Company Number 00966604

Tullett Prebon (Europe) Limited

Annual Report and Financial Statements - 31 December 2022

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022
The directors present their Annual Report and the audited financial statements of Tullett Prebon (Europe) Limited (the "Company") for the year ended 31 December 2022.

The Company is a private company limited by shares, incorporated in the United Kingdom and domiciled in England and Wales. The registered office is 135 Bishopsgate, London, EC2M 3TP.

PRINCIPAL ACTIVITIES
The Company's principal activity is to act as an inter-dealer Broker ("IDB") in wholesale money markets, foreign exchange, Government Bonds, corporate repurchase agreements, global depositary receipts, FX options, energy markets, interest rate derivatives and off balance sheet financial instruments, providing services to banks, financial institutions, local authorities and corporate clients. The Company is authorised and regulated by the Financial Conduct Authority ("FCA"), the National Futures Association ("NFA") and the Hong Kong Monetary Authority. It is a clearing member of the London Metals Exchange and also has membership of London Stock Exchange, Euronext Paris, Euronext Amsterdam, Eurex and ICE Futures Europe.

The Company is a wholly owned subsidiary of TP ICAP EMEA Investments Limited. The Company's ultimate parent company and controlling party is TP ICAP Group plc (the "Group").

The Company has a branch in Germany, as defined in section 1046(3) of the Companies Act 2006

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
The Directors consider that the year-end financial position was satisfactory. Following the review of the Company's role within the Group, the Company acquired and transferred some of the operational activities from and to certain fellow subsidiaries of the Group during the year as part of the Group's Brexit strategy, as well as allowing the Group to consolidate certain trading and broking activities in EMEA.

RESULTS
The results of the Company are set out in the Statement of profit or loss on page 12.

The Company reported a profit after income tax for the year of £29,763,000 (2021: £23,595,000), with a year-on-year increase driven by favourable United States Dollar and Euro currency revaluations in the first half of the year. Revenue and administrative expenses movements are due to transfer of some operational activities as stated in the business review.

The Company's total assets of £160,618,000, down 11% in 2022 predominantly driven by reduction in debtors. The Net assets of the Company are £145,932,000 as at 31 December 2022 (2021 £169,198,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks in the Company's day to day operations can be categorised under Financial Risks, Operational Risks and Strategic Business Risks.

More details on Financial Risks are provided within the notes to the financial statements and include the following:

- Market Risk: the vulnerability of the Company to movements in foreign exchange and interest rates;
- Credit Risk: 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;
- Liquidity Risk: 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 ongoing operations or any reasonable unanticipated events on cost effective terms;
- Capital Management Risk: the risk of failure to maintain adequate levels of prudential capital. The Company closely monitors regulatory developments in the market and is actively involved in the consultation and rule-setting process so as to ensure an informed debate on all regulatory issues potentially affecting inter-dealer broking ("IDB") markets, both on an individual firm basis and through trade associations. The Board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources.

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

Strategic Business Risk is the risk that the Company's ability to conduct business might be damaged through its failure to adapt to changing market dynamics, market dislocations and continuously evolving customer requirements. These include:

- Risk to technology expertise whereby the Company's ability to retain its position as a leading market infrastructure provider will be dependent on its ability to develop and implement its technology strategy;
- Risk to climate change when the Company fails to address any adverse impact on its business arising from the transactions to a net zero global economy. The Group is in the process of considering how material climate-related issues affect our business strategy. During 2022, this has been carried forward by engagement with senior management, exposures across key sites and business operations, understanding the exposure of our largest suppliers to climate change. During 2023, we continue to understand the impact of climate change and assess any material impact on the Company's financial performance;
- Following the loss of the European Union ("EU") passporting rights as a result of the United Kingdom ("UK")'s withdrawal from the EU ("Brexit"), the Company continues to implement its Brexit transition plan including relocating existing additional UK-based brokers and hiring local brokers in the EU. Despite evolving post Brexit landscape, the Company has been servicing its EU clients effectively;
- Russia's invasion of the Ukraine together with the recent collapse of Silicon Valley Bank and Credit Suisse buyout in March has caused a significant amount of volatility and uncertainty in global markets. Since February 2022, all trading activities with sanctioned clients were ceased. The Company continues to monitor relevant exposures and execute any relevant mitigating actions as necessary.

Management has the day-to-day responsibility for ensuring the Company operates in accordance with its Enterprise Risk Management Framework, which aligns to TP ICAP Group plc risk management framework. Approved policies and procedures to manage key risks are outlined in the Group's Annual Report.

SECTION 172(1) STATEMENT

The Directors provide this statement describing how they have had regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing their duty to promote the success of the Company. Further details on TP ICAP's engagement with our key and other stakeholders, as well as how we promote the success of TP ICAP are also contained in the Group Corporate Governance Report as contained in the Annual Report and Accounts ("Group Annual Report") of TP ICAP Group plc (the "Group"). This statement also provides details of how the Directors have engaged with and had regard to the interests of our key stakeholders..

Our stakeholders

The Company believes that effective engagement with our shareholders and wider stakeholder groups is central to the Group's long-term success. During 2022, we maintained our engagement with all our stakeholders. As part of this work, we increased our focus on environmental, social and governance ("ESG") matters. During the year, the Company conducted an annual review of its risk and governance framework. The adopted framework has reinforced Section 172 oversight by further clarifying divisions of responsibilities within the Group. The structure and format of Board and Committee papers ensure that Section 172(1) considerations are considered in Director's discussion and decision making.

- Shareholders
  The Directors believe that engagement with our shareholders is of key importance to the business. During the year, the Directors considered, approved and paid dividends as appropriate to its shareholders, having considered the impact of a distribution on the long-term prospects of the business. At Group level, a tailored engagement approach is undertaken with the Group's shareholders. Details of the approach taken with the Group's shareholders are included in the Group Annual Report which does not form part of this report.
- Employees
  Employees are central to the long-term success of the Company, and, as such the Directors consider their interests in its decision-making. A Group Board Non-executive Director Engagement programme with employees has been running for a number of years. These initiatives coupled with engagement surveys, have provided invaluable feedback and helped senior management understand the areas that employees wanted to prioritise and progress. Various employee networks exist across the Group, with events held, to help employees better connect, network and increase understanding across the firm. Further engagement activities are planned for 2023. The Group's new Triple A core values of accountability, adaptability and authenticity are integral to the long-term success of the business and the Directors are committed to promoting a culture which embodies the highest possible standards. We will also be focussing on the key priorities of making TP ICAP a place where all employees can build a career, where all can belong and succeed and to make TP ICAP a place where people are engaged and would recommend as a place to work
- Clients
  The Group manages our client relationships at multiple levels of seniority across the global organisational structure. This includes management level strategic relationship discussions as well as regular transactional dialogue. Strategic meetings and all client interactions driven by our CRM team in the broking businesses are tracked centrally. Further details of engagement with clients is provided in the Group Annual Report which does not form part of this report.
- Regulators
  The Directors recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year the Directors engaged with the Financial Conduct Authority (FCA) and the Autorité des marchés financiers (AMF), the French financial markets regulator, to discuss post Brexit plans and Investment Firms Prudential Regime (IFPR). The Directors also received updates on engagement with the Regulators through Board reporting
- Suppliers
  The Directors recognise the importance of engagement with our key infrastructure suppliers to monitor performance, manage risk and receive updates on Payment Practices Reporting biannually. In 2023 the Directors will continue to receive regular updates on Payment Practices initiatives regarding suppliers which will further strengthen its oversight of and engagement with suppliers. Key supplier engagement is also carried out at Group level and is discussed in detail in the Group Annual Report which does not form part of this report.

Key Decisions

The Company, through its Board of Directors, took the following key decisions through the course of the year:

- The transfer of some of its operational activities to fellow subsidiaries of the Group as part of the execution of its Brexit Strategy
- The realignment of broking activities as part of the Group's efforts to simplify the Group's operational footprint across UK regulated entities

Our approach to sustainability

The Directors recognise that TP ICAP's ESG performance is an increasingly important factor in delivering long-term value for our shareholders. To best meet the needs of our stakeholders, which include clients, colleagues, regulators, suppliers, and also the communities in which we operate and the environment, we have set a sustainability strategy that is formed of three priorities: 'ESG Reporting and Performance Management'; 'Supporting our Clients'; and 'Making a Positive Impact'. Throughout 2022, the Group Board monitored the execution of this strategy. Areas of particular focus included climate change-related matters and reviewing the Group's corporate purpose. Details of the Group's sustainability strategy and ESG performance can be found in the Group Annual Report, which does not form part of this report.

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets, is 20.4% (2021: 13.9%). This is in line with management expectations.

The Directors of TP ICAP Group plc manage the Group's operations on a regional basis. For this reason, the Company's Directors believe that further 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 the Group, which includes the Company, are discussed in the Annual Report of TP ICAP Group plc, 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:

P Redman
Director

28 March 2023

Company No: 00966604

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and Financial Statements of the Company which comprise of the Statement of profit or loss, Statement of other comprehensive income, Balance sheet, Statement of changes in equity and related notes 1-29.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Details of business review and future developments are explained in the Strategic Report on page 1.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are explained in the Strategic Report on page 2 and detailed in Note 3, Financial risk management.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the twelve months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

During the year the directors declared and paid dividends on the ordinary shares of £52,800,000 (2021: £15,000,000).

No further dividends have been proposed up to the date of signing.

DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report, unless otherwise stated:

A Bashenko (Appointed 01 January 2022)
D Fields (Appointed 01 July 2022)
M Forsyth (Appointed 01 July 2022)
C Rozes (Appointed 01 July 2022)
D McClumpha (Resigned 30 June 2022)
A Polydor (Resigned 01 July 2022)
P Randall
P Redman
S Sparke

DIRECTOR'S INDEMNITIES

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

SECTION 172(1) STATEMENT

The Company has prepared a statement in compliance with Section 172(1) of the Companies Act 2006. Details of this statement can be found in the Strategic Report on page 3.

OUR PURPOSE AND CORPORATE GOVERNANCE

The Company's purpose is aligned with that of our ultimate parent company, which states that "we provide access to global financial and commodities markets, improving price discovery, flow of liquidity and distribution of data, working with and supporting the communities in which we operate and facilitating economic growth".

Like other companies in the TP ICAP Group, the Company adopted a governance framework in November 2019 which is set out within the Group's Governance Manual. The Company is a UK regulated entity and, as such, is also subject to the TP ICAP UK Regulated Entity Governance Framework. Together these documents set out the specific corporate governance requirements for the Company, including:

- the composition of the Board and the individual accountability of senior management;
- clarification on ultimate decision making and delegations;
- the embedding of s172 and stakeholder considerations in decision making;
- the responsibility of the Board in setting the right culture;
- how matters are to be escalated and the interactions with other Group committees;
- the division of responsibilities and director roles;
- the conduct of meetings;
- the requirement for Board Risk and Remuneration committees, their membership and their terms of reference;
- the role of TP ICAP Group plc Audit and Nominations & Governance Committees as they relate to the Company;
- the management of conflicts of interest;
- the implications of the Senior Managers and Certification Regime on the Company; and
- expectations on the structure and format of papers and management information made available to the Board in order to drive better decision making.

POLITICAL CONTRIBUTIONS
There were no political contributions made by the Company during the year (2021: £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.

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.

POST BALANCE SHEET EVENTS
No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

STREAMLINED ENERGY AND CARBON REPORTING

On 1 April 2019, the Streamlined Energy and Carbon Reporting was implemented through the enforcement of the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018. The below table and supporting narrative summarise the disclosure in line with the requirement for a large unquoted company.

Our carbon emissions and energy consumption

Reporting year	**Current reporting year: 1st January 2022 - 31st December 2022**	**Previous reporting year: 1st January 2021 - 31st December 2021**
Location	**UK**	**UK**
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1) (tCO_2e)	20	130
Emission from purchase of electricity heat, steam and cooling purchased for own use (Scope 2) (location-based) (tCO_2e)	125	88
Emission from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) (tCO_2e)	0	0
Total gross Scope 1, Scope 2 and Scope 3 emissions (location-based) (tCO_2e)	**145**	**218**
Total energy consumption based on the above (kWh)	**652,075**	**1,124,870**
Intensity ration: tCO_2e (gross Scope 1,2 +3) per FTE	**0.51**	**0.61**

Methodology

Anthesis has calculated the above greenhouse gas emissions estimates to cover all material sources of emissions for which TP ICAP is responsible. The methodology used was that of the 2 Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015). Responsibility for emissions sources was determined using the operational control approach. All emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included.

TP ICAP Group Services Ltd UK energy and emissions have been apportioned between qualifying subsidiaries based on employee numbers (FTE). Energy consumption was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2022.

Energy Efficiency Action

During 2022, at a group level, TP ICAP have continued to rationalise their office space in order to reduce emissions from scope 1 and 2.

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 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 FRS 101 "Reduced Disclosure Framework" has been followed, subject to any material departures disclosed and explained in the financial statements; 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 they have complied with all the above requirements in preparing 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.

The report is authorised for issue by the Board of directors.

Approved by the Board and signed on its behalf by:

P Redman
Director

28 March 2023

Company No: 00966604

Independent auditor's report to the members of Tullett Prebon (Europe) Limited
Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Tullett Prebon (Europe) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then 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 which comprise:

- the statement of profit and loss
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 29.

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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006 and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Financial Conduct Authority and National Futures Association regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management , internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, internal audit reports and corresondence with the FCA.

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 year 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.

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013
In our opinion the information given in note 29 for the financial year ended 31 December 2022 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

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.

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.

Alexander Morton ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 March 2023

Tullett Prebon (Europe) Limited
Statement of profit or loss
For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Revenue	4	174,746	200,477
Other operating income / (expenses)		4,848	(1,035)
Expenses			
Administrative expenses	5	(156,898)	(180,003)
Operating Profit		22,696	19,439
Interest receivable and similar income	9	423	66
Interest payable and similar expenses	10	(16)	(98)
Dividends received	11	11,994	9,426
Profit before income tax		35,097	28,833
Income tax	12	(5,334)	(5,238)
Profit after income tax for the year		29,763	23,595

The profit after income tax for the current and prior year is derived from continuing operations.

The above Statement of profit or loss should be read in conjunction with the accompanying notes

Tullett Prebon (Europe) Limited
Statement of other comprehensive income
For the year ended 31 December 2022

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Profit after income tax for the year	29,763	23,595
Other comprehensive (loss) / income		
Items that may be reclassified subsequently to the Statement of profit or loss		
Translation of overseas branches	(599)	804
Revaluation of financial assets FVOCI (Note 13)	196	883
Tax relating to components of other comprehensive loss	(96)	(308)
Other comprehensive (loss) / income for the year, net of tax	(499)	1,379
Total comprehensive income for the year	29,264	24,974

The above Statement of other comprehensive income should be read in conjunction with the accompanying notes

Tullett Prebon (Europe) Limited
Balance sheet
As at 31 December 2022

	Note	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Assets			
Non-current assets			
Other investments	13	5,470	5,274
Investment in associate	14	3,766	3,766
Intangibles	15	2,000	2,000
Total non-current assets		11,236	11,040
Current assets			
Debtors	16	67,470	113,875
Cash and cash equivalents	17	78,529	54,493
Financial assets at fair value through profit or loss	18	3,383	1,239
Total current assets		149,382	169,607
Total assets		160,618	180,647
Liabilities			
Non-current liabilities			
Deferred tax	12	641	691
Total non-current liabilities		641	691
Current liabilities			
Creditors	19	7,942	7,557
Financial liabilities at fair value through profit or loss	20	3,362	1,224
Tax payable	12	2,741	1,977
Total current liabilities		14,045	10,758
Total liabilities		14,686	11,449
Net assets		145,932	169,198
Equity			
Issued capital	21	23,000	23,000
Share premium	22	29,486	29,486
Other reserves	23	5,059	5,044
Retained profits		88,387	111,668
Total equity		145,932	169,198

The financial statements on pages 12 to 34 were approved and authorised for issue by the Board of directors on 24 March 2023 and were signed on its behalf by:

P Redman
Director

28 March 2023

Company No: 00966604

The above Balance sheet should be read in conjunction with the accompanying notes

Tullett Prebon (Europe) Limited
Statement of changes in equity
For the year ended 31 December 2022

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2021	23,000	29,486	2,469	101,445	156,400
Profit after income tax for the year	-	-	-	23,595	23,595
Other comprehensive income for the year, net of tax	-	-	575	804	1,379
Total comprehensive income for the year	-	-	575	24,399	24,974
Share-based payments	-	-	-	824	824
Other reserves	-	-	2,000	-	2,000
Dividends paid (note 24)	-	-	-	(15,000)	(15,000)
Balance at 31 December 2021	23,000	29,486	5,044	111,668	169,198

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2022	23,000	29,486	5,044	111,668	169,198
Profit after income tax for the year	-	-	-	29,763	29,763
Other comprehensive (loss) / income for the year, net of tax	-	-	100	(599)	(499)
Total comprehensive income for the year	-	-	100	29,164	29,264
Share-based payments	-	-	-	355	355
Other reserves	-	-	(85)	-	(85)
Dividends paid (note 24)	-	-	-	(52,800)	(52,800)
Balance at 31 December 2022	23,000	29,486	5,059	88,387	145,932

The above Statement of changes in equity should be read in conjunction with the accompanying notes

Note 1. General information and principal accounting policies

General information
The Company is a private company limited by shares, incorporated in England and Wales. The registered office is 135 Bishopsgate, London, England. EC2M 3TP.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern
After consideration of the Company's business review and the risks and uncertainties, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. Accordingly, the going concern basis continues to be used in preparing these financial statements.

Basis of preparation
The financial statements of the Company have been prepared in accordance with FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006. As permitted, the Company has taken advantage of disclosure exemptions, including: Statement of cash flows, disclosure of new accounting standards not yet mandatory, presentation of comparative information for tangible and intangible fixed assets, key management compensation, related party transactions between wholly owned group companies and share-based payments. Where relevant, equivalent disclosures have been given in the Group financial statements of TP ICAP Group plc. Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results.

The Company's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey).

The financial statements are prepared in Pound Sterling, which is the functional currency of the Company.

Historic cost convention
The financial statements are prepared under the historical cost convention, as modified by financial instruments recognised at fair value.

Revenue
Revenue comprises of:

Matched Principal brokerage, where commission income represents the differential between consideration received from the sale of the security and that paid on its purchase. Matched Principal brokerage, where net income is recognised on the differential between consideration received from the sale of the security and that paid on its purchase. Revenue is recognised on settlement date.

Agency brokerage, where the Company earns commission on transactions where it acts as agent. The Company acts in a non-advisory capacity to match buyers and sellers of financial instruments and raises invoices for the service provided. The Company does not act as principal and only receives and transmits orders between counterparties. Amounts receivable at the year-end are reported as Agency trade debtors within Debtors. Revenue is recognised on trade date.

Executing on Exchange brokerage, where the Company acts as an agent of exchange listed products transacting as principal to the trade. The trade is then novated to the underlying client's respective clearing broker for settlement. Revenue is recognised on trade date.

The Company has applied IFRS 15, a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A contract-based revenue recognition model is used, with a measurement approach that is based on an allocation of the transaction price. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company, or at the time of the simultaneous commitment by the counterparties to sell and purchase the financial instrument. Revenue is stated net of VAT, rebates and discounts.

Pension costs
Certain employees of the Company participate in a Group defined contribution pension scheme operated by third parties. The Company's contributions to the scheme are charged to the Statement of profit or loss on an accruals basis.

Note 1. General information and principal accounting policies (continued)

Interest receivable and similar income
Interest revenue is recognised as interest and accrues using the applicable effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Interest payable and similar expenses
Interest expenditure is recognised as interest and accrues using the applicable effective interest method. Finance costs directly attributable to Tangible assets are capitalised as part of the asset. This is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial liability to the net carrying amount of the financial liability. All other finance costs are expensed in the period in which they are incurred.

Dividend received
Dividend income is recognised upon declaration or when it becomes receivable.

Tax
Tax on the profit for the financial year comprises both current and deferred tax as well as any adjustment in respect of prior years. Tax is charged or credited to the Statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also recorded within 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.

Calculations of current and deferred tax liability are 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 initially recorded, such differences will impact the current and deferred tax amounts in the year in which a reassessment of the liability is made.

Deferred Tax
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.

Dividends paid
Dividends are recognised as deductions from Retained profits in the period in which they are paid.

Cash and cash equivalents
Cash and cash equivalents comprises of cash in hand, 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 within less than three months.

Restricted funds
Restricted funds comprise cash held with a central counterparty clearing house ("CCP"), cash and liquid instruments held with a financial institution providing the Company with access to a CCP, or funds set aside for regulatory purposes, but excluding client money. The funds represent cash and liquid instruments for which the Company does not have immediate and direct access or for which regulatory requirements restrict its use.

Foreign currencies
Transactions denominated in foreign currencies are translated into functional currency at the rates of exchange prevailing on the date of each transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currency are retranslated at rates prevailing on the balance sheet date. Exchange differences are taken to the Statement of profit or loss. Non-monetary assets and liabilities carried at fair value denominated in foreign currency are translated at the rates prevailing at the date when the fair value was determined.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date. Exchange differences arising are recorded in other comprehensive income and transferred to the Company's Retained profits.

Note 1. General information and principal accounting policies (continued)

Debtors
Debtors comprises of both financial and non-financial assets. Financial assets include trade debtors, deposits paid for securities borrowed, loans and amounts owed by Group related companies are recognised at amortised cost less expected credit loss provision. All provisions are recorded within Administrative expenses in the Statement of profit or loss.

Creditors
Creditors are measured at amortised cost and comprise of deposits received for securities loaned, loans and amounts owed to Group related companies and others relating to goods and services provided to the Company prior to the end of the financial year and where the invoice is unpaid.

Other investments
Other investments are recorded at fair value with changes in fair value reflected in other comprehensive income.

Financial instruments
The Company has applied IFRS 9 in valuing its financial instruments. The Company had no hedging relationships as at this date or during the current reporting period. Classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset. There exist three principal classification categories for financial assets:

(i) fair value through other comprehensive income 'FVOCI',
(ii) fair value through profit or loss 'FVTPL' and
(iii) amortised cost.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income ("OCI"). This election is made on an investment-by-investment basis.

Equity investments in scope of IFRS 9 are measured at fair value with gains and losses recognised in the Statement of profit or loss unless an irrevocable election has been made to recognise gains or losses in OCI. Under IFRS 9, derivatives embedded in financial assets are not bifurcated but instead the whole hybrid contract is assessed for classification.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as an asset measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is measured at amortised cost only if both following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest. By default, all other financial assets are measured subsequently at FVTPL.

The Company follows settlement date accounting policy for the recognizing regular way purchases and sales of non-derivative financial instruments.

Impairment of financial assets
IFRS 9 applies the Expected Credit Loss ("ECL") model to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of Trade and other debtors, Cash and cash equivalents and other Intercompany debtors. ECL of Trade and other debtors and Cash and cash equivalents is calculated using simplified method (lifetime ECL) while Intercompany debtors adopt the general approach (12 month ECL).

Under IFRS 9, loss allowances are measured on either of the following bases:
- 12-month ECLs: that result from expected default events within 12 months of the reporting date; and
- lifetime ECLs: that result from all default events anticipated during the expected life of a financial instrument

Note 1. General information and principal accounting policies (continued)

The Company measures loss allowances at an amount equal to lifetime ECLs. The only exception is Cash and cash equivalents and Intercompany positions for which credit risk has not increased significantly since initial recognition, which is measured as 12-month ECLs. The Company has elected to measure loss allowances for Debtors at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, The Company assumes that the credit risk on a financial asset has increased if it is more than 30 days past due, unless there is reasonable and supportable information that demonstrates otherwise.

Measurement of Expected Credit Loss ("ECL")
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, representing the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events have occurred that have a detrimental impact on estimated future cash flows of the financial asset.

Intercompany current accounts
Intercompany current accounts are shown in accordance with the netting agreement, which allows netting of bilateral intercompany balances within entities that are party to the netting agreement.

Intercompany loan
Intercompany loans are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Matched Principal transactions
The Company engages in Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions are primarily on a delivery vs payment basis ('DVP') and typically take place within a few business days of the trade date according to the relevant market rules and conventions.

Regular way Matched Principal transactions are recognised on settlement date, classified as FVTPL and are derecognised on settlement of the related sale . Fair value movements on unsettled Matched Principal regular way transactions between trade date and settlement are recognised in profit or loss with the associated asset or liability recorded in financial assets or liabilities held at fair value through profit or loss.

Investment in associates
Investments comprise equity shareholdings. These investments are recorded at historical cost less provision for any impairment in their values. An associate is an entity in which the Company has an interest and, in the opinion of the directors, can exercise significant influence, but not 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. Significant influence will generally exist where the Company holds more than 20% and less than 50% of the shareholders' voting rights.

Impairment of associates
An impairment review is undertaken at each balance sheet date or when events or changes in circumstances indicate that an impairment loss may have occurred. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For non-financial assets, Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1. General information and principal accounting policies (continued)

Intangible assets
The cost of intangible fixed assets is their purchase cost, together with any incidental costs at acquisition. Development costs have been capitalised in accordance with IAS 38 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. Intangible non-current assets are stated at cost less accumulated amortisation and impairment.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit or loss when the asset is derecognised.

Issued capital
Ordinary shares are classified as equity.

Client money
The Company holds money on behalf of clients in accordance with the client money rules of the FCA. Since the Company is not beneficially entitled to these amounts, they are excluded from the Balance Sheet along with the corresponding liabilities to customers. The net return received on managing client money is included within interest income.

New and revised IFRS in issue and mandatorily effective during the year
Management have reviewed the new and revised IFRS in issue and mandatorily effective during the year. These standards have not had a material impact on the financial statements of the Company in the period of initial application.

Note 2. Key accounting judgements and sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates, and assumptions and there are no sources of estimation uncertainty that are likely to affect the current or future financial years other than noted.

Note 3. Financial risk management

Financial risk factors
The Company's activities expose it to a variety of financial risks, including market, credit, liquidity and capital management risk. The Company adopts the financial risk management framework, strategy and policies proposed through EMEA Risk, Conduct and Governance Committee and is overseen by the Board.

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Financial assets		
Debtors less prepayments	67,470	113,785
Financial assets FVTPL (Note 18)	3,383	1,239
Cash and cash equivalents (Note 17)	78,529	54,493
Total financial assets	149,382	169,517

Market risk
Market Risk includes risks arising from movements in foreign exchange, interest rates, market prices and fair value.

Note 3. Financial risk management (continued)

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 expenses incurred and revenue earned in currencies other than the Company's functional currency (sterling). Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into sterling.

It is estimated that a 10 cent increase in the exchange rates of United States Dollar and Euro against Pound Sterling as at 31 December 2022 would negatively impact the Company's Statement of profit or loss and Retained profits by £1,529,000 and £1,600,000 respectively (2021: £1,754,000 and £1,136,000). Any movements in the remainder currencies against Pound Sterling is not expected to have a significant impact on the financial statements (2021: £Nil).

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2022:

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Financial assets					
Debtors less prepayments	23,789	5,594	965	37,122	67,470
Financial assets FVTPL	-	-	-	3,383	3,383
Cash and cash equivalents	2,843	14,380	-	61,306	78,529
Total financial assets	26,632	19,974	965	101,811	149,382
Financial liabilities					
Creditors	(5,557)	(89)	(12)	(2,284)	(7,942)
Financial liabilities FVTPL	-	-	-	(3,362)	(3,362)
	(5,557)	(89)	(12)	(5,646)	(11,304)
Total financial liabilities	(5,557)	(89)	(12)	(5,646)	(11,304)
Net financial assets	21,075	19,885	953	96,164	138,078

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2021:

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Financial assets					
Debtors less prepayments	27,847	9,796	1,581	74,561	113,785
Financial assets FVTPL	595	-	-	644	1,239
Cash and cash equivalents	3,207	4,947	-	46,339	54,493
Total financial assets	31,649	14,743	1,581	121,544	169,517
Financial liabilities					
Creditors	(5,514)	(82)	(3)	(1,959)	(7,557)
Financial liabilities FVTPL	(623)	-	-	(601)	(1,224)
	(6,137)	(82)	(3)	(2,560)	(8,781)
Total financial liabilities	(6,137)	(82)	(3)	(2,560)	(8,781)
Net financial assets	25,512	14,661	1,578	118,985	160,736

Note 3. Financial risk management (continued)

Interest rate risk
The Company's interest rate risk arises from Cash and cash equivalents, Restricted funds and Intercompany balances where changes in market interest rates can have an some impact on cash flows and income streams. Interest rate risk is monitored at a Group level by the Board Risk Committee. In terms of cash and other interest bearing investments, the Company must comply with the Enterprise Risk Management Framework which includes policies and procedures for these key risks. 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 Board Risk Committee.

The Company estimates that an increase of 1% in interest rates would positively impact the Company's Statement of profit or loss and Retained profits by £316,000 (2021: £212,000).

The Company's interest rate profile as at 31 December 2022 was as follows:

	None £'000	Fixed £'000	Variable £'000	Total £'000
Financial assets				
Debtors less prepayments	67,470	-	-	67,470
Financial assets FVTPL	3,383	-	-	3,383
Cash and cash equivalents	7,962	-	70,567	78,529
Total financial assets	78,815	-	70,567	149,382
Financial liabilities				
Creditors	(7,942)	-	-	(7,942)
Financial liabilities FVTPL	(3,362)	-	-	(3,362)
	(11,304)	-	-	(11,304)
Total financial liabilities	(11,304)	-	-	(11,304)

The Company's interest rate profile as at 31 December 2021 was as follows:

	None £'000	Fixed £'000	Variable £'000	Total £'000
Financial assets				
Debtors less prepayments	113,785	-	-	113,785
Financial assets FVTPL	1,239	-	-	1,239
Cash and cash equivalents	11,091	-	43,402	54,493
Total financial assets	126,115	-	43,402	169,517
Financial liabilities				
Creditors	(7,557)	-	-	(7,557)
Financial liabilities FVTPL	(1,224)	-	-	(1,224)
	(8,781)	-	-	(8,781)
Total financial liabilities	(8,781)	-	-	(8,781)

Note 3. Financial risk management (continued)

Price risk
The Company is exposed to price risk when one or both counterparties in a matched principal transaction fail to fulfil their obligations, through trade mismatches or other errors. Risk is restricted to short term price movements in the underlying stock position.

To the extent that any exist, unmatched transactions are identified and monitored on a daily basis. The Group has policies and procedures in place to reduce the likelihood of such situations, but should they arise, the policy is to close out positions immediately or, with Senior Management approval, to carry them with an appropriate hedge in place.

The Company expects that movement in the price of assets and liabilities in matched principal transactions will not have a material effect on the Statement of profit or loss of the Company, in the ordinary course of business.

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 December 2022 there were no financial assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2021: £Nil).

Credit risk
Credit risk arises from the potential that a counterparty is unable or unlikely to perform an obligation resulting in a loss for the Company. When the Company enters into transactions only when executing on behalf of customers, providing customer access to clearing, or provides additional fee-based services to customers, there does exist short-term credit exposure, prior to clearing and settlement, and outstanding receivables that the Company manages. 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. Limits are set based on Group parameters determining the maximum loss any one company (within the Group) can suffer as a result of counterparty default.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to Debtors (Note 16) and Cash and cash equivalents, (Note 17). In a matched principal transaction there is a simultaneous commitment by the counterparties to sell and purchase a financial instrument, meaning that there does exist short-term credit exposure, prior to clearing and settlement.

Liquidity risk
The Company seeks to ensure that it has sufficient levels of cash and access to liquidity facilities to enable it to meet its ongoing operations. As a normal part of its operations, the Company faces liquidity risk of being required to fund transactions that do not settle on the due date, which is addressed by arranging overdraft facilities with its settlement agents. The Company is also exposed to margin calls which typically arise from unclaimed trades or trade error. Together with 11 other UK regulated entities of the Group, the Company has exclusive access to a committed revolving credit facility of £25million. These facilities and the cash maintained in the Company ensures that the Company can meet its short-term liquidity requirements, present and future financial obligations as they fall due whilst complying with regulatory requirements. The liquidity risks of the Company is monitored and managed in compliance with the Enterprise Risk Management Framework, with the Board Risk Committee ultimately responsible for ensuring that all companies within the Group maintain sufficient resources to finance their operations.

The following tables show the maturity of the Company's liabilities:

	On demand £'000	Less than 3 months £'000	3 months to 1 year £'000	More than 1 year £'000	Total £'000
31 December 2022					
Creditors	(6,845)	(1,097)	-	-	(7,942)
Financial liabilities FVTPL	(3,362)	-	-	-	(3,362)
	(10,207)	(1,097)	-	-	(11,304)
Total financial liabilities	(10,207)	(1,097)	-	-	(11,304)

Note 3. Financial risk management (continued)

31 December 2021					
Creditors	(5,852)	(1,705)	-	-	(7,557)
Financial liabilities FVTPL	(1,224)	-	-	-	(1,224)
	(7,076)	(1,705)	-	-	(8,781)
Total financial liabilities	(7,076)	(1,705)	-	-	(8,781)

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 Issued capital, Share premium, Other reserves and Retained profits.

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

Note 4. Revenue

Revenue by type:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Brokerage fee income	174,659	200,477
Other income	87	-
Total revenue	174,746	200,477

Revenue by geographical market:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
EMEA	174,746	200,477

Note 5. Administrative expenses

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Employment costs (Note 6)	90,755	109,579
Other staff costs	1,776	1,617
Travel and entertainment	2,993	2,010
Market data and telecommunications	9,263	10,732
Professional fees	890	4,061
Movement in expected credit loss provision	1,441	(307)
Service fees	44,563	43,085
Settlement costs	2,493	2,727
Technology and related costs	1,926	1,930
Subscriptions	573	247
Regulatory fine	150	4,221
Other administrative costs	75	101
	156,898	180,003

Fees paid to the Company's auditor, Deloitte 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 ultimate parent and controlling party as at year end, TP ICAP Group plc, included these fees on a consolidated basis.

Fees payable for the audit of the financial statements were £178,000 (2021: £148,000).

Note 6. Employment costs

Employment costs borne by the Company comprise:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Wages, salaries, bonuses and incentive payments	78,956	95,995
Social security	11,579	13,258
Other pension	220	326
Total employment costs	90,755	109,579

For the year ended 31 December 2022, the average number of employees identified as being directly involved in the operation of the Company was 282, comprising of 282 brokers and Nil support staff (2021: 357, comprising of 357 brokers and Nil support staff).

Employment costs were borne by a fellow subsidiary company of the Group and were charged to the Company by way of management charges.

Note 7. Directors remuneration

Directors' remuneration in respect of their services to the Company comprise the following:

	Year ended 31 Dec 2022 Total £'000	Year ended 31 Dec 2022 Highest Paid Director £'000	Year ended 31 Dec 2021 Total £'000	Year ended 31 Dec 2021 Highest Paid Director £'000
Aggregate emoluments	1,512	650	1,642	1,348
Defined contribution pension schemes	5	2	3	2
	1,517	652	1,645	1,350

As at 31 December 2022, retirement benefits are accruing to 4 directors (2021: 2) under defined contribution schemes sponsored by the Group. The Company's directors who served during the year were also directors of TP ICAP Group plc, the ultimate parent company and controlling party. Their total remuneration for the year is disclosed in the financial statements of TP ICAP Group plc

Note 8. Other operating (expenses) / income

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.

Note 9. Interest receivable and similar income

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Bank deposit	423	1
Group related company loan	-	65
	423	66

Note 10. Interest payable and similar expenses

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Settlement balances and bank overdrafts	16	98

Note 11. Dividends received

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Dividend income from Investments	11,994	9,426

Dividend received in the year from Tullett Prebon SITICO (China) Limited of £11.9m (2021: £9.2m) and Euroclear of £0.1m (2021: £0.2m).

Note 12. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Current tax		
UK Corporation tax - current year	5,026	4,772
Deferred tax - current year	(100)	(1)
Adjustment recognised for prior years - current tax	(204)	(33)
Adjustment recognised for prior years - deferred tax	(45)	1
Overseas tax	657	499
Aggregate income tax	5,334	5,238
Deferred tax included in income tax comprises:		
Increase in deferred tax assets	(100)	(1)
Numerical reconciliation of income tax at the statutory rate		
Profit before income tax	35,097	28,833
Tax at the statutory tax rate of 19%	6,668	5,478
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable dividends	(2,279)	(1,791)
Expenses not deductible for tax purposes	565	1,091
	4,954	4,778
Adjustment recognised for prior years - current tax	(204)	(33)
Adjustments recognised for prior years - deferred tax	(45)	1
Deferred tax at different rates	(28)	(7)
Overseas tax	657	499
Income tax	5,334	5,238
Effective tax rate	15.2%	18.1%

In the UK, legislation to increase the corporation tax rate from 19% to 25% is enacted, effective from 1 April 2023. The effect of the increase to 25% is not expected to have a material impact on the deferred tax position of the company.

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Amounts charged directly to equity		
Deferred tax assets	96	308

Note 12. Income tax (continued)

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Deferred tax		
Deferred tax liability comprises temporary differences attributable to:		
Other timing differences	(675)	(730)
Capital allowances	33	38
IFRS 9 adjustment	1	1
Deferred tax liability	(641)	(691)
Movements:		
Opening balance	(691)	(384)
Credited to profit or loss	100	1
Charged to equity	(96)	(308)
Prior year adjustment	46	-
Closing balance	(641)	(691)

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Provision for income tax	2,741	1,977

Note 13. Non-current assets - Other investments

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Other investments	5,470	5,274

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

As at beginning of the year	5,274	4,391
Movement in the fair value of investments	196	883
As at end of the year	5,470	5,274

Company	Registered Address	Country of incorporation	Issued ordinary shares directly held
Euroclear Holding SA/NV 1,809 ordinary shares shares of €1 each	1 Boulevard du Roi Albert II, 1210 Brussels, Belguim	Belgium	<1%
LME Holdings Ltd 25,000 ordinary shares shares of £0.01 each	10 Finsbury Square London EC2A 1AJ	England	<1%

Note 13. Non-current assets - Other investments (continued)

In accordance with FRS 101, other investments are recorded at fair value with changes in fair value reflected in other comprehensive income. The Company's investment in Euroclear Holding SA/NV has been valued using recent traded prices. The Company's investment in LME Holdings Ltd has been valued based on net asset value.

Note 14. Non-current assets - Investment in associate

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Investment in associate	3,766	3,766

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

As at beginning of the year	3,766	3,766
As at end of the year	3,766	3,766

As at 31 December 2022, the Company held a principal investment in the following company:

Company	Registered Address	Country of incorporation	Issued ordinary shares directly held
Tullett Prebon SITICO (China) Limited	9th Floor, Room 1001, DBS Tower, No.1318, Lujiazui Ring Road, Shanghai, 200120, China	China	33% Subscribed Capital

Note 15. Non-current assets - Intangibles

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Intellectual property - at cost	2,000	2,000

Note 16. Current assets - Debtors

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Agency trade debtors	39,973	54,981
Expected credit loss	(1,920)	(75)
	38,053	54,906
Other debtors	2,519	690
Prepayments and accrued income	2,070	1,496
	4,589	2,186
Amount owed by Group related companies	25,056	57,140
Expected credit loss	(228)	(357)
	24,828	56,783
	67,470	113,875

The majority of net trade debtors, which aren't impaired nor past their normal settlement dates are held with high quality credit institutions.

Maximum exposure to credit risk is limited to Debtors (Note 16) and Cash and cash equivalents (Note 17). In a matched principal transaction there is a simultaneous commitment by the counterparties to sell and purchase a financial instrument meaning that there does exist short-term credit exposure, prior to clearing and settlement, and outstanding receivables that the Company manages.

The following trade debtors were unsettled:

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Less than 30 days	5,448	23,415
Over 30 days but less than 90 days	5,247	10,245
Over 90 days	27,173	21,246
	37,868	54,906

Note 17. Current assets - Cash and cash equivalents

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Cash at bank and in hand	18,149	24,484
Short term bank deposits	54,322	21,385
Restricted funds	6,450	9,263
Expected credit loss	(392)	(641)
	78,529	54,493

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

Restricted funds represent cash for which the Company does not have immediate and direct access or for which regulatory requirements restrict the use of the cash.

At 31 December 2022 client money balances representing amounts owed to customers, held in a segregated bank account amounted to £35,500 (2021: £193,000).

Note 18. Current assets - Financial assets at fair value through profit or loss

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Fair value gains on unsettled Matched Principal transactions	3,383	1,239

Note 19. Current liabilities - Creditors

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Trade creditors	446	332
Amounts owed to Group related companies	6,848	5,851
Accruals and deferred income	576	1,273
Other creditors	72	101
	7,942	7,557

Note 20. Current liabilities - Financial liabilities at fair value through profit or loss

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Fair value losses on unsettled Matched Principal transactions	3,362	1,224

Note 21. Equity - Issued capital

	Year ended 31 Dec 2022 Shares	Year ended 31 Dec 2021 Shares	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Authorised, issued and fully-paid ordinary shares of £1 each	23,000,001	23,000,001	23,000	23,000

Note 22. Equity - Share premium

The Share premium includes the value of the proceeds above nominal issue of the Company's share capital.

Note 23. Equity - Other reserves

Other reserves represent capital redemption reserves and gains/losses arising of revaluation of other investments held.

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Other reserves	5,059	5,044

Note 24. Equity - Dividends

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Dividend paid of £2.30 per ordinary share (2021: £0.65 per ordinary share)	52,800	15,000

Note 25. Related Party Transactions

The Company entered into the following transactions with related parties who are members of the Group:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Dividend income received	11,850	9,200

Note 26. Contingent liabilities

In November 2017, the Company was named as a defendant in a Second Amended Class Action Complaint filed in the United States District Court for the Southern District of New York by lead defendant Sonterra Capital Master Fund Ltd. No director or officer of the Company has been named as a defendant. The civil complaint names numerous banks and inter-dealer brokers as defendants, and alleges manipulation and collusion of rates concerning Swiss Franc Libor based derivatives during the period 2001 - 2011, to the alleged detriment of certain institutional investors and individuals. The broker defendants filed a joint motion to dismiss the Second Amended Complaint on 6 April 2018 (the bank defendants filed their own motion to dismiss earlier). The plaintiffs filed their opposition on 4 June 2018, and we filed our reply on 3 July 2018. Numerous letters have been submitted to the Court identifying relevant, subsequently-issued decisions. On 6 December 2018, the Judge requested that the parties provide the Court with unredacted, electronic versions of all documents previously filed under seal. This order suggests that the Judge will either schedule oral argument or issue a decision on the motions to dismiss in the near future. On 16 September 2019, the Court granted the Companies' motions to dismiss in their entirety. The plaintiffs appealed the dismissal to the United States Court of Appeals for the Second Circuit. Based upon a Second Circuit ruling in an unrelated case, the parties have jointly moved to remand the case to the United States District Court for the Southern District of New York for further proceedings. The case is now remanded to the S.D.N.Y. where the plaintiffs on 23 November 2022, filed a third amended complaint. In October 2022, the four "ICAP" broker defendants (ICAP Europe Limited, ICAP Securities USA LLC, NEX Group plc and Intercapital Capital Markets LLC) reached a settlement in principle with the plaintiffs which has been approved on a preliminary basis by the Court. On 27 January 27, 2023, the remaining defendants including the Company filed a motion to dismiss the third amended complaint on various grounds including statute of limitations and failure to state a claim upon which relief can be granted. It is not practicable to predict the ultimate outcome of the litigation. As a result it is not possible to provide an estimate of any potential financial impact on the Company.

Note 27. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 28. Immediate and ultimate parent company

The Company's immediate parent was TP ICAP EMEA Investments Limited, which does not prepare consolidated financial statements.

At the year end. the Company's ultimate parent and controlling party is TP ICAP Group plc, which is incorporated in Jersey, and now heads the largest and smallest group of companies of which the Company is a member. TP ICAP Group plc will prepare consolidated financial statements in accordance with IFRS. Copies of TP ICAP Group plc financial statements will be available from www.tpicap.com.

Note 29. Country by Country reporting

Year ended 31 December 2022

HM Treasury has adopted certain requirements of Capital Requirements Directive IV into the Capital Requirements (Country-by-Country Reporting) Regulations 2013, effective 1 January 2014. This requires the publication of information additional to that contained in the Annual Report, relating to institutions defined in Article 4(1)(3) of the capital requirements regulations, by 31 December of the following year. The information in respect of the period ended 31 December 2022 is contained in this document. This disclosure is made in respect of the entities listed below.

Note 29. Country by Country reporting (continued)

Jurisdiction	Turnover (£'000)	Number of employees	Profit / (loss) before tax (£'000)	Cash corporation tax paid on profit or loss (£'000)
UK	174,746	282	34,634	3,684
Spain	-	-	463	-

Jurisdiction	List of entities	Nature of activities
UK	Tullett Prebon (Europe) Limited	Inter-dealer brokerage
Spain	Tullett Prebon (Europe) Limited - Madrid branch	Inter-dealer brokerage

The companies have not received any public subsidies in any of the reporting jurisdictions as detailed above during the period ended 31 December 2022.

Tax paid includes tax paid in respect of profits reported above. Where the tax was paid in the year ended 31 December 2022 by another group company, such as under a Group Payment Arrangement ("GPA"), the amount consequently recharged by the nominee company of the relevant GPA is also included in the disclosure. Due to the fact that corporation tax payments may be due on account or in arrears in different tax jurisdictions, and that taxable profits can be offset by tax losses arising in other group companies, the corporation tax paid will not usually be equivalent to the statutory tax rate multiplied by the taxable profit for the year.