>	<u>13,673,388</u>

The notes on pages 12 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 were approved by the board of directors on 25 July 2016 and were signed on its behalf by:



L Paulhac
Director

ISWAP EURO LIMITED

Statement of Changes in Equity for the year ended 31 March 2016

	<u>Called up</u> <u>share</u> <u>capital</u> <u>(note 14)</u> €	<u>Share</u> <u>premium</u> <u>account</u> €	<u>Other</u> <u>reserves</u> €	<u>Accumulated</u> <u>losses</u> €	<u>Total</u> <u>equity</u> €
As at 1 April 2014	2	-	10,964,922	(2,806,424)	8,158,500
Loss and total comprehensive loss for the financial year	-	-	-	(3,508,712)	(3,508,712)
Issue of ordinary shares	200	6,499,800	-	-	6,500,000
Capital Contribution	-	-	2,523,600	-	2,523,600
As at 31 March 2015	202	6,499,800	13,488,522	(6,315,136)	13,673,388
As at 1 April 2015	202	6,499,800	13,488,522	(6,315,136)	13,673,388
Loss and total comprehensive loss for the financial year	-	-	-	(3,990,605)	(3,990,605)
Issue of ordinary shares	100	1,999,900	-	-	2,000,000
As at 31 March 2016	302	8,499,700	13,488,522	(10,305,741)	11,682,783

The notes on pages 12 to 25 are an integral part of these financial statements.

Called up share capital

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

Share premium account

The share premium account includes the value of the proceeds above nominal on issue of the Company's called up share capital, comprising €1 ordinary shares.

Other reserves

The other reserves relate to a capital contribution reserve.

ISWAP EURO LIMITED

Statement of Cash Flow for the year ended 31 March 2016

	<u>Note</u>	<u>Year ended</u> <u>31/03/2016</u> €	<u>Year ended</u> <u>31/03/2015</u> €
Cash flows from operating activities			
Loss before tax		(4,330,195)	(3,777,543)
Adjustments for:			
Amortisation of intangible assets		2,042,128	2,259,903
Net finance income		(11,190)	(6,969)
<i>Operating cash flows before movements in working capital</i>		<u>(2,299,257)</u>	<u>(1,524,609)</u>
(Increase)/decrease in trade and other receivables		(433,102)	(1,342,073)
(Decrease)/ increase in trade and other payables		(472,371)	1,553,051
<i>Operating cash flows after movements in working capital</i>		<u>(3,204,730)</u>	<u>(1,313,631)</u>
 Net cash used in operating activities		<u>(3,204,730)</u>	<u>(1,313,631)</u>
Cash flows from investing activities			
Purchase of intangible assets		(895,048)	(1,484,871)
Interest received		11,190	6,969
 Net cash used in investing activities		<u>(883,858)</u>	<u>(1,477,902)</u>
Cash flows from financing activities			
Capital contribution received		-	2,523,600
Issue of shares		2,000,000	6,500,000
 Net cash generated from financing activities		<u>2,000,000</u>	<u>9,023,600</u>
 Net (decrease)/ increase in cash and cash equivalents		<u>(2,088,588)</u>	<u>6,232,067</u>
 Net cash and cash equivalents at beginning of year	12	8,273,780	2,041,713
 Net cash and cash equivalents at end of year	12	<u><u>6,185,192</u></u>	<u><u>8,273,780</u></u>

The notes on pages 12 to 25 are an integral part of these financial statements.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention 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 are prepared in euros which is the functional currency of the Company. The accounting policies have been applied consistently other than where new policies have been adopted.

The financial statements are prepared on a going concern basis.

b) Recent accounting developments

At 31 March 2016, the following standards have been issued by the IASB which are not effective for these consolidated financial statements:

- in July 2014, IASB issued IFRS9 'Financial Instruments', which will replace IAS39 'Financial Instruments: Recognition and Measurement'. The standard will be effective for annual periods beginning on or after 1 January 2018. ICAP plc intends to adopt IFRS9 for its financial statements for the year ending 31 March 2019; and
- in May 2014, IASB issued IFRS15 'Revenue from Contracts with Customers', which will replace IAS18 'Revenue' and IAS11 'Construction Contracts' and other related interpretations on revenue recognition. The standard will become effective for annual periods beginning on or after 1 January 2018. ICAP plc intends to adopt IFRS15 for its financial statements for the year ending 31 March 2019.

The impact on ICAP plc financial statements from the adoption of these IFRS standards is currently being assessed and will be disclosed closer to the time of the adoption."

c) Revenue

Revenue comprises commission from the Company's agency business.

The Company acts in a non-advisory capacity to match buyers and sellers of financial instruments and raises invoices monthly for the service provided. The Company does not act as principal and only receives and transmits orders between counterparties. Revenue is stated net of rebates and discounts, value added tax and other sales taxes and is recognised in full on the date of the trade. Amounts receivable at the year end are reported as agency trade debtors within trade and other receivables (note 11).

d) Finance income

Interest income is recognised using the effective interest method.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

e) Tax

Tax on the loss for the year comprises both current and deferred tax as well as adjustments in respect of prior years. 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 current and 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 using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. 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 recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Calculations of current and deferred 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.

f) 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 equity. 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.

g) Intangible assets

Intangible assets arising from internal development

Development expenditure on electronic trading platforms is recognised as an intangible asset in accordance with the criteria of IAS 38, "Intangible assets". Intangible assets are stated at historical cost less provision for any impairment in its value and accumulated amortisation.

Amortisation is charged to administrative expenses in the income statement on a straight line basis over the expected useful economic life of the asset as follows:

Capitalised software	3-4 years
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Intangible assets arising from internal development may also include assets previously recognised on the balance sheet of an acquired entity.

Amortisation is charged against assets from the date at which the asset becomes available for use.

h) Trade receivables

Trade receivables are recognised at cost less provision for impairment.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

i) 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.

j) Trade receivables provisioning

Provisions are made for specific debts when it is considered that the creditworthiness of the debtor has deteriorated such that the recovery of all or part of a debt is in serious doubt.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date, but which will not be identified as such until some time in the future. The level of provision is based upon the previous experience of such losses in the Company and is reviewed on a periodic basis. The appropriateness of the provision is periodically assessed against any actual losses that have arisen. All provisions are recorded within administrative expenses in the profit and loss account.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, overdrafts and demand deposits and other short-term highly liquid investments which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

l) 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.

m) Share capital

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

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

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 subsequently the Group Finance 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. All financial liabilities are carried at amortised cost.

The financial assets can be reconciled as follows:

	<u>As at</u> <u>31/03/2016</u>	<u>As at</u> <u>31/03/2015</u>
	€	€
Financial assets		
Cash and cash equivalents	6,185,192	8,273,780
Trade and other receivables	2,716,427	2,283,325
<i>Less</i>		
Prepayments	<u>(2,219)</u>	<u>-</u>
	<u>8,899,400</u>	<u>10,557,105</u>

Market risk

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements.

Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (euros), principally sterling. Whilst it is the Group policy to hedge such foreign exchange movements using derivative financial instruments at a Group level, the Company remains exposed to these risks.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into euros. The Group hedges up to 100% of its translational exposure at a Group level, but the Company is exposed to the impact of exchange rate movements.

It is estimated that a 10 cent change in the exchange rates of sterling would have an impact of €197,474 (2015: €126,262) on the Company's income statement and equity.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2016:

	<u>USD</u> €	<u>EUR</u> €	<u>GBP</u> €	<u>Other</u> €	<u>Total</u> €
Assets					
Cash and cash equivalents	448	5,641,398	543,346	-	6,185,192
Trade and other receivables less prepayments	-	75,463	2,638,745	-	2,714,208
	<u>448</u>	<u>5,716,861</u>	<u>3,182,091</u>	<u>-</u>	<u>8,899,400</u>
Liabilities					
Trade and other payables	-	(39,168)	(1,418,854)	-	(1,458,022)
	<u>-</u>	<u>(39,168)</u>	<u>(1,418,854)</u>	<u>-</u>	<u>(1,458,022)</u>
Net assets	<u>448</u>	<u>5,677,693</u>	<u>1,763,237</u>	<u>-</u>	<u>7,441,378</u>

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2015:

	<u>USD</u> €	<u>EUR</u> €	<u>GBP</u> €	<u>Other</u> €	<u>Total</u> €
Assets					
Cash and cash equivalents	262	8,253,074	20,444	-	8,273,780
Trade and other receivables less prepayments	213	73,696	2,207,094	2,322	2,283,325
	<u>475</u>	<u>8,326,770</u>	<u>2,227,538</u>	<u>2,322</u>	<u>10,557,105</u>
Liabilities					
Trade and other payables	-	(679,656)	(1,250,737)	-	(1,930,393)
	<u>-</u>	<u>(679,656)</u>	<u>(1,250,737)</u>	<u>-</u>	<u>(1,930,393)</u>
Net assets	<u>475</u>	<u>7,647,114</u>	<u>976,801</u>	<u>2,322</u>	<u>8,626,712</u>

Interest rate risk

The Company's interest rate risk arises from cash and cash equivalents where changes in market rates can have an adverse impact on cash flows and income streams. Interest rate risk is monitored at a Group level by the Group Risk and Capital Committee and subsequently the Group Finance Committee. In terms of cash and other interest bearing investments, the Company must comply with the Group Investment Policy. Limits are in place to restrict the amount that can be invested at one institution and all investments must be credit rated AA or above and be for less than 18 months, unless approved by the Group Risk and Capital Committee and subsequently the Group Finance Committee.

As at 31 March 2016 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that change of 1% in interest rates would have an impact of €73,521 (2015: €82,738) on the Company's income statement and equity.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Company's interest rate profile as at 31 March 2016 was as follows:

	<u>None</u> €	<u>Fixed</u> €	<u>Variable</u> €	<u>Total</u> €
Assets				
Cash and cash equivalents	-	-	6,185,192	6,185,192
Trade and other receivables less prepayments	942,129	1,772,079	-	2,714,208
	<u>942,129</u>	<u>1,772,079</u>	<u>6,185,192</u>	<u>8,899,400</u>
Liabilities				
Trade and other payables	(1,458,022)	-	-	(1,458,022)
	<u>(1,458,022)</u>	<u>-</u>	<u>-</u>	<u>(1,458,022)</u>

The Company's interest rate profile as at 31 March 2015 was as follows:

	<u>None</u> €	<u>Fixed</u> €	<u>Variable</u> €	<u>Total</u> €
Assets				
Cash and cash equivalents	-	1,200,000	7,073,780	8,273,780
Trade and other receivables less prepayments	522,163	1,761,162	-	2,283,325
	<u>522,163</u>	<u>2,961,162</u>	<u>7,073,780</u>	<u>10,557,105</u>
Liabilities				
Trade and other payables	(1,930,393)	-	-	(1,930,393)
	<u>(1,930,393)</u>	<u>-</u>	<u>-</u>	<u>(1,930,393)</u>

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 and is limited to cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. 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 and subsequently the Group Finance 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. Typically the Company's are highly credit rated large financial institutions.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to debtors. For debtors who are past their normal settlement date, but not impaired, refer to note 11.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 and subsequently the Group Finance 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.

The following tables show the maturity of the Company's liabilities as at 31 March 2016 and 2015:

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 March 2016	€	€	€	€	€
Liabilities					
Trade and other payables	(1,418,854)	(39,168)	-	-	(1,458,022)
	<u>(1,418,854)</u>	<u>(39,168)</u>	<u>-</u>	<u>-</u>	<u>(1,458,022)</u>

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 March 2015	€	€	€	€	€
Liabilities					
Trade and other payables	(1,250,737)	(174,875)	(504,781)	-	(1,930,393)
	<u>(1,250,737)</u>	<u>(174,875)</u>	<u>(504,781)</u>	<u>-</u>	<u>(1,930,393)</u>

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

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 arm's length transaction. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 March 2016 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2015: none).

Capital management

The Company's capital strategy is to maintain an effective and strong capital base which maximises the return to its shareholders, while also maintaining flexibility and ensuring compliance with supervisory regulatory requirements. The capital structure of the Company consists of debt and equity, including share capital, share premium, other reserves and retained earnings.

The Company seeks to ensure that it has sufficient regulatory capital to meet regulatory requirements.

The regulatory capital level is set in accordance with the FCA's capital requirements. The approach is to hold an appropriate surplus over the minimum.

ICAP plc evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

The Company's capital structure as at 31 March 2016 comprise:

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Total debt	1,418,854	1,250,737
Total equity	11,682,783	13,673,388
Total Capital	<u>13,101,637</u>	<u>14,924,125</u>

The Company complied with its regulatory capital requirements throughout the year.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

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 2016, significant judgements and assumptions were applied to the valuation of intangible assets held by iSwap Euro Limited. The value of this investment is based on future discounted cash flows. On the basis of this valuation technique, no impairment was recognised. 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>31/03/2016</u>	<u>Year ended</u> <u>31/03/2015</u>
	€	€
Amortisation of intangible assets	2,042,128	2,259,903
Management recharge	4,886,283	4,531,985
	<u>6,928,411</u>	<u>6,791,888</u>

The Company's administrative expenses includes auditors' remuneration in respect of statutory audit in the UK of €23,750 (2015: €23,000).

Fees paid to the Company's auditor, PricewaterhouseCoopers LLP, and its associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of its parent, ICAP plc, include these fees on a consolidated basis.

The monthly average number of persons employed by the Company during the year was nil (2015: nil).

5. DIRECTORS' REMUNERATION

No fees were paid to the directors in respect of services to the Company during the year (2015: nil).

6. OTHER OPERATING EXPENSES

This represents exchange differences arising on transactions in foreign currencies during the year and on the translation at the balance sheet date of assets and liabilities denominated in foreign currencies.

7. FINANCE INCOME

	<u>Year ended</u> <u>31/03/2016</u>	<u>Year ended</u> <u>31/03/2015</u>
	€	€
Bank deposits	274	1,265
Interest receivable from Group companies	10,916	5,704
	<u>11,190</u>	<u>6,969</u>

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

8. TAX

	<u>Year ended</u> <u>31/03/2016</u> €	<u>Year ended</u> <u>31/03/2015</u> €
Current tax:	-	-
Deferred tax:		
Deferred tax (note 10) - current year	(339,589)	(272,573)
Adjustments in respect of prior years (note 10)	(1)	3,742
	<u>(339,590)</u>	<u>(268,831)</u>
	<u>(339,590)</u>	<u>(268,831)</u>
Loss before tax	<u>(4,330,195)</u>	<u>(3,777,543)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(866,039)	(793,284)
Effects of:		
Tax losses for which deferred income tax asset was not recognised	457,613	341,304
Derecognise Losses	-	179,407
Adjustments in respect of prior years – deferred tax	(1)	3,742
Impact of rate change in deferred tax	68,837	-
	<u>526,449</u>	<u>524,453</u>
Tax credit for the year	<u>(339,590)</u>	<u>(268,831)</u>
Effective tax rate	8%	7%

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Further reductions to the main rate have been enacted reducing it to 19% from 1 April 2017 and 18% from 1 April 2020. Whilst not yet enacted it has been announced that legislation in Finance Bill 2016 will set the rate at 17% from 1 April 2020. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2019.

In accordance with the Capital Requirements Directive IV (CRD IV) and the associated Capital Requirements (Country-by-Country Reporting) Regulations 2013, effective January 2014, the Company will publish additional information at the following web address: www.icap.com

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

9. INTANGIBLE ASSETS

	<u>Capitalised software</u> €
Cost	
As at 1 April 2015	10,361,409
Additions	895,048
As at 31 March 2016	<u>11,256,457</u>
Accumulated amortisation	
As at 1 April 2015	6,283,039
Amortisation charge for the year	2,042,128
As at 31 March 2016	<u>8,325,167</u>
Net book value	
As at 31 March 2016	<u><u>2,931,290</u></u>

	<u>Capitalised software</u> €
Cost	
As at 1 April 2014	8,876,538
Additions	1,484,871
As at 31 March 2015	<u>10,361,409</u>
Accumulated amortisation	
As at 1 April 2014	4,023,136
Amortisation charge for the year	2,259,903
As at 31 March 2015	<u>6,283,039</u>
Net book value	
As at 31 March 2015	<u><u>4,078,370</u></u>

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

10. DEFERRED TAX ASSET

The deferred tax asset was as follows:

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Capital allowances	1,307,896	968,306
	<u>1,307,896</u>	<u>968,306</u>
	<u>2016</u> €	<u>2015</u> €
At beginning of the year	968,306	699,475
Transferred to the income statement (note 8)	339,590	268,831
As at 31 March	<u>1,307,896</u>	<u>968,306</u>

A deferred tax asset has been recognised as it is more likely than not that there will be sufficient taxable profits in the UK group in the foreseeable future against which the temporary difference can be utilised. The deferred tax asset is likely to be utilised beyond 12 months.

11. TRADE AND OTHER RECEIVABLES

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Current		
Agency trade debtors	418,980	517,633
Net trade receivables	<u>418,980</u>	<u>517,633</u>
Amounts owed by Group companies (note 15)	2,295,228	1,765,692
Prepayments and accrued income	2,219	-
	<u>2,716,427</u>	<u>2,283,325</u>

The majority of net trade debtors which are neither impaired nor past their normal settlement dates are held with high quality credit institutions.

As at 31 March the following trade debtors were past their normal settlement date, but had not been impaired:

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Less than 30 days, and not yet due	264,444	332,296
Over 30 days, but less than 90 days, and past due date	155,381	184,159
Over 90 days, but less than 180 days, and past due date	(857)	749
Over 180 days, and past due date	12	429
	<u>418,980</u>	<u>517,633</u>

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

12. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Cash and cash equivalents	6,185,192	7,073,780
Short-term bank deposits	-	1,200,000
	<u>6,185,192</u>	<u>8,273,780</u>

The short-term bank deposits have a maturity of 30 days or less.

13. TRADE AND OTHER PAYABLES

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Amounts falling due within one year		
Amounts owed to Group companies (note 15)	1,418,854	1,250,737
Accruals	39,168	679,656
	<u>1,458,022</u>	<u>1,930,393</u>

14. CALLED UP SHARE CAPITAL

	<u>As at</u> <u>31/03/2016</u> €	<u>As at</u> <u>31/03/2015</u> €
Allotted and fully paid:		
302 Ordinary share(s) of €1 each (2015: 202)	302	202
	<u>302</u>	<u>202</u>

On 10th December 2015, the Company issued 100 ordinary €1 shares for a consideration of €2,000,000.

ISWAP EURO LIMITED

Notes to the financial statements for the year ended 31 March 2016

15. RELATED PARTY TRANSACTIONS

Parent company

The Company's immediate parent is iSwap Limited, which prepares 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 entered into the following transactions with related parties who are members of the Group:

	<u>Year ended</u> <u>31/03/2016</u>	<u>Year ended</u> <u>31/03/2015</u>
	€	€
Cost of management services received:		
Fellow subsidiary companies	(4,886,283)	(4,531,985)

The Company had the following outstanding net balances owed by related parties who are members of the Group:

	<u>As at</u> <u>31/03/2016</u>	<u>As at</u> <u>31/03/2015</u>
	€	€
Fellow subsidiary companies	876,374	514,955
	<u>876,374</u>	<u>514,955</u>

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.