

TULLETT PREBON (EQUITIES) LIMITED

Annual Report and Financial Statements

for the year ended 31 December 2015

Registered number: 02533369

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TULLETT PREBON (EQUITIES) LIMITED

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TULLETT PREBON (EQUITIES) LIMITED

STRATEGIC REPORT

REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary within the Tullett Prebon plc group (the "Group"). The Company ceased its inter-dealer broker ("IDB") business, trading as an agency broker in equity shares, in February 2010.

The Company continues to be authorised and regulated by the Financial Conduct Authority but it is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity. The directors have therefore prepared the financial statements on a basis other than that of a going concern. Preparation of the financial statements on an 'other than going concern' basis has no material impact on the amounts reported. Please refer to note 1 for further discussion of the going concern assumption.

The Company's results for the year are set out in the profit and loss account on page 6. The Company's profit after tax was £16,000 (2014: £14,000). The Company's financial position is set out in the balance sheet on page 7 and shows the Company's net assets have increased to £6,322,000 (2014: £6,306,000).

The Group manages its operations on a regional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces can broadly be categorised as credit, capital and operational risk.

Credit risk is the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company. Given the non-trading status of the Company, the risk is primarily the risk on default of the banking counterparties at which the Company has placed its cash balances.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events.

Capital management risk is the risk arising from failure to maintain adequate levels of capital. The Company is exposed to the risk of new regulations imposing a fundamental change to the structure or activity of financial markets which could result in the obligation to hold punitive levels of regulatory capital. The Company monitors closely regulatory developments in its markets and is actively involved in consultation and rule setting processes so as to ensure an informed debate of all regulatory issues potentially affecting the IDB markets, both on an individual firm basis and through trade associations. The Company board also undertake an informed assessment of whether the Company holds sufficient capital in the context of the Company's overarching business objectives, the nature of its business model and risk profile, and its risk management framework.

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

TULLETT PREBON (EQUITIES) LIMITED

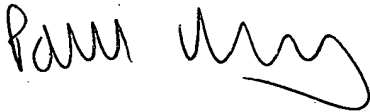
STRATEGIC REPORT

FUTURE DEVELOPMENTS

The directors have evaluated subsequent events through to the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

It is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity.

This report was approved by the Board of Directors and signed on its behalf by:



P J Ashley

Director

18 March 2016

Tower 42
Level 37
25 Old Broad Street
London
EC2N 1HQ

Registered No:
02533369

TULLETT PREBON (EQUITIES) LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and financial statements for the year ended 31 December 2015.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2.

GOING CONCERN

In 2010 the Company transferred its business to Tullett Prebon (Europe) Limited and ceased its IDB activities. Consequently the financial statements have been prepared on a basis other than that of a going concern. Preparation of the financial statements on an 'other than going concern' basis has no material impact on the amounts reported. It is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £16,000 (2014 profit of: £14,000) and will be transferred to reserves.

The directors do not recommend payment of a dividend (2014: £nil).

DIRECTORS

The directors, who served throughout the year except as noted, were as follows:

A A Polydor	P J Ashley
A C Hadley	P S Dunkley
A J D Wink	R W Osborne
N J J Potter	

DIRECTOR'S INDEMNITIES

The Company's ultimate parent, Tullett Prebon plc, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

POLITICAL CONTRIBUTIONS

There were no political donations made by the company during the year (2014: £nil).

AUDITOR

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

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

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

Pursuant to s386 of the Companies Act 1985, an elective resolution was passed on 17 March 2005 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore Deloitte LLP are deemed to continue as auditors.

TULLETT PREBON (EQUITIES) LIMITED

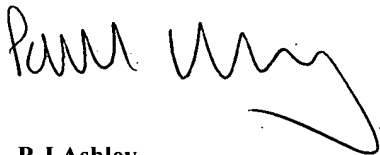
DIRECTORS' REPORT

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Tullett Prebon Investment Holdings Limited, as the immediate parent of the entity.

Approved by the Board and signed on its behalf by:



P J Ashley

Director
18 March 2016

Tower 42
Level 37
25 Old Broad Street
London
EC2N 1HQ
Registered No:
02533369

TULLETT PREBON (EQUITIES) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 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.

Independent auditor's report to the members of Tullett Prebon (Equities) Limited

We have audited the financial statements of Tullett Prebon (Equities) Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholder's Funds, and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 of the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

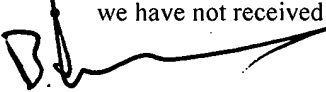
Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.


Ben Jackson F.C.A (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date: 18 March 2016

TULLETT PREBON (EQUITIES) LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
OPERATING RESULT	2	-	-
Administrative expenses		-	-
Net finance income	3	20	17
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20	17
Tax charge on profit on ordinary activities	4	(4)	(3)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		16	14

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015

	2015 £000	2014 £000
Profit for the financial year	16	14
Other comprehensive income	-	-
Total comprehensive income attributable to the shareholders of the Company	16	14

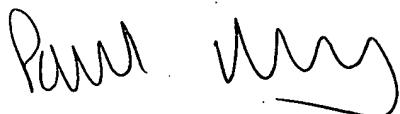
TULLETT PREBON (EQUITIES) LIMITED

BALANCE SHEET

as at 31 December 2015

	Notes	2015 £000	2014 £000
CURRENT ASSETS			
Debtors: due within one year	5	5,604	5,608
Cash at bank and in hand	6	721	699
		<u>6,325</u>	<u>6,307</u>
CREDITORS: amounts falling due within one year	7	(3)	(1)
NET CURRENT ASSETS		<u>6,322</u>	<u>6,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,322</u>	<u>6,306</u>
NET ASSETS		<u>6,322</u>	<u>6,306</u>
CAPITAL AND RESERVES			
Called-up share capital	8	4,618	4,618
Profit and loss account		1,704	1,688
		<u>6,322</u>	<u>6,306</u>
SHAREHOLDER'S FUNDS		<u>6,322</u>	<u>6,306</u>

The financial statements of Tullett Prebon (Equities) Limited (registered number 02533369) were approved by the Board of Directors and authorised for issue on 18 March 2016. They were signed on its behalf by:



P J Ashley
Director

TULLETT PREBON (EQUITIES) LIMITED**STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS**
as at 31 December 2015

	Called-up share capital £000	Profit and loss account £000	Total shareholder's funds £000
At 31 December 2013 as previously stated	4,618	1,674	6,292
Changes on transition to FRS 102 (Note 10)	-	-	-
At 1 January 2014 as restated	4,618	1,674	6,292
Profit for the financial year	-	14	14
At 31 December 2014	4,618	1,688	6,306
Profit for the financial year	-	16	16
At 31 December 2015	4,618	1,704	6,322

TULLETT PREBON (EQUITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Tullett Prebon (Equities) Limited is a company incorporated in the United Kingdom under the Companies Act. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS102. The date of transition is 1 January 2014. The transition to FRS 102 has not resulted in restatement for material adjustments under FRS102. Further information is disclosed in note 10.

The functional currency of Tullett Prebon (Equities) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Tullett Prebon (Equities) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Tullett Prebon (Equities) Limited is consolidated in the financial statements of its ultimate parent, Tullett Prebon plc, which may be obtained at: Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ. Exemptions have been taken in relation to share-based payments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

In 2010 the Company transferred its business to Tullett Prebon (Europe) Limited and ceased its IDB activities. Consequently the financial statements have been prepared on a basis other than that of a going concern. Preparation of the financial statements on an 'other than going concern' basis has no material impact on the amounts reported. It is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity.

c. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

d. Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial instruments are derecognised when all derecognition criteria IAS 39 are met and the Group no longer controls the contractual rights that comprise the financial instrument. This is normally the case when the instrument is sold, or all of the cash flows attributable to the instrument are passed through to an independent third party.

Financial assets are classified on initial recognition as 'available-for-sale', 'loans and receivables' or 'at fair value through profit and loss account'. Financial liabilities are classified on initial recognition as either at 'fair value through the income statement' or as other financial liabilities'.

(i) Loans and receivables

Loans and receivables are non-derivative financial instruments that have fixed or determinable payments that are not listed in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised using the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. Settlement balances, trade receivables, loans and other receivables are classified as loans and receivables.

TULLETT PREBON (EQUITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2015

1. Accounting policies (continued)

(ii) Other financial liabilities and financial assets

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial assets, other than those at fair value through the income statement, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Impairment is recognised in the income statement.

e. Cash flow statement

The Company is exempt from reporting a cash flow statement in accordance with FRS 102: Section 1 Scope of this Financial Reporting Standard, as the Company is a wholly owned subsidiary of Tullett Prebon plc, which is registered in England and Wales and which prepares Group financial statements which are publicly available.

f. Related party transactions

The Company has taken advantage of reporting exemptions in accordance with FRS 102: Section 33 Related Party Disclosures, since it is a wholly owned subsidiary of a group where the voting rights are controlled within the Group and the Group's parent financial statements are publicly available.

g. Client money

Client money to settle transactions bargains is held separately and included in the Company's balance sheet. The net return received on managing client money is included within net finance income.

2. Operating profit

The Company had no operating income or costs during 2015 (2014: £nil).

Auditor remuneration of £4,000 (2014: £4,000) in respect of audit services is incurred by Tullett Prebon Group Limited.

The Company had no employees during the year (2014: nil).

The directors did not receive any remuneration for their services to the Company (2014: £nil).

TULLETT PREBON (EQUITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS as at 31 December 2015

3. Net finance income

	2015	2014
	£000	£000
Interest receivable and similar income	20	17

Interest receivable and similar income

	2015	2014
	£000	£000
Foreign exchange gains	20	17

4. Tax on profit on ordinary activities

The tax charge comprises:

	2015	2014
	£000	£000
Current tax on profit on ordinary activities		
UK corporation tax charge on profit for the year	4	3
Total charge on profit on ordinary activities	4	3

Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is equal to the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

5. Debtors

	2015	2014
	£000	£000
Amounts falling due within one year:		
Amounts owed by Group undertakings	5,604	5,608
	5,604	5,608

6. Cash at bank and in hand

Cash at bank amounted to £721,000 (2014: £699,000). At 31 December 2015 client money held in a segregated bank account was £699,000 (2014: £677,000).

TULLETT PREBON (EQUITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS as at 31 December 2015

7. Creditors: amounts falling due within one year

	2015	2014
	£000	£000
Accrual and deferred income	3	1
	<u>3</u>	<u>1</u>

8. Called-up share capital and reserves

	2015	2014
	£000	£000
Allotted, called-up and fully-paid 4,618,000 ordinary shares of £1 each (2014: 4,618,000)	4,618	4,618
	<u>4,618</u>	<u>4,618</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are profit and loss reserves which includes cumulative profits or losses, net of dividends paid and other adjustments.

9. Controlling party

The Company's immediate parent undertaking is Tullett Prebon Investment Holdings Limited.

The Company's ultimate parent and controlling party is Tullett Prebon plc.

The parent undertaking of the smallest group which includes the Company for which group accounts are prepared is Tullett Prebon Group Holdings plc.

The parent undertaking of the largest group which includes the Company for which group accounts are prepared is Tullett Prebon plc.

Copies of Tullett Prebon Group Holdings plc and Tullett Prebon plc financial statements are available from the registered office: Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ

10. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, there were no significant changes to the accounting policies to comply with that standard. Henceforth no reconciliations of shareholder's funds or profit and loss were prepared.