

**Company Number 01105245**

**TP ICAP Group Services Limited**

**Annual Report and Financial Statements - 31 December 2021**

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**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their Annual Report and the audited financial statements of TP ICAP Group Services Limited (the "Company") for the year ended 31 December 2021. The Company is a private limited company limited by shares, incorporated in the United Kingdom and domiciled in England and Wales.

The Company is a wholly owned subsidiary of TP ICAP Holdings Limited. The Company's ultimate parent company and controlling party is TP ICAP Group plc (the "Group") and is a wholly owned subsidiary within the TP ICAP Group plc (the "Group"). The registered office is 135 Bishopsgate, London, England, EC2M 3TP.

**PRINCIPAL ACTIVITIES**

The Company's principal activity is to provide administrative services to other companies within the Group and now as a holding company for the Group's EMEA business.

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

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

**RESULTS**

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

The Company reported a Profit after income tax for the financial year of £227,215,000 (2020: £117,168,000), which has been transferred to Retained profits. Year-on-year increase in profit was predominantly driven by dividend income received from subsidiary during the year. As at 31 December 2021, the net assets of the Company were £1,549,452,000 (2020: £1,875,295,000).

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks in the Company's day to day operations can be categorised as Market, Credit, Operational, Liquidity, Strategic and business risk.

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;

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 transitions to a net zero global economy;
- 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;
- The global economy has shown recent signs of recovery from the ongoing impact of the COVID-19 pandemic, with governments deploying vaccine programmes and fiscal policy support from around the world. The Company has successfully implemented its Business Continuity Planning strategies to operate on a business as usual basis. This includes remote working measures in compliance with local government mandates, safeguarding employee wellbeing and providing continuing services to our clients;

## **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 Group's engagement with our key and other stakeholders, as well as how we promote the success of the Group are also contained in the Group Corporate Governance Report in the Group's Annual Report and Accounts. 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 engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2021, we maintained our focus on engagement with stakeholders as well as increasing our attention on environment, social and governance ("ESG") matters. During the year, the Company reviewed its risk and governance framework with the adoption of a revised Group Governance Manual, including an EMEA specific Governance Framework. This revised framework has reinforced Section 172 oversight by further clarifying divisions of responsibilities within the Group. The structure and format of Company and Committee papers ensure that Section 172(1) considerations are considered in EMEA Board 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, and where applicable, approved and paid dividends as appropriate to its shareholders, having considered the impact of a distribution on the long-term prospects of the business. Further information on the tailored engagement approach which is adopted towards the Group's shareholders is carried out at the Group level, details of which are included in the Group's 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 Group Board consider their interests in its decision-making. During the year, engagement with employees was enhanced by the introduction of a Group Board Non-executive Director Engagement programme with employees. Following the inaugural meetings, the Chief Executive Officer for the EMEA region held a townhall session to provide feedback and discuss with employees the areas they wanted to prioritise and progress. The Group's core values of honesty, integrity, respect and excellence 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. The "town hall" meeting was therefore an opportunity to reinforce the importance of conduct and culture to employees and underline the expectations of the business. Plans for 2021 include extending the reach of the employee sessions to other locations to ensure that the widest possible employee views are captured. Further details of the Group-wide programme and other Group-wide employee engagement and the Group's culture and values are set out on in the Group Annual Report which does not form part of this report.
- **Suppliers**  
Key supplier engagement is carried out at Group level and is discussed in detail in the Group Annual Report which does not form part of this report.

### **Environment and Community**

The Directors are aware of society's increasing focus on ESG and are committed to operating responsibly and sustainably for the benefit of all stakeholders (including our clients, colleagues, suppliers, and communities) whilst delivering value for our shareholders. Throughout 2021 the Group Board monitored the development and launch of a new Sustainability Strategy, by which the Group aims to be known as the "Broker for the Transition" – the transition to a sustainable future with a more socially inclusive and low-carbon economy. As the Broker for the Transition, we aim to avoid harm, benefit stakeholders, and contribute to solutions. Further details of the Group's Sustainability Strategy and ESG performance can be found in the Group Annual Report.

**KEY PERFORMANCE INDICATORS**

The Company's return on assets, calculated as net profit divided by net assets, is 14.7% (2020: 6.2%). 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.



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P Redman  
Director

15 July 2022

**DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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 1-33.

**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.

**GOING CONCERN**

After consideration of the Company's business review and the risks and uncertainties; including the risks related to Brexit and the uncertainties related to the ongoing Covid-19 pandemic as set out in the Strategic Report, and having considered the Company's forecasts including liquidity and capital and capacity of the Group to support the Company with financial assistance should such assistance be required, 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 is used in preparing these financial statements.

**DIVIDENDS**

During the year ended 31 December 2021 the Directors declared and paid dividends on the ordinary shares of £558,757,000 (2020: £120,669,000).

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:

P Redman (Appointed 15 November 2021)  
P Randall (Appointed 15 November 2021)  
C Rozes (Appointed 15 November 2021)  
S Sparke (Appointed 15 November 2021)  
A Bashenko (Appointed 1 January 2022)  
P Price (Resigned 15 November 2021)  
R Stewart (Resigned 15 November 2021)

**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 plc, the Company adopted a governance framework in November 2019 which is set out within the Group's Governance Manual. This document sets 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.

## **ENVIRONMENTAL POLICY**

The Group recognises it has a responsibility to help protect the environment and respond to the global climate crisis. This means minimising the environmental impact of our operations.

Responsibility for environmental matters rests with the Board, and is included in its terms of reference. The Group's Chief Executive Officer is the Board member responsible for corporate social responsibility across the Group. These policies and practices are outlined in the TP ICAP Group plc's Annual Report, which does not form part of this report.

## **POLITICAL CONTRIBUTIONS**

There were no political contributions made by the Company during the financial year (2020: £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**

In March 2022, the Company agreed to indemnify on behalf of one of its subsidiaries in France in respect of a claim made by one of the subsidiary's employees through Employee Tribunal.

There have been no other post balance sheet events from 31 December 2021 up to the date of signing which require separate disclosure.

## **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**

<b>Reporting year</b>	<b>Current reporting year: 1 January 2021 -31 December 2021</b>	<b>Current reporting year: 1 January 2020 - 31 December 2020<sup>1</sup></b>
<b>Location</b>	<b>UK</b>	<b>UK</b>
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1) (tCO2e)	300	Unknown
Emission from purchase of electricity, heat, steam and cooling purchased for own use (Scope2) (location based) (tCO2e)	203	Unknown
Emission from business travel in rental cars or employee - owned vehicles where company is responsible for purchasing the fuel (Scope3) (tCO2e)	0	Unknown
<b>Total gross Scope 1, Scope 2 and Scope 3 emissions (location - based) (tCO2e)</b>	<b>503</b>	<b>Unknown</b>
<b>Total gross energy consumption based on the above (kWh)</b>	<b>2,593,187</b>	<b>Unknown</b>
<b>Intensity ratio: tCO2e (gross Scope 1, 2 + 3) per FTE</b>	<b>0.61</b>	<b>Unknown</b>

<sup>1</sup> The 2020 emissions have not been provided as 2021 is the first year the entity is required to comply with the disclosure.

### **Methodology**

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

TP ICAP Group Services Limited's 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 2021.

### **Energy Efficiency Action**

During 2021, TP ICAP Group has rationalised their office space which has reduced the energy consumption of their office portfolio.

### **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 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 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 year.

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.

This report is authorised for issue by the board of Directors.

Approved by the board and signed on its behalf by:



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P Redman  
Director

15 July 2022

Company number: 01105245

**TP ICAP Group Services Limited**  
**Independent auditor's report to the members of TP ICAP Group Services Limited**  
**31 December 2021**

**Independent auditor's report to the members of TP ICAP Group Services Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of TP ICAP Group Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 or loss;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 33.

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.

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the underlying data and key assumptions used to make the assessment including capital and liquidity forecasts;
- Performing stress tests in relation to key assumptions;
- Evaluating the Director's plans for future actions, including evaluating the feasibility of the mitigating actions that they control in relation to their going concern assessment; and
- Consideration of ongoing support from the wider Group.

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

**TP ICAP Group Services Limited**  
**Independent auditor's report to the members of TP ICAP Group Services Limited**  
**31 December 2021**

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](http://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 management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks 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 UK Companies Act, pensions legislation and 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.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions 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.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- The costs of investments valuation model is susceptible to management override as the inputs are subjective and there is a risk of management bias. In response to this risk, we have assessed the design and tested the implementation of relevant controls that address the significant risks related to the impairment process. In respect of key inputs such as discount rate and growth rate, we have assessed these against independent data, independently recalculated the discount rates using an internal specialist, understood management's process for deriving these rates, assessed any contradictory evidence, and performed a sensitivity analysis to determine whether a reasonable possible change in assumption would have a material impact.

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;

**TP ICAP Group Services Limited**

**Independent auditor's report to the members of TP ICAP Group Services Limited**

**31 December 2021**

- 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 and 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.

**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.

**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.



Giles Lang FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

15 July 2022

**TP ICAP Group Services Limited**  
**Statement of profit or loss**  
**For the year ended 31 December 2021**

		<b>Year ended 31 Dec 2021 £'000</b>	<b>Year ended 31 Dec 2020 £'000</b>
	<b>Note</b>		
<b>Revenue</b>	3	221,998	213,182
Other operating income	7	473	3,187
<b>Expenses</b>			
Administrative expenses	4	(229,004)	(218,995)
<b>Operating loss</b>		(6,533)	(2,626)
Interest receivable and similar income	8	102	107
Interest payable and similar expenses	9	(5,290)	(2,298)
Dividends received	10	590,856	120,669
Impairment of Investment in subsidiaries	12	(355,479)	-
<b>Profit before income tax</b>		223,656	115,852
Income tax	11	3,558	1,316
<b>Profit after income tax for the year</b>		<u>227,214</u>	<u>117,168</u>

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*

**TP ICAP Group Services Limited**  
**Statement of other comprehensive income**  
**For the year ended 31 December 2021**

	<b>Year ended 31 Dec 2021 £'000</b>	<b>Year ended 31 Dec 2020 £'000</b>
<b>Profit after income tax for the year</b>	227,214	117,168
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to the Statement of profit or loss</b>		
Remeasurement of defined benefit pension schemes (Note 18)	<u>1,650</u>	<u>1,500</u>
Other comprehensive income for the year, net of tax	<u>1,650</u>	<u>1,500</u>
<b>Total comprehensive income for the year</b>	<u><u>228,864</u></u>	<u><u>118,668</u></u>

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

**TP ICAP Group Services Limited**  
**Balance sheet**  
**As at 31 December 2021**

	Note	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	13	53,466	46,425
Tangible assets	14	67,117	54,157
Right-of-use assets	15	81,487	95,017
Investment in subsidiaries	16	1,538,578	1,894,057
Other investments	17	84	84
Deferred tax asset	11	7,024	4,537
Total non-current assets		<u>1,747,756</u>	<u>2,094,277</u>
<b>Current assets</b>			
Debtors	19	267,234	159,897
Cash and cash equivalents	20	5,033	13,780
Tax receivable	11	3,216	2,154
Total current assets		<u>275,483</u>	<u>175,831</u>
<b>Total assets</b>		<u>2,023,239</u>	<u>2,270,108</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	22	90,823	97,134
Provisions	21	5,400	7,376
Total non-current liabilities		<u>96,223</u>	<u>104,510</u>
<b>Current liabilities</b>			
Creditors	23	371,236	277,871
Bank overdraft	24	34	2,632
Lease liabilities	25	6,294	9,800
Total current liabilities		<u>377,564</u>	<u>290,303</u>
<b>Total liabilities</b>		<u>473,787</u>	<u>394,813</u>
<b>Net assets</b>		<u>1,549,452</u>	<u>1,875,295</u>
<b>Equity</b>			
Issued capital	26	-	8,841
Share premium	27	-	1,217,643
Retained profits		<u>1,549,452</u>	<u>648,811</u>
<b>Total equity</b>		<u>1,549,452</u>	<u>1,875,295</u>

The financial statements on page 12 to 37 were approved and authorised for issue by the board of Directors on 14 July 2022 and were signed on its behalf by:



\_\_\_\_\_  
P Redman  
Director

15 July 2022

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

**TP ICAP Group Services Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2021**

	<b>Issued capital £'000</b>	<b>Share Premium £'000</b>	<b>Retained profits £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2020	8,841	1,217,643	646,995	1,873,479
Profit after income tax for the year	-	-	117,168	117,168
Other comprehensive income for the year, net of tax	-	-	1,500	1,500
Total comprehensive income for the year	-	-	118,668	118,668
Share-based expenses for the year (note 29)	-	-	3,817	3,817
Dividends paid (note 28)	-	-	(120,669)	(120,669)
Balance at 31 December 2020	<u>8,841</u>	<u>1,217,643</u>	<u>648,811</u>	<u>1,875,295</u>
	<b>Issued capital £'000</b>	<b>Share Premium £'000</b>	<b>Retained profits £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2021	8,841	1,217,643	648,811	1,875,295
Profit after income tax for the year	-	-	227,214	227,214
Other comprehensive income for the year, net of tax	-	-	1,650	1,650
Total comprehensive income for the year	-	-	228,864	228,864
Share-based payments (note 29)	-	-	4,050	4,050
Reduction of issued capital (note 26 and note 27)	(8,841)	(1,217,643)	1,226,484	-
Dividends paid (note 28)	-	-	(558,757)	(558,757)
Balance at 31 December 2021	<u>-</u>	<u>-</u>	<u>1,549,452</u>	<u>1,549,452</u>

*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, 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; including the risks related to Brexit and the uncertainties related to the ongoing Covid-19 pandemic as set out in the Strategic Report, and having considered the Company's forecasts including liquidity and capital and capacity of the Group to Support the Company with financial assistance should such assistance be required, 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 is 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 flow, 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.

**Historical cost convention**

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

**Revenue**

Revenue comprises of:

- Revenue income from service charges, excluding VAT, billed to fellow Group subsidiary undertakings. This revenue is recognised upon rendering of the services plus a mark-up.
- Data sales fees, charged as a subscription for the provision of data products and services. This revenue is recognised upon rendering of the services.

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, which is recognised over the period to which the service relates. Revenue is stated net of VAT, rebates and discounts. Amounts receivable at the year end are reported in Note 18, Current assets - Debtors.

**Broker contracts**

Brokers are employed on fixed term contracts. Broker contract payments are made in accordance with contract terms that are in advance of the expected economic benefit due to the Company. These are accounted for, and included within prepayments and accrued income. Broker contract payments made in advance are subject to repayment conditions during the contract period and the prepayment is amortised over the shorter of the contract term and the period the payment remains recoverable. Amounts that are irrecoverable, or become irrecoverable are written off immediately.

Broker contract payments made in arrears are accrued and are included within accruals and deferred income.

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

**Other operating income**

Other operating income comprises of Other operating expenses and Other income. Other operating expenses represent 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. Other income represents insurance proceeds and VAT rebates received during the year.

**Pension costs**

Defined contributions made to employees' personal pension plans are charged to the Statement of profit or loss as and when incurred.

The defined benefit retirement plan is closed to new members and future accrual. Actuarial gains and losses are recognised in full within the period in which they occur. They are recognised outside the Statement of profit or loss and are presented in the Statement of other comprehensive income.

The amount recognised in the Balance sheet and Statement of profit or loss represents the net of the present value of the defined benefit obligation, as adjusted for actuarial gains and losses and past service cost, and the fair value of plan assets. Any asset resulting from this calculation is subject to an 'asset ceiling' and is limited to the unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the extent agreed with the pension trustees. The amount charged to the Statement of profit or loss in respect of pension costs relates to net interest costs but does not include current service costs.

**Share based payments**

The ultimate parent, TP ICAP Group plc, issues equity-settled share-based payments to certain Company Directors and employees. Equity-settled share-based payments are measured at fair value at the date of grant. Market based performance conditions for equity-settled payments are reflected in the initial fair value of the award. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on estimated number of shares that will eventually vest.

The fair value of share options issued is determined using appropriate valuation models. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The estimated fair value of shares granted is based on the share price at grant date, reduced where shares do not qualify for dividends during the vesting period. Market based performance conditions for equity-settled payments are reflected in the initial fair value of the award.

**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.

**Dividends received**

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

**Dividends paid**

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

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

**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.

**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.

**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.

**Debtors**

Debtors comprise of both financial and non-financial assets. Financial assets including trade debtors, 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 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.

**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.

**Bank loans and Overdrafts**

Bank loans and overdrafts 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.

**Provisions**

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event where it is probable that the Company will be required to settle the obligation in part or full, and a reliable estimate can be made of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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

**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 that are debt instruments:

- (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 in doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is measured at amortised cost only if the 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.

**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.

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.

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 significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due

**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.

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

**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.

**Investment in subsidiaries**

Investments comprise equity shareholdings. These investments are recorded at historic cost less provision for any impairment in their values. A subsidiary is an entity over which the Company has control. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

**Other investments**

Other investments comprise of unlisted investments that are held at cost, less provision for impairment.

**Impairment in subsidiaries and other investments**

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.

**Intangible assets**

The cost of intangible 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. The cost is written off in equal annual instalments based on the estimated useful lives, which are:

Software Development	3 to 5 years.
Purchased Software	3 to 5 years.

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.

**Impairment of intangible assets**

At each balance sheet date, the Company reviews the carrying amounts of its intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recoverable amount is the higher of fair value less any cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

**Tangible assets**

The cost of tangible assets is their purchase cost, together with any incidental costs at acquisition.

Tangible assets are stated at cost less accumulated depreciation and provision for any impairment. Depreciation and impairment is charged to the Statement of profit or loss. The cost is written off in equal annual instalments based on the estimated useful lives, which are:

Fixtures, fittings and equipment	2 to 5 years
Short leasehold	5 to 10 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

**Issued capital**

Ordinary shares are classified as equity.

**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 below:

As at 31 December 2021, significant judgements and assumptions were applied to the valuation of Investments (Notes 16 and 17), Intangible assets (Note 13). These items may give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

**Note 2. Key accounting judgements and sources of estimation uncertainty (continued)**

**Provisions and contingent liabilities**

Provisions are established based on management's assessment of relevant information and advice available at the time of preparing the Financial Statements. Judgement is required as to whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Judgement is also required as to when contingent liabilities become disclosable. Outcomes are uncertain and dependent on future events. Where outcomes differ from management's expectations, differences from the amount initially provided will impact profit or loss in the period the outcome is determined. Estimating potential legal outcomes is also a significant area of estimation uncertainty. Notes 21 and 31 provide detail of the provisions and contingent liabilities respectively.

**Note 3. Revenue**

Revenue by type:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Service fee income	201,149	194,667
Data sales fee income	20,849	18,515
Revenue	<u>221,998</u>	<u>213,182</u>

Revenue by geographical market:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
EMEA	<u>221,998</u>	<u>213,182</u>

**Note 4. Administrative expenses**

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Employment costs (Note 5)	94,664	94,494
Other staff costs	3,892	4,232
Travel and entertainment	830	965
Market data and telecommunications	6,526	6,109
Infrastructure costs	32,711	27,108
Professional fees	34,924	40,536
Office costs	12,661	13,082
Rental and property taxes	9,101	7,358
Amortisation of intangible assets (Note 13)	13,266	10,232
Depreciation of tangible fixed assets (Note 14)	7,683	3,325
Depreciation of right-of-use assets (net of capitalised) (Note 15)	12,256	9,337
Other administrative costs	490	2,217
	<u>229,004</u>	<u>218,995</u>

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.

**TP ICAP Group Services Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 4. Administrative expenses (continued)**

Fees payable for the audit of the financial statements were £100,500 (2020: £71,995).

**Note 5. Employment costs**

All employment costs within the United Kingdom are initially borne by the Company. Employment costs are then subsequently recharged to the relevant fellow subsidiary companies as Service fee income.

Employment costs initially borne by the Company comprise:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages, salaries, bonuses and incentive payments	216,130	217,640
Social security	27,853	28,206
Defined contribution pension	3,634	3,300
Total employment costs borne by the Company	<u>247,617</u>	<u>249,146</u>

For the year ended 31 December 2021, the average monthly number of employees identified as being directly involved in the operation of the fellow subsidiaries was 1,310, comprising of 485 brokers and 825 support. (2020: 1,286, comprising of 500 brokers and 786 support staff).

Employment costs for trading staff directly recharged to fellow subsidiaries comprise:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages, salaries, bonuses and incentive payments	128,536	129,726
Social security costs	17,348	17,987
Defined contribution pension costs	897	736
Total employment costs recharged to fellow subsidiaries	<u>146,781</u>	<u>148,449</u>

For the year ended 31 December 2021, the average monthly number of employees identified as being directly involved in the operation of the fellow subsidiaries was 486, comprising of 484 brokers and 1 support staff (2020: 496, comprising of 495 brokers and 1 support staff).

Employment costs attributable to the Company comprise:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages, salaries, bonuses and incentive payments	87,594	87,914
Social security costs	10,505	10,219
Defined contribution pension costs	2,737	2,564
Total employment costs attributable to the Company	<u>100,836</u>	<u>100,697</u>

Employment costs attributable to employees of the Company are the net of those initially borne by the Company and those for trading staff directly recharged to fellow subsidiaries. For the year ended 31 December 2021, the average monthly number of persons employed by the Company during the period relating to staff costs attributable to the Company was 1 broker and 823 support staff. (2020: 790, comprising of 5 brokers and 785 support staff).



**TP ICAP Group Services Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 5. Employment costs (continued)**

Included in the amount above is an amount of £6,172,000 (2020: £6,203,000) capitalised as part of staff time spent on intangible fixed asset projects.

Pension arrangements are set out in Note 18. Share based compensation is detailed in Note 29.

**Note 6. Directors' remuneration**

During the current year, remuneration payable to the Directors in respect of their services to the Company was £38,000 and the highest paid Director was paid £20,000. Retirement benefits are accruing to 2 Directors under defined contribution schemes sponsored by the Group. The remuneration for the Directors who served for this Company and TP ICAP Group plc, the ultimate parent company and controlling party during the year were disclosed in the financial statements of TP ICAP Group plc.

During the prior year, the Company's Directors were also Directors of TP ICAP Group plc. Their total remuneration including retirement benefits is disclosed in the financial statements of TP ICAP Group plc and therefore was not disclosed in the Company's financial statements for the year ended 31 December 2020.

**Note 7. Other operating income**

Other income represents insurance proceeds and VAT refunds received during the year. Other operating expenses comprise 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.

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Other income	2,266	3,351
Other operating expenses	(1,793)	(164)
	<u>473</u>	<u>3,187</u>

**Note 8. Interest receivable and similar income**

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Group related company loan	<u>102</u>	<u>107</u>

**Note 9. Interest payable and similar expenses**

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Lease liability	4,791	2,166
Unwinding of provision	41	-
Group related company loan	449	121
Bank overdraft	9	11
	<u>5,290</u>	<u>2,298</u>

**TP ICAP Group Services Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 10. Dividends received**

	<b>Year ended 31 Dec 2021 £'000</b>	<b>Year ended 31 Dec 2020 £'000</b>
Dividend income from Subsidiaries	<u>590,856</u>	<u>120,669</u>

**Note 11. Income tax**

Analysis of charge for the year:

	<b>Year ended 31 Dec 2021 £'000</b>	<b>Year ended 31 Dec 2020 £'000</b>
<b>Current tax:</b>		
UK Corporation tax charge on profit for the year	(503)	146
Adjustment recognised for prior years - deferred tax	(2,487)	(1,083)
Adjustment recognised for prior years - current tax	<u>(568)</u>	<u>(379)</u>
Aggregate income tax	<u>(3,558)</u>	<u>(1,316)</u>
Deferred tax included in income tax comprises:		
Increase in deferred tax assets	<u>(2,487)</u>	<u>(1,083)</u>
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Profit before income tax	<u>223,656</u>	<u>115,852</u>
Tax at the statutory tax rate of 19%	42,495	22,012
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	68,979	1,731
Adjustments in respect of prior years	(1,626)	(1,858)
Non taxable income	(112,263)	(22,927)
Deferred tax at different rates	<u>(1,143)</u>	<u>(274)</u>
Income tax	<u>(3,558)</u>	<u>(1,316)</u>
	(1.6%)	(1.1%)

In the UK, legislation to reduce the corporation tax rate from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020 was previously enacted. The government subsequently announced that the reduction to 17% would not go ahead, which was enacted accordingly. As at 31 December 2020, UK deferred tax was therefore expected to unwind at a rate of 19%. On 3 March 2021, the UK Government announced a proposed increase in the rate of corporation tax from 19% to 25%, effective from 1 April 2023. The effect of the proposed increase to 25% is not expected to have a material impact on the deferred tax position of the company.

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**Note 11. Income tax (continued)**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
<b>Deferred tax asset</b>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Capital allowances	3,383	1,487
Other timing differences	603	594
Share based payment	<u>3,038</u>	<u>2,456</u>
Deferred tax asset	<u>7,024</u>	<u>4,537</u>
Movements:		
Opening balance	4,537	3,454
Credited to profit or loss	<u>2,487</u>	<u>1,083</u>
Closing balance	<u>7,024</u>	<u>4,537</u>

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

The Company does not expect a net reversal of deferred tax liabilities to occur during 2021 (2020: £Nil).

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Tax receivable	<u>3,216</u>	<u>2,154</u>

**Note 12. Impairment of Investment in subsidiaries**

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Impairment of Investment in subsidiaries	<u>(355,479)</u>	<u>-</u>

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**Note 13. Non-current assets - Intangible assets**

	Software development £'000	Purchased software £'000	Total £'000
<b>Cost</b>			
As at 1 January 2021	85,117	13,895	99,012
Additions	20,355	-	20,355
Disposals	(223)	(807)	(1,030)
Reclassification	373	(373)	-
As at 31 December 2021	105,622	12,715	118,337
<b>Accumulated amortisation</b>			
As at 1 January 2021	(44,081)	(8,506)	(52,587)
Charge for the year	(11,773)	(1,493)	(13,266)
Amortisation of disposal	191	791	982
As at 31 December 2021	(55,663)	(9,208)	(64,871)
<b>Net book value</b>			
As at 31 December 2021	49,959	3,507	53,466
As at 31 December 2020	41,036	5,389	46,425

**Note 14. Non-current assets - Tangible assets**

	Land, buildings and leasehold improvements £'000	Plant and machinery, fixtures and fittings £'000	Work-in- progress £'000	Total £'000
<b>Cost</b>				
As at 1 January 2021	37,459	40,935	8,598	86,992
Additions	20,642	-	-	20,642
Reclassification	323	4,683	(5,006)	-
As at 31 December 2021	58,424	45,618	3,592	107,634
<b>Accumulated depreciation</b>				
As at 1 January 2021	(11,080)	(21,755)	-	(32,835)
Charge for the year	(3,145)	(4,538)	-	(7,683)
As at 31 December 2021	(14,225)	(26,293)	-	(40,518)
<b>Net book value</b>				
As at 31 December 2021	44,199	19,325	3,592	67,116
As at 31 December 2020	26,379	19,180	8,598	54,157

The company did not hold any finance lease assets.

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**Note 15. Non-current assets - Right-of-use assets**

	Land and buildings As at 31 Dec 2021 £'000	Land and buildings As at 31 Dec 2020 £'000
<b>Cost</b>		
As at beginning of the year	117,153	34,291
Additions	<u>34</u>	<u>82,862</u>
As at end of the year	<u><u>117,187</u></u>	<u><u>117,153</u></u>
<b>Accumulated depreciation</b>		
As at beginning of the year	(22,136)	(8,290)
Charge for the year	(12,256)	(9,337)
Depreciation capitalised	<u>(1,308)</u>	<u>(4,509)</u>
As at end of the year	<u><u>(35,700)</u></u>	<u><u>(22,136)</u></u>
<b>Net book value</b>		
As at end of the year	81,487	95,017
As at beginning of the year	95,017	26,001

The Company leases several buildings. The average lease term is 13 years (2020: 13 years).

For the year ended 31 December 2021, additions to the Right-of-use assets resulted from extension of a lease, amounting to 34,000 (2020: £82,862,000).

The maturity of Lease liabilities is presented in Notes 21 and 25.

**Note 16. Non-current assets - Investment in subsidiaries**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
As at beginning of the year	1,894,057	1,894,057
Impairments	<u>(355,479)</u>	<u>-</u>
As at the end of the year	<u><u>1,538,578</u></u>	<u><u>1,894,057</u></u>

During the year ended 31 December 2021, the Company impaired its investment in TP ICAP EMEA Investments Limited by £355,479,000.

As 31 December 2021, the Company held a principal investment in the issued ordinary share capital of the following companies:

Company	Registered Address	Country of incorporation	Percentage held
TP ICAP EMEA Investments Limited	135 Bishopsgate, London, England, EC2M 3TP.	England & Wales	100%
Tullett Prebon Pensions Trustees Limited.	135 Bishopsgate, London, England, EC2M 3TP.	England & Wales	100%

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**Note 16. Non-current assets - Investment in subsidiaries (continued)**

Company subsidiaries are owned indirectly with the exception of TP ICAP EMEA Investments Limited (Formally known as Tullett Prebon Investment Holdings Limited) and Tullett Prebon Pension Trustees Limited which are owned directly.

**Note 17. Non-current assets - Other investments**

	As at	As at
	31 Dec 2021	31 Dec 2020
	£'000	£'000
As at beginning and end of the year	<u>84</u>	<u>84</u>

Other investments comprise of unlisted investments that are held at cost, less provision for impairment.

As at 31 December 2021, the Company held a principal investment in the issued ordinary share capital of the following company:

Company	Registered Address	Country of incorporation	Percentage held
Automated Confirmation Services Limited	30 Finsbury Square, London EC2A 1AG.	England & Wales	15.15%

Automated Confirmation Services Limited was placed into liquidation on 5 August 2021

**Note 18. Non-current assets - Net pension assets**

**(a) Defined Benefit Scheme**

The Company, which is also the Principal Employer, operates one defined benefit pension scheme in the UK, the defined benefit section of the Tullett Prebon Pension Scheme ("the Scheme").

The Scheme is a final salary, funded pension scheme that is closed to new members and future accrual. For members still in service there was a continuing link between benefits and pensionable pay, up to the date the Scheme commenced wind-up. The Principal Employer is TP ICAP Group Services Limited.

The assets of the Scheme are held separately from those of the Company, either in separate Trustee administered funds or in contract based policies of insurance.

The latest funding actuarial valuation of the Scheme was carried out as at 30 April 2016 by independent qualified actuaries. The actuarial funding surplus of the Scheme at that date was £61m and under the agreed schedule of contributions the Company will continue not to make any payments into the Scheme.

During 2017, the Trustees of the Scheme purchased a bulk annuity policy with Rothesay Life, an insurance company, that covered all of the Scheme's liabilities. The policy is in the name of the Scheme and is a Scheme asset. The purchase of the policy represents a bulk annuity 'buy-in' and has been accounted for in accordance with the requirements of IAS 19 'Employee Benefits'. Under IAS 19, the accounting value of the purchased policy is set to be equal to the value of the liabilities covered; calculated using the current IAS 19 actuarial assumptions for the defined benefit obligation.

The Scheme is exposed to counterparty risk of Rothesay Life as the insurance policy makes up the majority of Scheme assets. However, the Trustees of the Scheme are currently making arrangements for the transfer of the Scheme's liabilities to the insurer to take on direct responsibility for the provision of benefits. If implemented, this would permanently extinguish the Company's obligation to support the Scheme financially.

The amounts included in the balance sheet arising from the Company's obligations in respect of the Scheme are as follows:

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**Note 18. Non-current assets - Net pension assets (continued)**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Present value of Scheme liabilities	(210,900)	(226,900)
Fair value of Scheme assets	256,900	275,600
Defined benefit scheme surplus	46,000	48,700
Impact of asset ceiling on scheme surplus:		
At 1 January	(48,700)	(51,700)
Offset against deemed interest income in the Income Statement	(700)	(1,000)
Credit to Other Comprehensive income (remeasurement of defined benefit pension schemes)	3,400	4,000
Net asset in the Balance Sheet	-	-
	Year ended 31 Dec 2021 %	Year ended 31 Dec 2020 %
Key assumptions used:		
Discount rate	1.80%	1.40%
Rate of increase in LPI pensions in payment <sup>1</sup>	3.30%	2.70%
Inflation assumption	2.70%	2.40%

<sup>1</sup> This applies to pensions accrued from 6 April 1997. The majority of current and future pensions receive fixed increases in payment of either 0% or 2.5%.

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements and are the same as those adopted for the 2016 funding valuations. Assumptions for the Scheme are that a member who retires in 15 years at age 60 will live on average for a further 31.8 years (2020: 31.7 years) after retirement if they are male and for a further 33.1 years (2020: 33.1 years) after retirement if they are female. Current pensioners are assumed to have generally shorter life expectancy based on their current age.

The valuation of the Scheme liabilities is sensitive to changes in the assumptions used. The effect of changes in the discount rate, inflation and mortality assumptions, assuming an independent change in one assumption with all others held constant, on the liabilities is shown below:

		Scheme assets £'000	Scheme liabilities £'000	Surplus £'000
Sensitivity to Key Assumptions				
As at 31 December 2021		256,900	(210,900)	46,000
Following a 0.25% decrease in the discount rate	Change	3.9%	4.8%	
	New Value	267,000	(221,000)	46,000
Following a 0.25% increase in the inflation assumption	Change	1.6%	1.9%	
	New Value	261,000	(215,000)	46,000
Life expectancy increase by 3 years	Change	7.4%	9.1%	
	New Value	276,000	(230,000)	46,000

**Note 18. Non-current assets - Net pension assets (continued)**

The above analysis does not reflect any inter-relationship between the assumptions.

The above changes have been derived by adjusting the actuarial calculation of the Scheme's liabilities at 31 December 2021 to allow for the assumption change. Changes to the risks inherent in the Scheme would result in changes to the Scheme's carrying value. However, as a result of the bulk annuity purchase, the value of the Scheme's insurance asset matches changes in the insured liabilities. The value of Scheme's surplus assets will change as the market value of those investments change.

The amounts recognised in the Statement of profit or loss in respect of the Scheme were as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Deemed interest arising on the defined benefit pension scheme surplus	700	1,000
Impact of asset ceiling on UK scheme surplus	(700)	(1,000)
Recognised in the Statement of profit or loss	-	-
Scheme's administrative and settlement expenses	(1,650)	(1,500)
At 31 December	(1,650)	(1,500)

The amounts recognised in the Statement of other comprehensive in respect of the Scheme were as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Return on Scheme Assets (excluding deemed interest income): Trustee administered funds	(1,200)	(1,300)
Return on Scheme Assets (excluding deemed interest income): Revaluation of insurance policies	(10,700)	25,800
Actuarial gains / (losses) arising from changes in financial assumptions	11,150	(29,200)
Actuarial (losses) / gains from experience adjustments	(1,000)	2,200
Adjustment due to derecognition of pension scheme	3,400	4,000
	1,650	1,500

Movements in the present value of the Schemes liabilities were as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
At 1 January	(226,900)	(205,400)
Deemed interest cost	(3,100)	(4,000)
Actuarial (losses)/gains arising from changes in financial assumptions	11,200	(29,200)
Actuarial gains / (losses) arising from experience adjustments	(1,000)	2,200
Benefits paid / transfers out	8,900	9,500
At 31 December	(210,900)	(226,900)

Movements in the fair value of Schemes assets were as follows:



**Note 18. Non-current assets - Net pension assets (continued)**

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
At 1 January	275,600	257,100
Deemed interest income	3,800	5,000
Return on Scheme assets (excluding deemed interest income) -Trustee administered funds	(1,200)	(1,300)
Return on Scheme assets (excluding deemed interest income) -Revaluation of insurance policies	(10,700)	25,800
Benefits paid/transfers out	(8,900)	(9,500)
Administrative and settlement expenses	(1,700)	(1,500)
At 31 December	<u>256,900</u>	<u>275,600</u>

The major categories and fair values of the Scheme assets as at 31 December were as follows:

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Cash and cash equivalents	6,700	39,500
Government bonds	44,200	13,600
Insurance policies	205,800	222,300
Other receivables	200	200
At 31 December	<u>256,900</u>	<u>275,600</u>

During 2017, as part of the arrangements for insuring the Scheme's liabilities, the Trustees transferred all of the Scheme's equity investments into fixed income securities and bonds. The Scheme does not hedge against foreign currency exposures or interest rate risk.

The Scheme duration is an indicator of the weighted average time until benefit payments are made. For the Scheme as a whole, the duration is around 20 years reflecting the approximate split of the defined benefit liability between current employees (duration of 25 years), deferred members (duration of 23 years) and current pensioners (duration of 13 years).

The estimated amounts of contributions expected to be paid into the Scheme during 2021 is £Nil.

**(b) Defined contribution pensions**

The defined contribution pension cost for the Company charged to administrative expenses was £5,045,000 (2020: £2,564,000). All costs relate to continuing operations.

As at 31 December 2021 there were outstanding contributions amounting to £726,000 (2020: £834,000) in respect of the current reporting period that had not been paid over.

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**Note 19. Current assets - Debtors**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Amounts owed by Group related companies	234,382	122,597
Prepayments and accrued income	30,674	32,800
Other debtors	3,390	5,081
Expected credit loss	(1,212)	(581)
	<u>267,234</u>	<u>159,897</u>

Amounts owed by Group related companies are unsecured, non-interest bearing and repayable on demand.

**Note 20. Current assets - Cash and cash equivalents**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Cash at bank and in hand	5,058	13,835
Expected credit loss	(25)	(55)
	<u>5,033</u>	<u>13,780</u>

**Note 21. Non-current liabilities - Provisions**

	Property £'000	Legal & Other £'000	Total £'000
At 1 January 2021	2,649	4,727	7,376
Debit to the Statement of profit or loss	593	2,064	2,657
Utilisation of provisions	(774)	(3,859)	(4,633)
At 31 December 2021	<u>2,468</u>	<u>2,932</u>	<u>5,400</u>
	Property £'000	Legal & Other £'000	Total £'000
At 1 January 2020	1,865	6,039	7,904
Debit to the Statement of profit or loss	1,616	2,018	3,634
Utilisation of provisions	(832)	(3,330)	(4,162)
At 31 December 2020	<u>2,649</u>	<u>4,727</u>	<u>7,376</u>

Building dilapidations represent the estimated cost of making good dilapidations and disrepair on various leasehold buildings.

The provisions in respect of legal and other consists of provisions against obligations for certain long-term employee benefits.

The timing and amount of outflows relating to the provisions are uncertain.

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**Note 22. Non-current liabilities - Lease liabilities**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Lease liability	90,823	97,134

The decrease in lease liabilities during the year ended 31 December 2021 resulted in reduction office leases.

**Note 23. Current liabilities - Creditors**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Trade creditors	7,164	14,472
Other taxation and social security	11,681	10,022
Accruals and deferred income	58,907	54,745
Amounts owed to Group related companies	291,824	185,740
Loans owed to Group related companies	-	10,631
Other payables	1,660	2,261
	<u>371,236</u>	<u>277,871</u>

The Directors consider that the carrying amount of loans and amounts owed to Group related companies approximates to their fair value.

Loans owed to Group related companies are unsecured, repayable on demand and interest is charged at 3.5% above GBP LIBOR. Amounts owed to Group related companies are unsecured, non-interest bearing and repayable on demand.

**Note 24. Current liabilities - Bank overdraft**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Bank overdraft	34	2,632

**Note 25. Current liabilities - Lease liabilities**

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Lease liability	6,294	9,800

Amounts recognised in the Statement of profit or loss relate to interest payable on lease liability of £5,751,000 (2020: £2,166,000).

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**Note 26. Equity - Issued capital**

	As at 31 Dec 2021 Shares	As at 31 Dec 2020 Shares	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Allotted, called up and fully-paid ordinary shares	1	88,411,066	-	8,841

During the current year, the Company reduced its share capital and share premium from 88,411,066 shares of £0.10 each to 1 share of £0.10 by cancelling 88,411,065 shares with a GBP value of £8,841,106.50 and reduced its share premium by £1,217,642,445. The surplus was transferred to retained earnings.

**Note 27. Equity - Share premium**

The share premium account includes the value of the proceeds above nominal on issue of the Company's share capital, comprising £0.10 ordinary shares.

During the current year, the Company reduced its share capital and share premium from 88,411,066 shares of £0.10 each to 1 share of £0.10 by cancelling 88,411,065 shares with a GBP value of £8,841,106.50 and reduced its share premium by £1,217,642,445. The surplus was transferred to retained earnings.

**Note 28. Equity - Dividends**

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Dividend paid of £558,756,959 per ordinary share (2020: £1.36 per ordinary share)	558,757	120,669

**Note 29. Share-based payments**

**Long-Term Incentive Plan (LTIP)**

The Long Term Incentive Plan ('LTIP') is for Executive Directors and other senior employees. Awards made to Executive Directors are up to a maximum of 2.5x base salary. Awards made to senior employees, based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee, are up to a maximum of 2x base salary. All awards are subject to agreed performance conditions applicable to each grant.

Under the Scheme Rules, awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

**Senior Manager Deferred Bonus Plan**

Annual awards are made under the Group's Senior Manager Deferred Bonus Plan that commenced in 2015.

Under this Plan, employees identified as senior managers have up to 35% of their annual discretionary bonus awarded in deferred shares. These awards will be settled with TP ICAP Group plc shares and are subject to the completion of service conditions and the fulfilment of other conduct requirements. The number of shares in respect of a bonus year is determined after the close period for that year at the then market price, and vest over three years from the grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

As part of the introduction of the Deferred Bonus Plan in 2015, a Special Award was granted to eligible employees. The Special Award vested in May 2018.

**Note 29. Share-based payments (continued)**

Awards will be settled by the TP ICAP plc Employee Benefit Trust from shares purchased by it in the open market

**Executive Director Deferred Bonus Plan**

The Group's Executive Directors have 50% of their annual discretionary bonus awarded in deferred shares. These awards are subject to the completion of service conditions and the fulfilment of other conduct requirements and will be settled with TP ICAP Group plc shares. The number of shares in respect of a bonus year is determined after the close period for that year at the market price, and vest three years from the date of the grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

Awards will be settled by the TP ICAP plc Employee Benefit Trust from shares purchased by it in the open market

**Save As You Earn share option plan**

During 2021 a Save As You Earn ('SAYE') share option plan was introduced. Eligible employees can save up to £500 per month with the option to use the savings to acquire shares. Options are exercisable within six months following the third anniversary of the commencement of a three year savings contract, or in the case of redundancy, injury, disability or retirement, a reduced number of options are exercisable within six months of ceasing employment.

The Company recognised a share based payment expense of £4,050,000 (2020: £3,817,000) reflecting the cost attributable to its employees. Further disclosures are included in the Group's Consolidated Financial Statements.

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Charge arising from share based payment plan	4,050	3,817
The weighted average exercise price was £1.9p		
The weighted average fair value of options granted during the year was £68.5p		

**Note 30. Financial commitments**

At 31 December 2021, the Company had the following future minimum lease payments under non-cancellable operating leases:

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
<b>Short term or low value lease commitments</b>		
Within one year	455	167
One to five years	291	227
	<u>746</u>	<u>394</u>

**Note 31. Guarantees and contingent liabilities**

In the ordinary course of business the Company has given guarantees and letters of undertaking amounting to £151,358,535 (2020: £176,719,332) to creditors of certain Group subsidiary companies for matched principal settlement purposes.

Save as outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the Company's results or net assets.

**Note 32. Events after the reporting period**

In March 2022, the Company agreed to indemnify on behalf of one of its subsidiaries in France in respect of a claim made by one of the subsidiary's employees through Employee Tribunal.

There have been no other post balance sheet events from 31 December 2021 up to the date of signing which require separate disclosure.

**Note 33. Immediate and ultimate parent company**

At the year end, the Company's immediate parent was TP ICAP Holdings Limited, which does not prepare consolidated financial statements.

At the year end, the Company's ultimate parent and controlling party was TP ICAP Group plc, which is incorporated in Jersey, and heads the largest and smallest group of companies of which the Company is a member. TP ICAP Group plc prepares consolidated financial statements in accordance with IFRS. Copies of TP ICAP Group plc financial statements are available from the registered office: 22 Grenville Street, St Helier, Jersey JE4 8PX.