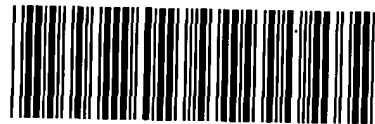


Company Number: 03879508

HARLOW (LONDON) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
31 DECEMBER 2017

THURSDAY



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HARLOW (LONDON) LIMITED

Strategic Report for the nine months ended 31 December 2017

The directors present their Annual Report together with the audited financial statements and audit opinion of Harlow (London) Limited (the "Company") for the nine month period ended 31 December 2017.

On 20 October 2017, the Company changed its accounting reference date to 31 December to align with the TP ICAP plc group's accounting period. As a result, the Company's current accounting period is shortened to a nine month period ended 31 December 2017. The prior year comparison is for the year ending 31 March 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the period end financial position was satisfactory and do not anticipate any changes to the principal activities. The Company principally operates in the Spot FX market, offering products in a wide variety of currencies including Euro, Sterling and Yen. General market conditions have been remained although not as strong as the prior period, due to the heightened FX volatility caused by significant events; Brexit election and Trump presidency.

A comprehensive integration programme has taken place at TP ICAP plc. The company has combined the complementary strengths of two leading global hybrid voice broking franchises with a leading market position, and revenue diversity by region and product mix. The integration programme has produced saving in the support functions and our core IT and infrastructure and Directors are expecting to see further benefits in the next financial year's results.

Efficiencies were identified during the period to reduce headcount and staff costs further. The desk continues to pursue electronic offerings that are complimentary to their existing voice business to increase revenues. We anticipate that volumes will continue to benefit from ongoing political uncertainty and TP ICAP plc have a strategic planning workstream which examines the various Brexit scenarios and how they might want to adapt the business accordingly.

RESULTS

The results of the Company are set out in the income statement on page 7.

The profit for the financial period of £188,000 (31 March 2017: profit of £425,000) has been transferred to reserves.

The net assets of the Company are £4,063,000 (31 March 2017: £3,875,000).

NON-RECURRING ITEMS

During the prior period, £3,000 share based compensation costs were recognised as a result of the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon plc for the disposal of its Global Broking Business on 30 December 2016. This change of control event triggered changes to the unvested period of any awards made to employees of the Global Broking Business who had previously held Save-As-You-Earn share options with ICAP plc. All unvested awards immediately vested (accelerated vesting) which created the non-recurring charge, which is shown on the face of the profit and loss account as "Early accelerated share based payment".

There are no such charges in the current period.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks which the Company faces in its day to day operations can broadly be categorised as market, credit, liquidity, strategic and business risk and operational.

Market risk is the vulnerability of the Company to movements in the value of financial instruments and foreign currencies.

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. As the Company's business is contracted on an agency or intermediary basis, the main credit risk is more akin to a market risk, as the exposure in such cases is to movements in securities prices and foreign currency. A portion of transactions brokered by the Company are on a Name Passing basis, where the Company acts as agent in arranging the trade. Whilst the Company does not suffer any exposure in relation to the underlying instrument brokered (given that the Company is not a principal to the trade), it is exposed to the risk that the client fails to pay the brokerage it is charged.

HARLOW (LONDON) LIMITED

Strategic Report for the nine months ended 31 December 2017

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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

Strategic and business risk is the risk that the Company's ability to do business might be damaged as a result of its failure to adapt to changing market dynamics, customer requirements or the way OTC markets and their participants are regulated.

The Company is preparing for the departure of the UK from the EU in March 2019. There are material implications for the Company and the wider financial markets of Brexit and significant differences between the so called 'soft' or 'hard' Brexit outcomes. In the future, the Company will likely manage more client relationships from within the Eurozone, where the ultimate parent company TP ICAP plc already has a network of offices in Paris, Frankfurt, Madrid and in other locations. TP ICAP plc has a working group which is designing and implementing the changes required in order to be in a position to provide uninterrupted service to our clients after March 2019. These might encompass, inter alia, changes to our operating model, our corporate structure, our technology provision, our governance and our processes and workflow.

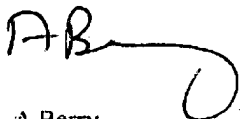
Management in front office and support functions have the day-to-day responsibility for ensuring that the Company operates in accordance with the Enterprise Risk Management Framework which includes policies and procedures for these key risks. Further details of the Enterprise Risk Management Framework are outlined in the TP ICAP plc group (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 4.6% (31 March 2017: 11%). This has been reduced compared to the previous year due to the shortened nine month period. This is in line with management expectations.

The directors of TP ICAP 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 TP ICAP plc, which includes the Company, are discussed in the Group's Annual Report, which does not form part of this report.

This report has been approved by the board of directors and signed on behalf of the board:



A Berry
Director

22 June 2018

HARLOW (LONDON) LIMITED

Directors' Report for the nine months ended 31 December 2017

Company Number: 03879508

PRINCIPAL ACTIVITIES

The Company's principal activity is voice broking on an agency basis in the spot foreign exchange markets. It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated in the United Kingdom and domiciled in England and Wales. The Company is a private company and limited by shares. The registered office is Tower 42, Level 37, 25 Old Broad Street, London, England, EC2N 1HQ.

On 20 October 2017, the Company changed its accounting reference date to 31 December to align with the TP ICAP plc group's accounting period. As a result, the Company's current accounting period is shortened to a nine month period ended 31 December 2017. The prior year comparison is for the year ending 31 March 2017.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business review and future developments of the Company are detailed in the Strategic Report on page 1.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of principal risks and uncertainties can be found in the Strategic Report on page 1 and 2.

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1, accounting policies, in the financial statements on page 10.

DIVIDENDS

No dividends were paid during the year (31 March 2017: nil). Dividend of £1m has been paid to equity holders post year end.

DIRECTORS

The directors of the Company, who held office during the year and up to the date of signing the financial statements were:

A Berry
J Scard-Morgan

DIRECTOR'S INDEMNITIES

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

POLITICAL CONTRIBUTIONS

There were no political donations made by the Company during the year (31 March 2017: £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.

HARLOW (LONDON) LIMITED

Directors' Report for the nine months ended 31 December 2017

Company Number: 03879508

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.

In the event that an employee becomes disabled, the Group's policy is to make reasonable adjustments, including arranging training, to enable the employee to continue working for the Group.

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.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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, including FRS 101 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POST BALANCE SHEET EVENTS

On the 8 May 2018, Harlow (London) Limited paid a dividend of £1m to ICAP Holdings Limited. There have been no other material post balance sheet events between the period end date and the date of signing this report which require separate disclosure.

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE 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

This report has been approved by the board of directors and signed on behalf of the board:



A Berry
Director

22 June 2018

HARLOW (LONDON) LIMITED

Independent Auditor's Report to the members of Harlow (London) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the period 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 of Harlow (London) Limited which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

HARLOW (LONDON) LIMITED

Independent Auditor's Report to the members of Harlow (London) Limited

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



Adam Cichocki FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

22 June 2018

HARLOW (LONDON) LIMITED

Profit and Loss Account for the nine months ended 31 December 2017

	<u>Note</u>	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
Turnover	1	3,155	4,761
Administrative expenses		(2,891)	(4,198)
Early accelerated share based payment	5	-	(3)
Other operating (expenses) / income	8	(21)	4
Profit on ordinary activities before taxation	4	<u>243</u>	<u>564</u>
Tax on profit	9	(55)	(139)
Total comprehensive profit for the financial period / year		<u><u>188</u></u>	<u><u>425</u></u>

The profit of the Company for the year is derived from continuing operations.

There were no items of comprehensive income in the current period or prior year other than the profit for the period / year and, accordingly, no statement of comprehensive income is presented.

The notes on pages 10 to 20 are an integral part of these financial statements.

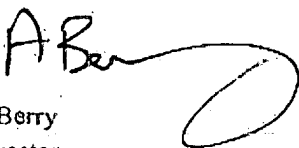
HARLOW (LONDON) LIMITED
Balance Sheet as at 31 December 2017

Company Number: 03879508

	<u>Note</u>	<u>As at</u> <u>31/12/2017</u> £'000.	<u>As at</u> <u>31/03/2017</u> £'000
Non-current assets			
Deferred tax asset	10	<u>1</u>	<u>1</u>
		1	1
Current assets			
Debtors	11	3,423	3,939
Cash and cash equivalents	12	<u>829</u>	<u>92</u>
		4,252	4,031
Current liabilities			
Creditors: amounts falling due within one year	13	-	(18)
Tax payable		(190)	(139)
		<u>(190)</u>	<u>(157)</u>
Net current assets		<u>4,062</u>	<u>3,874</u>
Net assets		<u>4,063</u>	<u>3,875</u>
Equity			
Share capital	14	1,200	1,200
Share premium		300	300
Retained earnings		<u>2,563</u>	<u>2,375</u>
Total equity		<u>4,063</u>	<u>3,875</u>

The notes on pages 10 to 20 are an integral part of these financial statements.

The financial statements on pages 7 to 20 were approved and authorised for issue by the board of directors 22 June 2018 and were signed on its behalf by:


A Berry
Director

HARLOW (LONDON) LIMITED

Statement of Changes in Equity for the nine months ended 31 December 2017

	<u>Share capital</u> <u>(note 14)</u> £'000	<u>Share premium</u> £'000	<u>Retained earnings</u> £'000	<u>Total equity</u> £'000
As at 1 April 2016	1,200	300	1,950	3,450
Profit for the financial year	-	-	425	425
As at 31 March 2017	1,200	300	2,375	3,875
Profit for the nine month period	-	-	188	188
As at 31 December 2017	1,200	300	2,563	4,063

The notes on pages 10 to 20 are an integral part of these financial statements.

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising £1 ordinary shares.

Share premium

The share premium includes the value of the proceeds above nominal on issue of the Company's share capital, comprising £1 ordinary shares.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

General information

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101 and under the historic cost convention. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS"). The accounting policies have been applied consistently, other than where new policies have been adopted. The financial statements are prepared in pound sterling which is the functional currency of the Company.

The Company is a qualifying entity for the purposes of FRS 101. Note 16 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following disclosure exemptions have been adopted:

- cash flow statements;
- process for managing capital;
- key management compensation;
- related party transactions between wholly owned group companies; and
- the expected impact of future accounting standards not yet effective.

The financial statements have been prepared on a going concern basis. Details of the going concern can be found in the Directors' report on page 3.

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.

Principle accounting policies

b) Turnover

The entity sole source of income is commission and brokerage. This is derived from broking services supplied to third parties which is recognised at trade date. All turnover related to Europe.

Broking services comprises voice and electronic broking and is transacted on an agency basis. For agency trades, turnover is stated net of rebates and discounts, value added tax and other sales taxes. Turnover from broking on electronic platforms is recognised in accordance with the treatment for the equivalent voice-brokered products.

c) Pension costs

Certain employees of the Company participate in a Group defined contribution pension scheme operated by TP ICAP plc. The Company's contributions to the scheme are charged to the income statement on an accruals basis.

d) Tax

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in 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.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

d) Tax (continued)

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.

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

e) Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the income statement. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

f) Financial assets

Financial assets are classified as "loans and receivables" on initial recognition.

Loans and receivables: loans and receivables are non-derivative financial instruments which have a fixed or easily determined value. They are recognised at cost, less any provisions for impairment in their value. These assets are included in debtors (note 11).

Financial assets not held at fair value are impaired where there is objective evidence that the value may be impaired. The amount of the impairment is calculated as the difference between carrying value and the recoverable amount, with any impairment being recognised in the profit and loss account. Subsequent recovery of amounts previously impaired are credited to the profit and loss account.

g) Debtors

Debtors are recognised at cost less provision for impairment.

h) Intercompany balances

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

i) Debt provisioning

Provisions are made for specific debts when it is considered that the creditworthiness of the debtor has deteriorated such that the recovery of all or part of a debt is in serious doubt.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date.

A provision is made in respect of potential losses which are judged to be present in debtor balances at the balance sheet date, but which will not be identified as such until sometime in the future. The level of provision is based upon the previous experience of such losses in the Company and is reviewed on a periodic basis. The appropriateness of the provision is periodically assessed against any actual losses that have arisen. All provisions are recorded within administrative expenses in the profit and loss account.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

j) Cash and cash equivalents

Cash and cash equivalents are deposits held on call with banks.

k) Impairment of assets

An impairment review of the recoverable amounts of assets is undertaken at each balance sheet date or when such events or change in circumstances indicate that an impairment loss may have occurred.

l) Share capital

Ordinary shares are classified as equity.

m) Dividends

Dividends are recognised as deductions from the retained earnings in the period in which they are declared.

n) New standards, amendments and interpretations

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on after 1 April 2017 have had a material impact on the Company.

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks, including liquidity, interest rate, currency and credit risk. The overall financial risk management framework, strategy and policies of the Company are determined by the board of its ultimate parent company, TP ICAP plc. It does this through the Board Risk Committee, Group Executive Risk Committee and regional risk committees. The Company does not manage its own financial risk framework.

Financial assets and liabilities

The Company's financial assets are classified as loans and receivables. None of the Company's financial liabilities are held for trading

The financial assets can be reconciled to the balance sheet as follows:

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Financial assets		
Cash and cash equivalents (note 12)	829	92
Debtors (note 11)	3,423	3,939
Less		
Prepayments (note 11)	(142)	(281)
	<u>4,110</u>	<u>3,750</u>

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk

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 administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (sterling), principally United States dollars and euros. Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into sterling.

It is estimated that a 10 cent change in the exchange rates of the United States dollar and Euro would have an impact of £2,000 (31 March 2017: £14,000) and £12,000 (31 March 2017: £13,000) respectively on the Company's profit and loss account and reserves.

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 December 2017:

	<u>USD</u> £'000	<u>EUR</u> £'000	<u>Other</u> £'000	<u>GBP</u> £'000	<u>Total</u> £'000
Assets					
Cash and cash equivalents	-	-	-	829	829
Debtors less prepayments	35	150	4	3,092	3,281
	<u>35</u>	<u>150</u>	<u>4</u>	<u>3,921</u>	<u>4,110</u>
Liabilities					
Creditors	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>35</u>	<u>150</u>	<u>4</u>	<u>3,921</u>	<u>4,110</u>

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 March 2017:

	<u>USD</u> £'000	<u>EUR</u> £'000	<u>Other</u> £'000	<u>GBP</u> £'000	<u>Total</u> £'000
Assets					
Cash and cash equivalents	-	-	-	92	92
Debtors less prepayments	185	165	-	3,308	3,658
	<u>185</u>	<u>165</u>	<u>-</u>	<u>3,400</u>	<u>3,750</u>
Liabilities					
Creditors	-	-	-	(18)	(18)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18)</u>	<u>(18)</u>
Net assets	<u>185</u>	<u>165</u>	<u>-</u>	<u>3,382</u>	<u>3,732</u>

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Company's interest rate risk arises from cash and cash equivalents where changes in market rates can have an adverse 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 2017 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that a change of 1% in interest rates would have an immaterial impact on the Company's profit and loss account and reserves.

The Company's interest rate profile as at 31 December 2017 was as follows:

	<u>None</u> £'000	<u>Fixed</u> £'000	<u>Variable</u> £'000	<u>Total</u> £'000
Assets				
Cash and cash equivalents	-	-	829	829
Debtors less prepayments	3,281	-	-	3,281
	<u>3,281</u>	<u>-</u>	<u>829</u>	<u>4,110</u>
Liabilities				
Creditors	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company's interest rate profile as at 31 March 2017 was as follows:

	<u>None</u> £'000	<u>Fixed</u> £'000	<u>Variable</u> £'000	<u>Total</u> £'000
Assets				
Cash and cash equivalents	-	-	92	92
Debtors less prepayments	3,658	-	-	3,658
	<u>3,658</u>	<u>-</u>	<u>92</u>	<u>3,750</u>
Liabilities				
Creditors	(18)	-	-	(18)
	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>(18)</u>

Price Risk

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

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The Company has no significant concentrations of credit risk and the maximum exposure is limited to debtors and cash.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the Company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The Board Risk Committee monitors free cash resources ensuring that all companies within the Group maintain sufficient resources to finance their operations and that all investments comply with the Enterprise Risk Management Framework. This dictates borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held.

The Company's exposure to liquidity risk is not significant.

The following tables show the maturity of the Company's liabilities as at 31 December 2017 and 31 March 2017:

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 December 2017	£'000	£'000	£'000	£'000	£'000
Liabilities					
Creditors	-	-	-	-	-

	On demand	Less than 3 months	3 months to 1 year	More than 1 year	Total
31 March 2017	£'000	£'000	£'000	£'000	£'000
Liabilities					
Creditors	(18)	-	-	-	(18)
	(18)	-	-	-	(18)

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 2017 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (31 March 2017: none).

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

3. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes various judgements in applying its accounting policies and various judgements and estimates, including about the future, when determining the carrying value of certain assets and liabilities.

As at 31 December 2017 there were no such judgements or estimates that had a significant effect on the amounts recognised in the financial statements. None of these items give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

4. OPERATING PROFIT

	<u>Period ended</u>	<u>Year ended</u>
	<u>31/12/2017</u>	<u>31/03/2017</u>
	£'000	£'000
Profit before tax is stated after charging:		
Wages & salaries, pension and social security costs (note 6).	1,546	2,172
Travel & entertainment costs	90	98
Professional fees	1	63
Charity donations	27	24
Telecom costs	189	237
Other staff costs	21	36
Services provided by the Company's auditor:		
- Fees payable for the audit	22	24

In the prior year the Company's administrative expenses includes an intercompany recharge in relation to a Save-As-You-Earn (SAYE) share option scheme of £17,000 for options over ordinary shares in ICAP plc. These share options were vested following the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon for the disposal of its Global Broking Business on 30 December 2016.

There are no such costs in the current period.

Fees paid to the Company's auditor, Deloitte LLP, and its associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of its parent, TP ICAP plc, include these fees on a consolidated basis.

The remainder of the administrative expenses primarily relate to intercompany recharges in relation to a service agreement.

5. NON-RECURRING ITEMS

During the prior period, £3,000 early accelerated share based compensation costs were recognised as a result of the completion of the sale and purchase agreement between ICAP plc and Tullett Prebon plc for the disposal of its Global Broking Business on 30 December 2016. This change of control event triggered changes to the unvested period of any awards made to employees of the Global Broking Business who had previously held Save-As-You-Earn share options with ICAP plc. All unvested awards immediately vested (accelerated vesting) which created the non-recurring charge.

There are no such charges in the current period.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

6. SALARY AND PAYROLL COSTS

Staff costs borne by the Company and included within the management recharge comprise:

	<u>Period ended</u> <u>31/12/2017</u>	<u>Year ended</u> <u>31/03/2017</u>
	£'000	£'000
Employee costs:		
Wages and salaries	1,341	1,888
Social security costs	201	279
Other pension costs	4	5
	<u>1,546</u>	<u>2,172</u>

The monthly average number of persons employed by the Company during the period was 9 comprising of 9 brokers (31 March 2017: comprising of 10 brokers).

All staff costs were borne by a fellow subsidiary company of TP ICAP plc and were charged to the Company by way of management charges.

7. DIRECTORS' REMUNERATION

Remuneration payable to the directors in respect of their services to the Company was as follows:

	<u>Period ended</u> <u>31/12/2017</u>		<u>Year ended</u> <u>31/02/2017</u>	
	Total	Highest paid director	Total	Highest paid director
	£'000	£'000	£'000	£'000
Aggregate emoluments	21	17	31	20
	<u>21</u>	<u>17</u>	<u>31</u>	<u>20</u>

As at 31 December 2017, no retirement benefits are accruing to directors (31 March 2017: 0 director) under defined contribution schemes sponsored by TP ICAP plc.

8. OTHER OPERATING (EXPENSES) / INCOME

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

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

9. TAX EXPENSE

	<u>Period ended</u> <u>31/12/2017</u> £'000	<u>Year ended</u> <u>31/03/2017</u> £'000
a) Analysis of tax charge for the period/ year		
Current tax:		
UK Corporation tax	64	131
Double tax relief	(4)	(5)
Adjustments in respect of prior years	(9)	13
Overseas tax	4	-
	<u>55</u>	<u>139</u>
b) Factors affecting the tax charge for the period/ year		
Profit on ordinary activities before tax	<u>243</u>	<u>564</u>
Tax calculated at a rate of 19% (31 March 2017: 20%)	46	113
Effects of:		
Expenses not deductible for tax purposes	18	18
Adjustments in respect of prior years – current tax	(9)	13
Overseas tax	4	-
Double tax relief	(4)	(5)
	<u>9</u>	<u>26</u>
Tax charge for the period/year	<u>55</u>	<u>139</u>
Effective tax rate	23%	25%

In the UK, legislation to reduce the corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 has been enacted. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2020 and at a rate of 17% thereafter.

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

10. DEFERRED TAX ASSET

The deferred tax asset was as follows:

	<u>As at</u> <u>31/12/2017</u>	<u>As at</u> <u>31/03/2017</u>
	£'000	£'000
Capital allowances	1	1
	<u>1</u>	<u>1</u>
	<u>2017</u>	<u>2016</u>
	£'000	£'000
At beginning of the year	1	1
As at the end of the year	<u>1</u>	<u>1</u>

11. DEBTORS

	<u>As at</u> <u>31/12/2017</u>	<u>As at</u> <u>31/03/2017</u>
	£'000	£'000
Current		
Trade debtors	538	911
Amounts owed by related companies	2,395	2,393
Amounts owed by intermediate parent company	348	354
Prepayments and accrued income	142	281
	<u>3,423</u>	<u>3,939</u>

The majority of net trade debtors are held with high quality credit institutions.

As at 31 December 2017 the following trade debtors were past their normal settlement date, but had but had not been impaired:

	<u>As at</u> <u>31/12/2017</u>	<u>As at</u> <u>31/03/2017</u>
	£'000	£'000
Less than 30 days, and not yet due	311	481
Over 30 days, but less than 90 days, and past due date	137	327
Over 90 days, and past due date	90	103
	<u>538</u>	<u>911</u>

HARLOW (LONDON) LIMITED

Notes to the financial statements for the nine months ended 31 December 2017

12. CASH AND CASH EQUIVALENTS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Cash at bank and in hand	829	92
	<u>829</u>	<u>92</u>

13. CREDITORS

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Amounts owed to related companies	-	(18)
	<u>-</u>	<u>(18)</u>

14. SHARE CAPITAL

	<u>As at</u> <u>31/12/2017</u> £'000	<u>As at</u> <u>31/03/2017</u> £'000
Allotted and fully paid:		
1,200,000 Ordinary shares of £1 each (31 March 2017: 1,200,000)	1,200	1,200
	<u>1,200</u>	<u>1,200</u>

15. POST BALANCE SHEET EVENTS

On the 8 May 2018, Harlow (London) Limited paid a dividend of £1m to ICAP Holdings Limited. There have been no other post balance sheet events between the period end date and the date of signing this report which require separate disclosure.

16. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent is ICAP Holdings Limited, which does not prepare consolidated financial statements.

The Company's intermediate parent is ICAP Global Broking Holdings Limited, which does not prepare consolidated financial statements.

The Company's ultimate parent is TP ICAP plc, which is incorporated in the United Kingdom and registered in England and Wales. The parent undertaking of the smallest and the largest group which includes the Company for which group financial statements are prepared is TP ICAP plc. TP ICAP plc prepares consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: Tower 42, Level 37, 25 Old Broad Street, London EC2N 1HQ.