Company Number 02189561

ICAP Management Services Limited

Annual Report and Financial Statements - 31 December 2020

ICAP Management Services Limited
Strategic report
31 December 2020

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Annual Report and the audited financial statements of ICAP Management Services Limited (the "Company") for the year ended 31 December 2020.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a private limited company, incorporated in England and Wales, and is a wholly owned subsidiary within the TP ICAP Group plc (the "Group").

Company revenues fell by 15.7% (£10.0m) from £63.7m to £53.7m, reflecting the reduction in its role played within the Group. Expenses fell 32.7% (£20.9m) from £63.9m to £43.0m, reflecting cost control in the operating capacity of the Group.

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

The Company's principal activity continues to be to provide administrative services to other companies within the Group.

RESULTS

The results of the Company are set out in the Statement of profit or loss on page 11.

The Profit after income tax for the financial year of £10.6m (2019: £2.7m) has been transferred to Retained profits.

The Net assets of the Company are £19.1m (2019: £55.5m).

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.

Market risk is the vulnerability of the Company to movements in the value of financial instruments. The risk in such situations is restricted to movements in foreign exchange and interest rates.

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

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.

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

Strategic and Business risk is the risk that the Company's ability to do business might be damaged through its failure to adapt to changing market dynamics or customer requirements.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. TP ICAP's UK-based authorised subsidiaries continue to service clients based in certain EU 27 member states where possible under available temporary permission regimes, existing third country access rights, or as otherwise permitted by applicable laws and regulations. In those EU 27 member states where TP ICAP's existing operating model does not allow it to service clients under available temporary permission regimes, existing third country access rights, or applicable laws and regulations, TP ICAP is adjusting its operating model to ensure that it services clients in those jurisdictions in accordance with such temporary permission regimes, existing third country access rights, or applicable laws and regulations. Such adjustments include, amongst other things, obtaining additional third country permissions for its UK authorised firms and servicing clients from its EU establishments once a sufficient number of brokers have been relocated from the UK.

Management have the day-to-day responsibility for ensuring that the Company operates in accordance with the Enterprise Risk Management Framework. The Group has approved policies and procedures to manage key risks. Further details of the Enterprise Risk Management Framework are outlined in the Group's Annual Report, which does not form part of this report.

During 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. As at the date of this report, the outbreak of a novel COVID-19 virus continues to be a challenge for governments around the world, including the United Kingdom. Restrictions regarding the movement of people has generated widespread disruption, which has impacted the global financial markets. In response, the Group, including the Company, has activated its Business Continuity Planning strategies, which include the introduction of measures to allow a significant proportion of our employees to work remotely, to safeguard their wellbeing and to continue Company operations and support of our clients. The full extent of how these conditions will impact the Company is not yet known as there is uncertainty around the duration and severity. Therefore, while we expect this matter to impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. The Company has a positive net asset value and cash reserves available to help preserve its financial flexibility.

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 key actions in this regard are also contained in the Group Corporate Governance Report. 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 Group believes that engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2020, we maintained focus on engagement with stakeholders as well as increasing our attention on 'Environment, social and governance' ("ESG") matters. During the year the Group strengthened its risk and governance framework with the adoption of a UK Regulated Entity Governance Framework which forms part of the Group's Governance Framework. The structure and form of Company and Committee papers have been reviewed and, as a result, changes were implemented to ensure that Section 172(1) considerations are considered in Board discussion and decision making.

- Group Shareholders
  The Group Board believes that engagement with our shareholders is of key importance to the business. During the year, the Board considered whether to pay dividends to its shareholder, taking into account the impact of such distributions 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 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.
- Clients
  The Group Board has regular contact with our principal clients and during the year meetings were held with clients to understand what actions they were taking in relation to Brexit. Further details of engagement with clients is provided in the Group Annual Report which does not form part of this report.
- Regulators
  The directors recognise the importance of engaging with the FCA and other regulatory bodies to better understand and respond to their views. The Group coordinates engagement with the Regulators in relation both to the Group and this entity and further details can be read in the Group's 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 is committed to striving to operate in a sustainable and responsible way whilst delivering value for our stakeholders. Further details of the Group's key community initiatives and reporting on greenhouse gas emissions can be found in the Strategic report and Directors' report within the Group's Annual Report which does not form part of this report.

KEY PERFORMANCE INDICATORS

The Company's return on assets ("ROA"), calculated as net profit divided by net assets, is 55.4% (2019: 4.8%). The increase in ROA has been impacted by the payment of a dividend in the current year reducing net assets, and increased profitability due to faster reduction in costs compared with revenue resulting in a higher net profit for the current year. 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 plc (now known as TP ICAP Limited), 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.

R Stewart
Director

14 September 2021

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITIES
The Company's principal activity is to act as a service company to the subsidiary companies of TP ICAP Group plc. It is anticipated that the Company will continue its present business activities for the foreseeable future.

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
Details of the business review and future developments can be found in the Strategic Report on page 1.

PRINCIPAL RISKS AND UNCERTAINTIES
Details of principal risks and uncertainties can be found in the Strategic Report on page 2.

GOING CONCERN
The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the twelve months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further detail regarding the adoption of the going concern basis, which includes consideration of the potential impact of COVID-19, is detailed in Note 1, General information and principal accounting policies.

DIVIDENDS
During the year ended 31 December 2020 the directors declared and paid dividends on the ordinary shares of £48.4m (2019: £Nil). 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 Price
J Scard-Morgan (Resigned on 29 July 2021)
R Stewart

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.

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

POLITICAL CONTRIBUTIONS
There were no political contributions made by the Company during the year (2019: £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 February 2021, the shareholders of TP ICAP plc approved the re-domiciliation of the Group from the UK to Jersey by means of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("the Scheme").

The Scheme became effective on 26 February 2021 and, as a result, TP ICAP Group plc became the new ultimate parent and controlling party of the Group.

Shortly after the Scheme became effective, the former ultimate parent and controlling party of the Group, TP ICAP plc, changed its status to that of a private company and was renamed TP ICAP Limited.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. TP ICAP's UK-based authorised subsidiaries continue to service clients based in certain EU 27 member states where possible under available temporary permission regimes, existing third country access rights, or as otherwise permitted by applicable laws and regulations. In those EU 27 member states where TP ICAP's existing operating model does not allow it to service clients under available temporary permission regimes, existing third country access rights, or applicable laws and regulations, TP ICAP is adjusting its operating model to ensure that it services clients in those jurisdictions in accordance with such temporary permission regimes, existing third country access rights, or applicable laws and regulations. Such adjustments include, amongst other things, obtaining additional third country permissions for its UK authorised firms and servicing clients from its EU establishments once a sufficient number of brokers have been relocated from the UK.

On 7 May 2021, the Company's registered office changed to 135 Bishopsgate, London, EC2M 3TP.

There have been no additional post balance sheet events from 31 December 2020 up to the date of signing which require separate disclosure.

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.

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

Approved by the board and signed on its behalf by:

R Stewart
Director

14 September 2021

Company number: 02189561

ICAP Management Services Limited
Directors' responsibilities statement
31 December 2020

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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 28.

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
- Considering the forecasts in the context of revenue identified at risk as a result of Brexit.

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included 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. These included the Financial Conduct Authority regulations.

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, or non-compliance with laws and regulations, in the following areas, and our specific procedures performed to address it are described below:
- We identified a risk of fraud in relation to accurate recognition of Data Sales revenue. We obtained an understanding of relevant controls relating to Data Sales invoicing and cash collection; and agreed a sample of Data Sales transactions to cash received or, where amounts remained unpaid, to contracts to corroborate the accuracy of the revenue booked.

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

In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house and external 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, and reviewing correspondence with the Financial Conduct Authority.

ICAP Management Services Limited
Independent auditor's report to the members of ICAP Management Services Limited
31 December 2020

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

Giles Lang FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 September 2021

ICAP Management Services Limited
Statement of profit or loss
For the year ended 31 December 2020

	Note	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Revenue	3	53,678	63,716
Other operating (expense) / income	7	(287)	629
Expenses			
Administrative expenses	4	(43,022)	(63,904)
Operating profit		10,369	441
Interest receivable and similar income	8	1,437	2,909
Interest payable and similar expenses	9	(362)	(455)
Profit before income tax		11,444	2,895
Income tax	10	(863)	(231)
Profit after income tax for the year		10,581	2,664

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

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

ICAP Management Services Limited
Statement of other comprehensive income
For the year ended 31 December 2020

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Profit after income tax for the year	10,581	2,664
Other comprehensive income		
Items that may be reclassified subsequently to the Statement of profit or loss		
Translation of overseas branches	21	9
Other comprehensive income for the year, net of tax	21	9
Total comprehensive income for the year	10,602	2,673

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

ICAP Management Services Limited
Balance sheet
As at 31 December 2020

	Note	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Assets			
Non-current assets			
Intangible assets	11	6,032	12,342
Tangible assets	12	218	572
Right-of-use assets	13	1,037	89
Deferred tax asset	10	4,572	4,360
Investment in subsidiary	14	169	169
Other financial investment	15	20	20
Total non-current assets		12,048	17,552
Current assets			
Debtors	16	98,233	156,073
Other financial investment	17	81	47
Cash and cash equivalents	18	4,380	5,345
Total current assets		102,694	161,465
Total assets		114,742	179,017
Liabilities			
Non-current liabilities			
Lease liabilities	21	931	-
Provisions	19	23,002	26,726
Total non-current liabilities		23,933	26,726
Current liabilities			
Creditors	20	69,104	95,583
Lease liabilities	21	159	80
Tax payable	10	2,446	1,130
Total current liabilities		71,709	96,793
Total liabilities		95,642	123,519
Net assets		19,100	55,498
Equity			
Issued capital	22	1	1
Retained profits		19,099	55,497
Total equity		19,100	55,498

The financial statements on page 11 to 32 were approved and authorised for issue by the board of directors on 14 September 2021 and were signed on its behalf by:

R Stewart
Director

14 September 2021

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

ICAP Management Services Limited
Statement of changes in equity
For the year ended 31 December 2020

	Issued capital £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2019	1	51,681	51,682
Profit after income tax for the year	-	2,664	2,664
Other comprehensive income for the year, net of tax	-	9	9
Total comprehensive income for the year	-	2,673	2,673
Share based expenses in the year	-	1,143	1,143
Balance at 31 December 2019	1	55,497	55,498

	Issued capital £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2020	1	55,497	55,498
Profit after income tax for the year	-	10,581	10,581
Other comprehensive income for the year, net of tax	-	21	21
Total comprehensive income for the year	-	10,602	10,602
Share-based expenses for the year	-	1,364	1,364
Dividends paid (Note 23)	-	(48,364)	(48,364)
Balance at 31 December 2020	1	19,099	19,100

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 years presented, unless otherwise stated

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the twelve months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further detail regarding the adoption of the going concern basis, which includes consideration of the potential impact of COVID-19. .

Basis of preparation

The financial statements of the Company have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006. As permitted, the Company has taken advantage of disclosure exemptions, including: Statement of cash flows, disclosure of new accounting standards not yet mandatory, presentation of comparative information for tangible and intangible fixed assets and related party transactions between wholly owned Group companies. Where relevant, equivalent disclosures have been given in the Group financial statements of TP ICAP 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 has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by the ultimate parent company TP ICAP plc (now known as TP ICAP Limited).

The Company's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey). As at the year end, the Company's ultimate parent and controlling party was TP ICAP plc (now known as TP ICAP Limited) (incorporated in the United Kingdom) whose consolidated financial statements are available from Companies House.

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:

Service fees, charged as a subscription for the provision of data products and services. This revenue is recognised upon rendering of the services.

Information sales, which represent fees received from the sale of financial information to third parties.

The Company has applied IFRS 15, a single comprehensive model for revenue recognition. The core principal 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 16, Current assets - Debtors.

Pension costs

Certain employees of the Company participate in a Group defined contribution pension scheme operated by TP ICAP plc (now known as TP ICAP Limited). The Company's contributions to the scheme are charged to the Statement of profit or loss on an accruals basis.

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

Share based payments
The ultimate parent, TP ICAP plc (now known as TP ICAP Limited), 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.

Tax
Tax on the profit for the financial year comprises both current and deferred tax as well as any adjustment in respect of prior years. Tax is charged or credited to the Statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also recorded within equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

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

Deferred tax
Deferred tax is recognised using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

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

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

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

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

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 are recognised at amortised cost less provision for impairment. All provisions are recorded within Administrative expenses in the Statement of profit or loss.

Creditors
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year where the invoice is unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and usually paid within 30 days of recognition.

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.

Subordinated loans
Subordinated Loans and borrowings 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.

Investment in subsidiaries
Investments comprise equity shareholdings. These investments are recorded at historical 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 benefits from its activities.

Impairment of subsidiaries
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.

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.

Issued capital
Ordinary shares are classified as equity.

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

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

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

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

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

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 entity 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.

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

Amortisation is charged to administrative expenses in the Statement of profit or loss on a straight line basis over the expected useful economic life of the asset as follows:

Capitalised software	3-4 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.

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:

Plant and machinery, fixtures and fittings	2 - 5 years
Short leasehold	5 - 10 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. Rentals under operating leases are charged to the Statement of profit or loss on a straight-line basis over the term of the lease. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of profit or loss.

Right-of-use asset
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.

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

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.

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.

New and revised IFRS in issue but not yet effective

Management have reviewed the new and revised IFRS in issue but not yet effective and anticipates these standards will have no 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 the key sources of estimation uncertainty noted below:

Deferred tax asset

A deferred tax asset has been recognised in respect of timing differences on the basis that the asset is expected to be recoverable in the future periods. To the extent it is not profitable, we would still expect the deferred tax assets to be recoverable in the future on the basis that the Group is expected to continue to be profitable in the future and therefore will benefit from any group relief available for surrender by the Company. Judgement is required to assess whether the tax may be recovered over the foreseeable future.

Provisions

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. Note 19 provides detail of the provisions and contingent liabilities.

Note 3. Revenue

Revenue by type:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Service fee income	44,176	55,594
Data sales	7,045	8,122
Other income	2,457	-
Revenue	53,678	63,716

Revenue by geographical market:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
EMEA	53,678	63,716

Note 4. Administrative expenses

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Employment costs (Note 5)	29,872	39,050
Other staff costs	818	808
Travel and entertainment	208	20
Market data and telecommunications	3,057	3,976
Infrastructure costs	285	1,079
Professional fees	2,417	3,510
Movement on expected credit loss provision	(457)	133
Repairs and maintenance	1,528	3,344
Operating leases	-	(81)
Write-off of amounts owed by associates	310	-
Amortisation of intangible assets	5,250	8,567
Depreciation of tangible assets	202	363
Depreciation of right-of-use assets	191	171
Other administrative costs (recovered) / charged	(659)	2,964
	43,022	63,904

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 parent, TP ICAP plc (now known as TP ICAP Limited), include these fees on a consolidated basis.

Fees payable for the audit of the financial statements were £103,960 (2019: £76,385).

For the year ended 31 December 2020, Administrative expenses include costs of £1,364,000 (2019: £1,143,000) relating to the share-based payment schemes detailed in Note 5. Further disclosures are included in the Group's consolidated financial statements.

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 2020 £'000	Year ended 31 Dec 2019 £'000
Wages, salaries, bonuses and incentive payments	168,867	177,387
Social security	21,859	23,715
Other pension	1,408	1,409
Total employment costs borne by the Company	192,134	202,511

For the year ended 31 December 2020, the average monthly number of employees identified as being directly involved in the operation of the Company was 574, comprising of 395 brokers and 179 support staff (2019: 630, comprising 397 brokers and 233 support staff).

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

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Wages, salaries, bonuses and incentive payments	142,635	143,385
Social security	18,868	19,448
Other pension	759	628
Total employment costs recharged to fellow subsidiaries	162,262	163,461

For the year ended 31 December 2020, the average monthly number of employees identified as being directly involved in the operation of the Company was 397, comprising of 395 brokers and 2 support staff (2019: 395, comprising 394 brokers and 1 support staff).

Employment costs attributable to the Company comprise:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Wages, salaries, bonuses and incentive payments	26,232	34,002
Social security	2,991	4,267
Other pension	649	781
Total employment costs attributable to the Company	29,872	39,050

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 2020, the average monthly number of persons employed by the Company during the period relating to staff costs attributable to the Company was 177, comprising of Nil brokers and 177 support staff (2019: 235, comprising of 3 brokers and 232 support staff).

Note 5. Employment costs (continued)

Share-based payments

TP ICAP plc (now known as TP ICAP Limited) Bonus Plan for Senior Managers

Annual awards are made under the Group's Senior Manager Deferred Bonus Plan.

Under this Plan, employees identified as Senior Managers have 20% 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.

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

TP ICAP plc (now known as TP ICAP Limited) Bonus Plan for Executive Directors

Annual awards are made under the Group's 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 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.

Transformation Long Term Incentive Plan ('T-LTIP')

The Transformation Long Term Incentive Plan commenced in 2017 as a one-off long-term plan aligned to the three-year integration period for Tullett Prebon and ICAP (January 2017 – December 2019). Awards were allocated between the Executive Directors and members of the Group's Global Executive Committee. Awards were forfeited if a beneficiary left the Group, unless explicitly agreed otherwise by the Group's Remuneration Committee.

During 2019, as a condition of granting Executive Directors awards under the Group's new Long Term Incentive Plan (see below) their T-LTIP awards were cancelled. The cancellation was treated as a modification resulting in an acceleration of the associated share-based expense at that time.

Performance under the plan, based on absolute total shareholder return and earnings per share, was completed in 2020 following the end of the performance period. As performance was below the plan thresholds no shares were awarded. Any awards would have been subject to a further holding period with a release of one third in April 2021, one third in April 2022 and one third in April 2023.

No share-based charge arose in 2020. In 2019 a net share-based credit of £1m arose, reflecting the accelerated cost from modifying of the Executive Directors awards offset by a credit relating to the forfeiture of awards.

Special Equity Award Plan

During 2019, a Special Equity Award Plan ('SEAP') was introduced for eligible employees. The Executive Directors are not eligible for awards under this plan. Awards are made to eligible employees based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee. Awards are subject to the completion of service conditions and the fulfilment of other conduct requirements and vest three years from the date of 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.

Note 5. Employment costs (continued)

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Charge arising from share based payment plan	1,364	1,143

Note 6. Directors remuneration

Remuneration payable to the directors in respect of their services to the Company comprise the following:

	Year ended 31 Dec 2020 Total £'000	Year ended 31 Dec 2020 Highest Paid Director £'000	Year ended 31 Dec 2019 Total £'000	Year ended 31 Dec 2019 Highest Paid Director £'000
Aggregate emoluments	52	52	61	61
Defined contribution pension schemes	5	5	5	5
	57	57	66	66

As at 31 December 2020, retirement benefits are accruing to 1 director (2019: 1 director) under defined contribution schemes sponsored by TP ICAP plc (now known as TP ICAP Limited). The Company's directors who served during the period were also directors of TP ICAP plc (now known as TP ICAP Limited), the ultimate parent undertaking. Their total remuneration for the period is disclosed in the financial statements of TP ICAP plc (now known as TP ICAP Limited). Directors' remuneration is based upon an allocation of time employed in the entity.

Note 7. Other operating (expense) / income

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

Note 8. Interest receivable and similar income

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Group related company loan	1,432	2,798
Bank deposit	5	111
	1,437	2,909

Note 9. Interest payable and similar expenses

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Unwinding of provisions	316	393
Group related company loan	12	47
Lease liability	34	15
	362	455

Note 10. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Current tax		
UK Corporation tax - current year	1,658	806
Deferred tax - current year	(335)	437
Overseas tax - current year	1	-
Adjustments in respect of prior years - current tax	(585)	(1,012)
Adjustments in respect of prior years - deferred tax	124	-
Aggregate income tax	863	231
Numerical reconciliation of Income tax at the statutory rate		
Profit before income tax	11,444	2,895
Tax at the statutory tax rate of 19%	2,174	550
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	(502)	200
Adjustments recognised for prior years – current tax	(585)	(1,012)
Adjustments recognised for prior years – deferred tax	124	489
Deferred tax at different rates	(349)	4
Overseas tax	1	-
Income tax	863	231
Effective tax rate	7.5%	8.0%

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.

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Capital allowances	1,326	1,423
Other timing differences	3,246	2,937
Deferred tax asset	4,572	4,360
Movements:		
Opening balance	4,360	4,783
Charged to profit or loss	(137)	(437)
Rate difference	349	14
Closing balance	4,572	4,360

Note 10. Income tax (continued)

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Provision for income tax	2,446	1,130

Note 11. Non-current assets - Intangible assets

	Capitalised software £'000	Total £'000
Cost		
As at 1 January 2020	60,729	60,729
Additions	2,136	-
Disposals	(3,196)	(1,060)
As at 31 December 2020	59,669	59,669
Amortisation		
As at 1 January 2020	(48,387)	(48,387)
Charge for the year	(5,250)	(5,250)
As at 31 December 2020	(53,637)	(53,637)
Net book value		
As at 31 December 2020	6,032	6,032
As at 31 December 2019	12,342	12,342

Note 12. Non-current assets - Tangible assets

	Short leasehold £'000	Plant and machinery, fixtures and fittings £'000	Total £'000
Cost			
As at 1 January 2020	425	16,847	17,272
Additions	37	39	76
Disposals	-	(227)	(227)
As at 31 December 2020	462	16,659	17,121
Accumulated depreciation			
As at 1 January 2020	(359)	(16,342)	(16,701)
Charge for the year	(78)	(124)	(202)
As at 31 December 2020	(437)	(16,466)	(16,903)
Net book value			
As at 31 December 2020	25	193	218
As at 31 December 2019	67	505	572

Note 13. Non-current assets - Right-of-use assets

	Land and buildings £'000	Total £'000
Cost		
As at 1 January 2020	260	260
Additions	1,139	1,139
As at 31 December 2020	1,399	1,399
Accumulated depreciation		
As at 1 January 2020	(171)	(171)
Charge for the year	(191)	(191)
As at 31 December 2020	(362)	(362)
Net book value		
As at 31 December 2020	1,037	1,037
As at 31 December 2019	89	89

The Company leases land and buildings with a lease term of 53 months (2019: 17 months).

The maturity analysis of Lease liabilities is presented in Note 21.

Note 14. Non-current assets - Investment in subsidiary

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
As at beginning and end of the year	169	169

Investment in subsidiary represents the net assets of the Garban Employee Benefit Trust 2001 and its sub-fund at the reporting date.

The Company is party to a joint venture agreement with Nasdaq, Inc. whereby it has an investment in Patshare Limited, a dormant company. The share of profits and net assets of the joint venture have not been disclosed separately on the face of the Statement of financial position, and Statement of profit or loss, on the grounds of materiality.

Note 15. Non-current assets - Other financial investment

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Cost		
As at beginning of the year	120	120
Accumulated impairment		
As at beginning of the year	(100)	(100)
Net book value		
As at end of the year	20	20

Note 15. Non-current assets - Other financial investment (continued)

Company	Registered Address	Class of share	Indirectly held %
Automated Confirmation Services Limited	ISIS Building, Marsh Wall, London, E14 9SG, England.	Ordinary	30.30

Other financial investment represents the Company's investment in Automated Confirmation Services Limited.

As these are unlisted securities for which there is no readily available market price, the fair value is based on cost less any provision for impairment.

Note 16. Current assets - Debtors

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Agency trade debtors	491	2,445
Expected credit loss	(189)	(374)
	302	2,071
Loan owed by Intermediate parent company	-	61,262
Amounts owed by Group related companies	80,779	79,238
Amount owed by Intermediate parent company	5,084	564
Amounts owed by Group joint venture and associate	977	1,444
Expected credit loss	(438)	(712)
	86,402	141,796
Prepayments and accrued income	11,463	11,774
Other debtors	66	432
	11,529	12,206
	98,233	156,073

Loan owed by related party is unsecured, repayable on demand and interest is charged at 3.5% above GBP LIBOR. Amounts owed by related parties are unsecured, non-interest bearing and repayable on demand.

The following trade debtors were unsettled:

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Less than 30 days	242	1,049
Over 30 days but less than 90 days	27	489
Over 90 days	33	533
	302	2,071

Note 17. Current assets - Other financial investment

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Other financial asset	81	47

Other financial asset is a Securities deposit requirement of Securities and Exchange Commission (SEC) to the Philippines branch.

Note 18. Current assets - Cash and cash equivalents

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Cash at bank and in hand	4,384	5,348
Expected credit loss	(4)	(3)
	4,380	5,345

Note 19. Non-current liabilities - Provisions

Provisions consist of legal claims brought against the Company together with Provisions against obligations for certain long-term employee benefits. At present the timing and amount of any payments are uncertain and Provisions are subject to regular review. It is expected that the obligations will be discharged over the next 25 years.

	Employment £'000	Legal £'000	Total £'000
At 1 January 2020	18,256	8,470	26,726
Debit / (credit) to the Statement of profit or loss	893	(2,696)	(1,803)
Utilisation of provisions	(1,921)	-	(1,921)
At 31 December 2020	17,228	5,774	23,002

	Employment £'000	Legal £'000	£'000
At 1 January 2019	17,370	8,972	26,342
Debit / (credit) to the Statement of profit or loss	3,269	(502)	2,767
Utilisation of provisions	(2,383)	-	(2,383)
At 31 December 2019	18,256	8,470	26,726

In February 2015, the European Commission imposed a fine of €15m on NEX International Limited (formerly ICAP plc), ICAP Management Services Limited and ICAP New Zealand Limited for alleged competition violations in relation to the involvement of certain of ICAP's brokers in the attempted manipulation of Yen LIBOR by bank traders between October 2006 and January 2011. Whilst this matter relates to alleged conduct violations prior to completion of the Group's acquisition of the ICAP global broking business, it is noted that the fine imposed by the European Commission has been appealed, seeking a full annulment of the Commission's decision. In the event that the Commission imposes a fine in excess of €15m such excess will be borne by NEX Group plc ('NEX'). In November 2017, the European General Court granted a partial annulment of the Commission's findings. The Commission appealed this decision in February 2018 and the Group served its reply during April 2018. A decision from the Courts of Justice of the European Union was received on 10 July 2019 which determined that the decision of the European Commission in relation to the competition violations stood but the decision of the European Commission imposing the fine was annulled. The European Commission is likely to adopt new articles in relation to a fine. On 31 May 2021, the European Commission issued a fine totaling €6.5m, payable by 30 November 2021. The Group has fully provided for this amount.

Note 20. Current liabilities - Creditors

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Trade creditors	302	1,420
Other taxation and social security	2,594	2,793
Accruals and deferred income	53,604	64,259
Other creditors	3,027	3,570
Amounts owed to Group related companies	8,476	7,900
Amounts owed to Immediate parent company	1,101	15,091
Amounts owed to Group joint ventures and associates (Note 26)	-	550
	69,104	95,583

Amounts owed to related parties are unsecured, non-interest bearing and repayable on demand.

Note 21. Current liabilities - Lease liabilities

Amounts recognised in Statement of financial position:

	As at 31 Dec 2020	As at 31 Dec 2019
Current	159	80
Non-current	931	-
	1,090	80

Amounts recognised in Profit or loss relate to interest payable on lease liability of £34,000 (2019: £15,000)

Note 22. Equity - Issued capital

	As at 31 Dec 2020 Shares	As at 31 Dec 2019 Shares	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Allotted, issued and fully paid ordinary shares of £1 each	1,000	1,000	1	1

Note 23. Equity - Dividends paid

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Dividend paid of £48,364 per ordinary share (2019: £Nil per ordinary share)	48,364	-

Note 24. Guarantees and contingent liabilities

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 25. Financial commitments

As a result of the application of IFRS 16 for the previous reporting year, there are no minimum rentals payable under non-cancellable operating leases as at 31 December 2020 and 31 December 2019.

Note 26. Related party transactions

The Company entered into the following transactions with related companies that are not wholly owned:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Income from management services provided		
Associates and joint ventures	1,772	1,414

The Company had the following net outstanding balance owed by related parties that are not wholly owned:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Associates and joint ventures	977	863

Amounts due from associates and joint ventures are unsecured.

Note 27. Events after the reporting period

In February 2021, the shareholders of TP ICAP plc approved the re-domiciliation of the Group from the UK to Jersey by means of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("the Scheme").

The Scheme became effective on 26 February 2021 and, as a result, TP ICAP Group plc became the new ultimate parent and controlling party of the Group.

Shortly after the Scheme became effective, the former ultimate parent and controlling party of the Group, TP ICAP plc, changed its status to that of a private company and was renamed TP ICAP Limited.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. TP ICAP's UK-based authorised subsidiaries continue to service clients based in certain EU 27 member states where possible under available temporary permission regimes, existing third country access rights, or as otherwise permitted by applicable laws and regulations. In those EU 27 member states where TP ICAP's existing operating model does not allow it to service clients under available temporary permission regimes, existing third country access rights, or applicable laws and regulations, TP ICAP is adjusting its operating model to ensure that it services clients in those jurisdictions in accordance with such temporary permission regimes, existing third country access rights, or applicable laws and regulations. Such adjustments include, amongst other things, obtaining additional third country permissions for its UK authorised firms and servicing clients from its EU establishments once a sufficient number of brokers have been relocated from the UK.

On 7 May 2021, the Company's registered office changed to 135 Bishopsgate, London, EC2M 3TP.

There have been no additional post balance sheet events from 31 December 2020 up to the date of signing which require separate disclosure.

Note 28. Immediate and ultimate parent company

The Company's immediate parent is 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 plc (now known as TP ICAP Limited), which is incorporated in the United Kingdom, and headed the largest and smallest group of companies of which the Company is a member. TP ICAP plc prepared consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: 135 Bishopsgate, London, EC2M 3TP.

After the year end and as a result of the Scheme, the Company's ultimate parent and controlling party became TP ICAP Group plc, which is incorporated in Jersey, and now heads the largest and smallest group of companies of which the Company is a member. TP ICAP Group plc will prepare consolidated financial statements in accordance with IFRS. Copies of TP ICAP Group plc financial statements will be available from the registered office: 22 Grenville Street, St Helier, Jersey JE4 8PX.