

Company Number 03635229

ICAP Global Derivatives Limited

Annual Report and Financial Statements - 31 December 2022



STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Annual Report and the audited financial statements of ICAP Global Derivatives Limited (the "Company") for the year ended 31 December 2022.

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, England, EC2M 3TP.

PRINCIPAL ACTIVITIES

The Company's principal activity is to provide a swap execution facility for inter-dealer broking clients engaged in the execution of traditional US dollar interest rate swaps. The Company is authorised and regulated by the Financial Conduct Authority ("FCA"), and is also a Commodity Futures Trading Commission ("CFTC") registered Swaps Execution Facility ("SEF"). It is anticipated that the Company will continue its present business activities for the foreseeable future.

The Company is a wholly owned subsidiary within the TP ICAP Group plc group (the "Group"). The Company has offices in the United Kingdom and the United States of America.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

The Company allows other entities within the Group to access the SEF in compliance with the financial services regulations of the United Kingdom and European Economic Area ("EEA"), both as a UK incorporated entity authorised and regulated by the FCA and as a SEF registered under the CFTC. The CFTC registration is in addition to the Company's UK regulatory permissions, which include the ability to operate a multilateral trading facility ("MTF"). The Company is also authorised to provide customers in the EEA and Canada (Ontario) direct access to the SEF.

By registering to be a SEF with the CFTC, the Company satisfies SEF transaction level requirements and EEA regulatory rules for electronic order book and voice arranged execution. The Company, available to all market participants, integrates i-Swap, an electronic interest rate platform, with request for quote ("RFQ") protocols allowing for the broadest and efficient facilitation of liquidity, with the goal of developing into a market centre for derivatives.

The Company is an active inter-dealer broker in wholesale markets across a wide range of asset classes which comprise of credit, equities, rates, futures and emerging markets.

RESULTS

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

The Company reported a profit after income tax for the year of \$2,184,000 (2021: \$1,021,000). Year-on-year increase was predominantly driven by higher revenue from the Medium Term IRS desks.

The Company's total assets of \$30,702,000 increased by 16% in 2022, predominantly driven by an increase in cash and cash equivalents. As at 31 December 2022, the net assets of the Company are \$21,099,000 (2021: \$18,833,000).

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

- **Market Risk:** the vulnerability of the Company to movements in foreign exchange and interest rates;
- **Credit Risk:** the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company;
- **Liquidity Risk:** the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance ongoing operations or any reasonable unanticipated events on cost effective terms;
- **Capital Management Risk:** the risk of failure to maintain adequate levels of prudential capital. The Company closely monitors regulatory developments in the market and is actively involved in the consultation and rule-setting process so as to ensure an informed debate on all regulatory issues potentially affecting inter-dealer broking ("IDB") markets, both on an individual firm basis and through trade associations. The Board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources;

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

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

- Risk to technology expertise whereby the Company's ability to retain its position as a leading market infrastructure provider will be dependent on its ability to develop and implement its technology strategy;
- Risk to climate change when the Company fails to address any adverse impact on its business arising from the transactions to a net zero global economy. The Group is in the process of considering how material climate-related issues affect our business strategy. During 2022, this has been carried forward by engagement with senior management, exposures across key sites and business operations, understanding the exposure of our largest suppliers to climate change. During 2023, we continue to understand the impact of climate change and assess any material impact on the Company's financial performance;
- Russia's invasion of the Ukraine together with the recent collapse of Silicon Valley Bank and Credit Suisse buyout in March has caused a significant amount of volatility and uncertainty in global markets. The Company will continue to monitor relevant exposures and execute any relevant mitigating actions as necessary.

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

SECTION 172(1) STATEMENT

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

Our stakeholders

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

- **Shareholders**

The Directors believe that engagement with our shareholders is of key importance to the business. The Directors consider, approve, and pay dividends as appropriate to its shareholders, considering the impact of a distribution on the long-term prospects of the business. At Group level, a tailored engagement approach is undertaken with the Group's shareholders. Details of the approach taken with the Group's shareholders are included in the Group Annual Report which does not form part of this report.

- **Employees**

Employees are central to the long-term success of the Company, and, as such the Directors consider their interests in its decision-making. A Group Board Non-executive Director Engagement programme with employees has been running for a number of years. These initiatives coupled with engagement surveys, have provided invaluable feedback and helped senior management understand the areas that employees wanted to prioritise and progress. Various employee networks exist across the Group, with events held, to help employees better connect, network and increase understanding across the firm. Further engagement activities are planned for 2023. The Group's new Triple A core values of accountability, adaptability and authenticity are integral to the long-term success of the business and the Directors are committed to promoting a culture which embodies the highest possible standards. We will also be focussing on the key priorities of making TP ICAP a place where all employees can build a career, where all can belong and succeed and to make TP ICAP a place where people are engaged and would recommend as a place to work.

- **Clients**

The Group manages our client relationships at multiple levels of seniority across the global organisational structure. This includes management level strategic relationship discussions as well as regular transactional dialogue. Strategic meetings and all client interactions driven by our CRM team in the broking businesses are tracked centrally. Further details of engagement with clients is provided in the Group Annual Report which does not form part of this report.

- **Regulators**

The Directors recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year the Directors engaged with the Financial Conduct Authority (FCA) and the Autorité des marchés financiers (AMF), the French financial markets regulator, to discuss post Brexit plans and Investment Firms Prudential Regime (IFPR). The Directors also received updates on engagement with the Regulators through Board reporting.

- **Suppliers**

The Directors recognise the importance of engagement with our key infrastructure suppliers to monitor performance, manage risk and receive updates on Payment Practices Reporting biannually. In 2023 the Directors will continue to receive regular updates on Payment Practices initiatives regarding suppliers which will further strengthen its oversight of and engagement with suppliers. Key supplier engagement is also carried out at Group level and is discussed in detail in the Group Annual Report which does not form part of this report.

Key Decisions

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

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

Our approach to sustainability

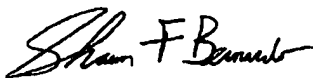
The Directors recognise that TP ICAP's ESG performance is an increasingly important factor in delivering long-term value for our shareholders. To best meet the needs of our stakeholders, which include clients, colleagues, regulators, suppliers, and also the communities in which we operate and the environment,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

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets, is 10.4% (2021: 5.4%). This is in line with management expectations.

The Directors of TP ICAP Group plc manage the Group's operations on a regional basis. For this reason, the Company's Directors believe that further analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of the Group, which includes the Company, are discussed in the Annual Report of TP ICAP Group plc, which does not form part of this report.

This report has been approved by the Board of Directors and signed by order of the Board.



S Bernardo
Director

25 April 2023

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and Financial Statements of the Company which comprise of the Statement of profit or loss, Statement of other comprehensive income, Balance sheet, Statement of changes in equity and related notes 1-20.

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

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

GOING CONCERN

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

DIVIDENDS

No dividends were paid or proposed during the current year (2021: Nil) nor were any dividends declared or paid 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:

S Bernardo
J Quail
J Spencer
D Perkins (Resigned 8 February 2022)

DIRECTOR'S INDEMNITIES

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

SECTION 172(1) STATEMENT

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

OUR PURPOSE AND CORPORATE GOVERNANCE

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

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

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

POLITICAL CONTRIBUTIONS

There were no political contributions made by the Company during the financial year (2021: £Nil).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Company is committed to attracting, retaining, developing and advancing the most qualified persons without regard to their race, ethnicity, religion or belief, gender, age, sexual orientation or disability. This commitment is underpinned by policies on equal opportunities, harassment and discrimination, to which all employees are required to adhere.

The Company participates in the Group's policies and practices relating to current and prospective employees. These policies and practices are outlined in the Group's Annual Report which does not form part of this report.

POST BALANCE SHEET EVENTS

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

ENVIRONMENTAL POLICY

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

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

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

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

DIRECTORS RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 "Reduced Disclosure Framework" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm they have complied with all the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board and signed on its behalf by:



S Bernardo
Director

25 April 2023

Company number: 03635229

ICAP Global Derivatives Limited
Independent auditor's report to the members of ICAP Global Derivatives Limited
31 December 2022

Independent auditor's report to the members of ICAP Global Derivatives Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ICAP Global Derivatives Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit and loss
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of Directors

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

ICAP Global Derivatives Limited

Independent auditor's report to the members of ICAP Global Derivatives Limited

31 December 2022

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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.

ICAP Global Derivatives Limited

Independent auditor's report to the members of ICAP Global Derivatives Limited

31 December 2022

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given in note 20 for the financial year ended 31 December 2022 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Morton ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

25 April 2023

ICAP Global Derivatives Limited
Statement of profit or loss
For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Revenue	4	33,089	28,418
Other operating income	8	192	103
Expenses			
Administrative expenses	5	<u>(30,886)</u>	<u>(26,768)</u>
Operating Profit		2,395	1,753
Interest receivable and similar income	9	<u>86</u>	<u>-</u>
Profit before income tax		2,481	1,753
Income tax	10	<u>(297)</u>	<u>(732)</u>
Profit after income tax for the year		<u><u>2,184</u></u>	<u><u>1,021</u></u>

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 Global Derivatives Limited
Statement of other comprehensive income
For the year ended 31 December 2022

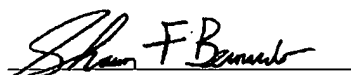
	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Profit after income tax for the year	2,184	1,021
Other comprehensive loss		
Items that may be reclassified subsequently to the Statement of profit or loss		
Translation of overseas offices	<u>(90)</u>	<u>(9)</u>
Other comprehensive loss for the year, net of tax	<u>(90)</u>	<u>(9)</u>
Total comprehensive income for the year	<u><u>2,094</u></u>	<u><u>1,012</u></u>

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

ICAP Global Derivatives Limited
Balance sheet
As at 31 December 2022

	Note	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Assets			
Non-current assets			
Deferred tax asset	10	452	39
Total non-current assets		<u>452</u>	<u>39</u>
Current assets			
Debtors	11	13,173	12,496
Cash and cash equivalents	12	<u>17,077</u>	<u>13,883</u>
Total current assets		<u>30,250</u>	<u>26,379</u>
Total assets		<u>30,702</u>	<u>26,418</u>
Liabilities			
Current liabilities			
Creditors	13	9,107	6,897
Tax payable	10	<u>496</u>	<u>688</u>
Total current liabilities		<u>9,603</u>	<u>7,585</u>
Total liabilities		<u>9,603</u>	<u>7,585</u>
Net assets		<u>21,099</u>	<u>18,833</u>
Equity			
Issued capital	14	-	-
Share premium	15	7,490	7,490
Retained profits		<u>13,609</u>	<u>11,343</u>
Total equity		<u>21,099</u>	<u>18,833</u>

The financial statements on pages 11 to 28 were approved and authorised for issue by the Board of Directors on 18 April 2023 and were signed on its behalf by:



S Bernardo
Director

25 April 2023

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

ICAP Global Derivatives Limited
Statement of changes in equity
For the year ended 31 December 2022

	Issued capital £'000	Share premium £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2021	-	7,490	10,303	17,793
Profit after income tax for the year	-	-	1,021	1,021
Other comprehensive loss for the year, net of tax	-	-	(9)	(9)
Total comprehensive income for the year	-	-	1,012	1,012
Share Based Payment	-	-	28	28
Balance at 31 December 2021	-	7,490	11,343	18,833

	Issued capital £'000	Share premium £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2022	-	7,490	11,343	18,833
Profit after income tax for the year	-	-	2,184	2,184
Other comprehensive loss for the year, net of tax	-	-	(90)	(90)
Total comprehensive income for the year	-	-	2,094	2,094
Share Based Payment	-	-	172	172
Balance at 31 December 2022	-	7,490	13,609	21,099

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

Note 1. General information and principal accounting policies

General information

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

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

Going concern

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

Basis of preparation

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

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

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

Historical cost convention

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

Revenue

Revenue comprises of:

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

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

Pension costs

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

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.

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

Tax

Tax on the profit or loss 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 profits.

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

Creditors

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

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:

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

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

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

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

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

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 if it is more than 30 days past due, unless there is reasonable and supportable information that demonstrates otherwise.

Measurement of Expected Credit Loss ("ECL")

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

Credit-impaired financial assets

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

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

Employee benefits

Share-based payments

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

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

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

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.

Issued capital

Ordinary shares are classified as equity.

Note 2. Key accounting judgements and sources of estimation uncertainty

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

Note 3. Financial risk management

Financial risk factors

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

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Financial Assets		
Debtors less prepayments (Note 11)	13,156	12,488
Cash and cash equivalents (Note 12)	17,077	13,883
Total financial assets	<u>30,233</u>	<u>26,371</u>

Market risk

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

ICAP Global Derivatives Limited
Notes to the financial statements
31 December 2022

Note 3. Financial risk management (continued)

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements. Transactional exposure arises from expenses incurred and revenue earned in currencies other than the Company's functional currency (sterling). Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into sterling.

It is estimated that a 10 cent increase in the exchange rates of United States Dollar against sterling as at 31 December 2022, would negatively impact the Company's Statement of profit or loss, and Retained profits by £34,000 (2021: negatively impact, £124,000). Any movements in the remainder currencies against sterling is not expected to have a significant impact on the financial statements (2021: £Nil).

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

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Assets					
Debtors less prepayments	6,216	237	35	6,668	13,156
Cash and cash equivalents	2,143	1	-	14,933	17,077
Total financial assets	8,359	238	35	21,601	30,233
Liabilities					
Creditors	(8,775)	-	-	(332)	(9,107)
Net financial (liabilities) / assets	(416)	238	35	21,269	21,126

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

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Assets					
Debtors less prepayments	4,706	113	52	7,617	12,488
Cash and cash equivalents	1,929	1	-	11,953	13,883
Total financial assets	6,635	114	52	19,570	26,371
Liabilities					
Creditors	(6,468)	-	(1)	(428)	(6,897)
Net financial (liabilities) / assets	167	114	51	19,142	19,474

Interest rate risk

The Company's interest rate risk arises from Cash and cash equivalents, Restricted funds and Intercompany balances where changes in market interest rates can have some impact on cash flows and income streams. Interest rate risk is monitored at a Group level by the Board Risk Committee. In terms of cash and other interest bearing investments, the Company must comply with the Enterprise Risk Management Framework, which includes policies and procedures for these key risks. Limits are in place to restrict the amount that can be invested at one institution and all investments must be credit rated AA or above and be for less than 18 months, unless approved by the Board Risk Committee.

As at 31 December 2022 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that an increase of 1% in interest rates would positively impact the Company's Statement of profit or loss and Retained profits by £141,000 (2021: £164,000).

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

Note 3. Financial risk management (continued)

	None £'000	Fixed £'000	Variable £'000	Total £'000
Assets				
Debtors	13,156	-	-	13,156
Cash and cash equivalents	-	-	17,077	17,077
Total financial assets	13,156	-	17,077	30,233
Liabilities				
Creditors	(9,107)	-	-	(9,107)

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

	None £'000	Fixed £'000	Variable £'000	Total £'000
Assets				
Debtors	12,488	-	-	12,488
Cash and cash equivalents	-	-	13,883	13,883
Total financial assets	12,488	-	13,883	26,371
Liabilities				
Creditors	(6,897)	-	-	(6,897)

Price risk

The Company's activities do not expose it to material price risk.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial instruments are determined as per the Company's accounting policies.

As at 31 December 2022 there were no financial assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2021: £Nil).

Credit risk

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

The Company has no significant concentrations of credit risk and the maximum exposure is limited to Debtors (Note 11) and Cash and cash equivalents (Note 12).

Note 3. Financial risk management (continued)

Liquidity risk

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

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

	On demand £'000	Less than 3 months £'000	3 months to 1 year £'000	More than 1 year £'000	Total £'000
31 December 2022					
Creditors	(2,852)	(6,255)	-	-	(9,107)
31 December 2021					
Creditors	(2,876)	(4,021)	-	-	(6,897)

Capital management

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

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

The regulatory capital level is set in accordance with the FCA's capital requirements. The approach is to hold an appropriate surplus over the minimum. The Group evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

ICAP Global Derivatives Limited
Notes to the financial statements
31 December 2022

Note 4. Revenue

Revenue by type:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Brokerage fee income	32,619	27,771
Data sales royalty income	470	647
Total revenue	<u>33,089</u>	<u>28,418</u>

Revenue by geographical market:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
EMEA	6,910	7,996
Americas	26,179	20,422
Total revenue	<u>33,089</u>	<u>28,418</u>

Note 5. Administrative expenses

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Employment costs (Note 6)	12,305	10,061
Other staff costs	28	25
Travel and entertainment	29	11
Market data and telecommunications	61	71
Professional fees	5,219	4,978
Regulatory fees	3,526	3,086
Service fees	9,249	8,084
Expected credit loss	(21)	(11)
Charitable donations	146	127
Settlement costs	73	72
Other administrative costs	271	264
	<u>30,886</u>	<u>26,768</u>

Fees paid to the Company's auditor, Deloitte LLP, and its associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of its ultimate parent and controlling party as at year end, TP ICAP Group plc, included these fees on a consolidated basis.

Fees payable for the audit of the financial statements were £74,000 (2021: £62,000)

ICAP Global Derivatives Limited
Notes to the financial statements
31 December 2022

Note 6. Employment costs

Employment costs borne by the Company comprise:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Wages, salaries, bonuses and incentive payments	11,859	9,626
Social security	434	424
Other pension	12	11
Total employment costs	<u>12,305</u>	<u>10,061</u>

For the year ended 31 December 2022, the average number of employees identified as being directly involved in the operation of the Company was 8, comprising of 8 brokers and Nil support staff (2021: 8, comprising of 8 brokers and Nil support staff).

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

Note 7. Directors remuneration

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

	Year ended 31 Dec 2022 Total £'000	Year ended 31 Dec 2022 Highest Paid Director £'000	Year ended 31 Dec 2021 Total £'000	Year ended 31 Dec 2021 Highest Paid Director £'000
Aggregate emoluments	354	156	1,455	981
Defined contribution pension schemes	-	-	4	3
	<u>354</u>	<u>156</u>	<u>1,459</u>	<u>984</u>

As at 31 December 2022, retirement benefits are accruing to 1 director (2021: 2) under defined contribution schemes sponsored by TP ICAP Group plc.

Note 8. Other operating income

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

Note 9. Interest receivable and similar income

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Interest receivable from Group companies	84	-
Bank deposit	<u>2</u>	<u>-</u>
	<u>86</u>	<u>-</u>

ICAP Global Derivatives Limited
Notes to the financial statements
31 December 2022

Note 10. Income tax

Analysis of tax charge for the year:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Income tax		
UK Corporation tax - current year	576	313
Deferred tax - UK operations - current year	(95)	-
Deferred tax - Overseas operations - current year	(173)	(59)
Adjustment recognised for prior years - current tax	113	478
Adjustment recognised for prior years - deferred tax	(124)	-
	<u>297</u>	<u>732</u>
Aggregate income tax		
Deferred tax included in income tax comprises:		
Increase in deferred tax assets	<u>(392)</u>	<u>(59)</u>
Numerical reconciliation of income tax and tax at the statutory rate		
Profit before income tax	<u>2,481</u>	<u>1,753</u>
Tax at the statutory tax rate of 19%	471	333
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	<u>34</u>	<u>(19)</u>
	505	314
Adjustment recognised for prior years - current tax	113	478
Adjustment recognised for prior years - deferred tax	(124)	-
Adjustment to deferred tax balances as a result of change in statutory tax rate	(24)	(1)
Deferred tax - overseas operations - current year	<u>(173)</u>	<u>(59)</u>
	<u>297</u>	<u>732</u>
Income tax		
Effective tax rate	12.0%	41.8%

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

Note 10. Income tax (continued)

Note 11. Current assets - Debtors

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

The majority of net trade debtors, which aren't impaired are held with high quality credit institutions.

The Company's exposure to credit risk is discussed within the Strategic report on page 2 and Note 3, Financial risk management.

The following trade debtors were unsettled:

ICAP Global Derivatives Limited
Notes to the financial statements
31 December 2022

Note 11. Current assets - Debtors (continued)

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Less than 30 days	2,449	1,243
Over 30 days but less than 90 days	2,308	1,166
Over 90 days	1,597	2,126
	<u>6,354</u>	<u>4,535</u>

Note 12. Current assets - Cash and cash equivalents

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Cash at bank and in hand	2,145	1,933
Short term bank deposits	14,943	11,966
Expected credit loss	(11)	(16)
	<u>17,077</u>	<u>13,883</u>

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

Note 13. Current liabilities - Creditors

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Amounts owed to Group related companies	2,851	2,876
Accruals and deferred income	6,198	3,970
Other taxation and social security	58	51
	<u>9,107</u>	<u>6,897</u>

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

Note 14. Equity - Issued capital

	As at 31 Dec 2022 Shares	As at 31 Dec 2021 Shares	As at 31 Dec 2022 £	As at 31 Dec 2021 £
Authorised, issued and fully-paid ordinary shares of £1 each	<u>301</u>	<u>301</u>	<u>301</u>	<u>301</u>

Note 15. Equity - Share premium

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

Note 16. Equity - Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 17. Guarantees and contingent liabilities

Commodities and Futures Trading Commission–Bond issuances investigation

The Company along with other TP ICAP entities is currently responding to an investigation by the CFTC in relation to the pricing of issuances utilising certain of TP ICAP's indicative broker pricing screens and certain recordkeeping matters including in relation to employee use of personal devices for business communications and other books and records matters. The investigation is still in the fact-finding phase and the Group is co-operating with the CFTC in its enquiries. It is not possible to predict the ultimate outcome of the investigation or to provide an estimate of any potential financial impact at this time. As the relevant matters that occurred prior to the Group's acquisition of the ICAP Global Broking Business from ICAP were not disclosed to the Group prior to completion of the acquisition, the Group has initiated a court action against ICAP's successor company, NEX, for breach of warranty in respect of the ICAP entities.

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

Note 18. Events after the reporting period

There have been no post balance sheet events from 31 December 2022 up to the date of signing which require separate disclosure:

Note 19. Immediate and ultimate parent company

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

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

Note 20. Country by Country Reporting

Year ended 31 December 2022

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

Jurisdiction	Turnover (£'000)	Number of employees	Profit / (loss) before tax (£'000)	Cash corporation tax paid on profit or loss (£'000)
UK	6,910	8	1,212	-
US	26,179	-	1,269	374

Jurisdiction	List of entities	Nature of activities
UK	ICAP Global Derivatives Limited	Inter-dealer brokerage
US	ICAP Global Derivatives Limited US Office	Inter-dealer brokerage

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

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