TULLETT PREBON GROUP HOLDINGS PLC

Annual Report and Financial Statements
31 December 2015

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STRATEGIC REPORT

The Directors present their report, together with the audited financial statements of the Company and its subsidiaries ("the Group") for the year ended 31 December 2015.

Principal activities
Tullett Prebon Group Holdings plc is a wholly owned subsidiary of Tullett Prebon plc. The Group is one of the world's largest interdealer brokers, and acts as an intermediary in wholesale financial markets facilitating the trading activities of its clients, in particular commercial and investment banks. The subsidiary undertakings through which the Group conducts its business are set out in Note 37 to the Consolidated Financial Statements.

Results and dividends
The results for the year are set out in the Consolidated Income Statement on page 24. During the year the Company paid dividends amounting to £58,100,000 (2014: £95,600,000).

Review of the business
The business review includes an analysis of the development and performance of the Group during the year.

Overview
Activity in many of the traditional interdealer broker products remained subdued throughout 2015, although after a slow summer period there was some pick-up in activity in some products and markets in the last two months of the year.

<u>Market conditions and revenue</u>

The Group generates revenue from commissions it earns by facilitating and executing customer orders. The level of revenue is substantially dependent on customer trading volumes, which are affected by the conditions in the financial markets, by customers' risk appetite, and by their willingness and ability to trade.

The level of activity in the wholesale OTC financial markets during 2015 continued to be under pressure from the cyclical and structural factors affecting the interdealer broker industry.

Volatility, and the steepness and absolute level of yield curves, are key drivers of activity in the financial markets. Measures of financial market volatility have been a little higher during 2015 than in the previous two years but have remained low in absolute terms, and volatility and trading volumes in many product areas continued to be sporadic. Interest rates for many of the major currencies have fallen further during 2015 and this has often been accompanied by a further flattening of the yield curve, with a reduction in the spread between short and longer term rates. Credit spreads in many of the major bond markets have also become further compressed. The increase in interest rates in the United States towards the end of the year was a small step towards a more normal interest rate environment.

Volumes in the financial markets also continue to be adversely affected by the more onerous regulatory environment applicable to many of our bank customers whose trading activity has been suppressed by the deleveraging of their balance sheets and lower risk appetite.

Revenue in 2015 was 2% lower than in 2014 at constant exchange rates. Broking revenue was 3% lower, with revenue from the traditional interdealer broker product areas of Treasury products, Interest Rate Derivatives, and Fixed Income, down 6%, partly offset by growth in Energy and in Equities products. Revenue from Information Sales and Risk Management Services was 15% higher in 2015 than in 2014.

STRATEGIC REPORT continued

Cost management and operating margin

The business actively manages its direct cost base to reflect market conditions. As the level of activity and revenue in the traditional interdealer product areas has fallen action has been taken in the product areas and geographies most affected to align the cost base with the lower level of revenue. The objectives of the cost improvement programmes have been to reduce fixed costs, to preserve the variable nature of broker compensation and to reduce it as a percentage of broking revenue, in order to ensure that the business is well positioned to respond to less favourable market conditions and to maintain operating margins.

The cost improvement programme implemented towards the end of 2015 is focused on reducing headcount in Europe and the Middle East and on restructuring broker contracts in North America to reduce fixed costs and to reduce the level of pay out as a percentage of broking revenue. Front office broking headcount is being reduced by approximately 70 heads representing a reduction of around 7.5% of the front office headcount in Europe and the Middle East and in North America in Treasury products, Interest Rate Derivatives, and Fixed Income. The cost of the actions taken in 2015 of £25.7m, of which £4.4m is the non-cash write down of amounts previously paid, has been charged as an exceptional item in the 2015 accounts. A further charge of less than £10m is expected to be made in the first half of 2016 relating to the actions being taken under this programme which had not been completed by the end of 2015.

As a result of these actions, together with the actions taken in 2014, fixed broker employment costs in the traditional interdealer product areas in Europe and the Middle East and in North America have been reduced in line with the decline in revenue in those areas. Total broker compensation costs as a percentage of broking revenue have fallen by 0.5% points to 55.6%, continuing the downward trend established since 2012 when total broker compensation costs as a percentage of broking revenue were 59.8%. The reduction in the overall broker employment costs to revenue percentage in 2015 has been held back by some inoperative bonus pool arrangements (fixed costs in these areas are being reduced through the 2015 cost improvement programme).

The overall contribution margin of the business, after broker employment costs and other front office direct and variable costs, was 0.2% points lower in 2015 than in the prior year, reflecting the higher other front office direct costs in 2015.

The investments that have been made in developing the Group's capabilities in managing strategic initiatives and in strengthening the control and support functions have resulted in an increase in management and support costs and one-off project costs in the year. These investments are important for the business to retain its competitive advantage, to innovate, and to grow revenue and earnings.

Business development

A global strategic review was initiated in September 2014 concluded with Tullett Prebon plc hosting a Capital Markets Day for institutional investors and analysts in June 2015. The presentation materials are available on Tullett Prebon plc's website.

Tullett Prebon's goal is to become the world's most trusted source of liquidity in hybrid OTC markets and the best operator in global hybrid voice broking. The Group plans to build revenue and raise the quality and quantity of earnings through further diversification of the client base, continued expansion into Energy and commodities, and building scale in the Americas and Asia Pacific, whilst preserving the business's core franchises.

The strategic review concluded that interdealer brokers remain secure at the heart of the global financial services industry, facilitating efficient and effective trading in the wholesale OTC financial markets, and that the majority of OTC product markets, which are not characterised by continuous trading, depend upon the intervention and support of voice brokers for their liquidity and effective operation.

We are wholly committed to the hybrid voice broking model, and to developing the technology and services that support it. This is where the business is positioned, and we aim to be the best operator and best provider of liquidity and trusted partner to our clients.

A number of initiatives have been taken during 2015 in pursuit of the strategic objectives. We have continued to focus on delivering innovative products and a first class broking service to our clients. Action has also been taken to develop and strengthen the broking business through hiring brokers and through acquisitions, and to develop the group's Information Sales and post-trade Risk Management Services businesses.

The Group completed the acquisition of MOAB Oil, Inc. ("MOAB") a leading independent broker of physical and financial instruments in the energy markets in the United States in August. MOAB is entirely focused on energy products, and its expertise includes physical gasoline, gasoline blending components, oil product swaps, ethanol and ethanol derivatives. MOAB has long-established relationships with major oil companies, gasoline blenders, the oil trading divisions of investment banks and other trading firms. The acquisition of MOAB strengthens the Group's position in the Energy sector, significantly increasing the scale of the Group's activities in broking crude oil and energy products in North America.

We continue to launch new products and provide innovative solutions to our clients. We have established our presence in environmental products in North America, commenced the broking of iron ore in Europe, and expanded our activities in base and precious metals in Europe. We have started broking MSCI futures and ETFs in London. We have hired a team to establish our presence in corporate and sovereign bonds in Asia. Our alternative investments team has launched TP-AIME, the first screen-based matching engine to better facilitate secondary market transactions in a range of alternative investments. The platform also facilitates auctions in hedge fund, private equity and real estate fund interests. We have announced the establishment of a joint venture with Synrex Limited to develop a new institutional all-to-all real estate trading portal for the issuance and secondary trading of indirect real estate risk across a range of instruments.

The quality of our broking activities has been recognised with Tullett Prebon being voted the number one overall IDB in currency in Risk magazine's 2015 annual interdealer rankings published in September. The business also performed strongly in rates and equities. Tullett Prebon was named Interest Rates Broker of the Year and SEF of the Year in the 2015 GlobalCapital awards, and was voted the top broker in FX options in the 2015 FX Week Best Bank Awards.

We have continued to expand the data sets provided by our Information Sales business. We were proud to announce that our Information Sales business was awarded, for the fifth consecutive year, the title of Best Data Provider (Broker) at the Inside Market Data Awards in May. This award, which is determined by an independent ballot of end-users, reaffirms our position as the leading provider of the highest quality independent price information and data from the global OTC markets.

STRATEGIC REPORT continued

OTC market regulation

Regulatory reforms of the OTC derivatives markets have been effected in the United States through the implementation by the CFTC and the Securities Exchange Commission of the provisions of the Dodd-Frank Act, and are being effected in the European Union through the European Markets Infrastructure Regulation ("EMIR") and the Markets in Financial Instruments Directive ("MiFID II") and Markets in Financial Instruments Regulation ("MiFIR").

The Group's swap execution facility ("SEF") in the United States, which was granted temporary registration by the CFTC in September 2013, was granted permanent registration by the CFTC in January 2016.

In the European Union, the implementation of EMIR, which contains provisions governing mandatory central clearing requirements and trade reporting requirements for certain OTC derivatives, is coming into effect in stages as the various technical standards are approved. The mandatory reporting of the details of all relevant derivatives contracts to recognised trade repositories came into effect from February 2014. The first clearing obligations are expected to come into effect in June 2016, and margin requirements for non-cleared trades are expected to apply from September 2016.

The legislative framework governing permissible trade execution venues, and governance and conduct of business requirements for trading venues, through the introduction of MiFID II and MiFIR is currently set to become effective from 3 January 2018.

Regulatory matters

The Group is currently under investigation by the FCA in relation to certain trades undertaken between 2008 and 2011, including trades which are risk free, with no commercial rationale or economic purpose, on which brokerage is paid, and trades on which brokerage may have been improperly charged. As part of its investigation, the FCA is considering the extent to which during the relevant period (i) the Company's systems and controls were adequate to manage the risks associated with such trades and (ii) whether certain of the Company's managers were aware of, and/or managed appropriately the risks associated with, the trades. The FCA is also reviewing the circumstances surrounding a failure in 2011 to discover certain audio files and produce them to the FCA in a timely manner. As the investigation is ongoing, any potential liability arising from it cannot currently be quantified.

STRATEGIC REPORT continued

Operating Review

Revenue

The tables below analyse revenue by region and by product group for 2015 compared with 2014.

A significant proportion of the Group's activity is conducted outside the UK and the reported revenue is therefore impacted by the movement in the foreign exchange rates used to translate the revenue from non-UK operations. The tables therefore show revenue for 2014 translated at the same exchange rates as those used for 2015, with growth rates calculated on the same basis. The revenue figures as reported for 2014 are shown in Note 4 to the Consolidated Financial Statements.

The commentary below reflects the presentation in the tables.

Revenue by product Group	**2015 £m**	**2014 £m**	**Change**
Treasury Products	185.0	194.2	-5%
Interest Rate Derivatives	135.3	141.0	-4%
Fixed Income	171.2	190.3	-10%
Equities	46.3	41.6	+11%
Energy	101.1	93.5	+8%
Information Sales and Risk Management Services	53.3	46.7	+15%
At constant exchange rates	692.2	707.3	-2%
Exchange translation		(11.3)	
Reported	692.2	696.0	-1%

Revenue in 2015 was 1% lower than in 2014. The growth in Equities, Energy and in Information Sales and RMS, has been partly offset by lower volumes in the traditional interdealer broker product groups of Treasury Products (FX and cash), Interest Rate Derivatives and Fixed Income.

Revenue from Energy was 8% higher than in 2014, reflecting the benefit from the acquisition of MOAB and higher levels of activity in the oil markets generally, and the development of our activities in this sector in all three regions.

Our Equities businesses, which are primarily focused on equity derivatives, have performed well in both Europe and the Americas where we have benefited from the higher levels of volatility in equity markets compared with a year ago, and from the investments we have made in broadening our product coverage, including alternative investments and real estate instruments. In contrast, revenue in Asia Pacific was lower than last year reflecting lower levels of client activity in the Japanese market.

Revenue from Information Sales and Risk Management Services was 15% higher than last year. The Information Sales business has benefited from the growing client demand for independent data for use in risk management, compliance and validation, and has increased revenue by adding new data content sets and through broadening its customer base, with an increasing number of information feeds to client IT applications. The investment in sales and marketing in the Risk Management Services business has resulted in increased market share in USD and Asia Pacific currencies.

Revenue from Treasury Products (FX and cash) was 5% lower, with lower activity in Europe and in Asia Pacific partly offset by a stronger performance in the Americas, particularly in emerging markets' currencies.

STRATEGIC REPORT continued

Revenue from Interest Rate Derivatives products (swaps and options) was 4% lower. Levels of market activity in these products, which had been higher in the first half of the year reflecting the sporadic volatility in interest rates in Europe during that period and improved market conditions for JPY products in Asia Pacific, were particularly subdued in the second half reflecting the further flattening of yield curves for major currencies.

The 10% decline in revenue from Fixed Income reflects the low liquidity and levels of activity across the European government and corporate bond markets, and in the North American government and agency bond markets, partly offset by higher revenue in corporate bonds in North America including that generated by the brokers hired from Murphy & Durieu at the beginning of the year, and higher levels of activity in the high yield sector.

Revenue by region	**2015 £m**	**2014 £m**	**Change**
Europe and the Middle East	370.8	398.0	-7%
Americas	223.0	213.4	+4%
Asia Pacific	98.4	95.9	+3%
At constant exchange rates	692.2	707.3	-2%
Exchange translation		(11.3)	
Reported	692.2	696.0	-1%

Europe and the Middle East

Revenue in Europe and the Middle East was 7% lower than in 2014. The base broking revenue in the region was 9% lower than last year, partly offset by growth in revenue from Information Sales.

The broking business in the region continues to face difficult market conditions in many of the traditional major product areas. Revenue from government and corporate bonds, from forward FX and cash, and from interest rate derivatives were all lower than last year.

Revenue from Equities was higher reflecting the higher volatility in equity markets and the benefit from investment in broadening the product coverage to include MSCI futures and real estate instruments. Revenue from Energy and commodities was unchanged with higher revenues from oil and other commodities offset by lower revenue in power and gas products.

Average broker headcount in the region was 5% lower than last year with average revenue per broker down 4%.

Americas

Revenue in the Americas was 4% higher.

The benefit from the investments that have been made in the region in Energy and corporate bonds has more than offset the lower level of market activity in the product areas where the business is particularly dependent on serving the traditional interdealer broker client base, most notably Interest Rate Derivatives and government and agency Fixed Income. Revenue from Treasury products (FX and cash), particularly in emerging markets' currencies, was higher than last year.

The business's presence in corporate bonds has been enhanced by the addition of the brokers from Murphy & Durieu at the beginning of 2015, and revenue from Fixed Income products in the region is now balanced between credit, and government and agency bonds. The investments made in the Equities business over the last two years have resulted in good revenue growth in that area in 2015.

STRATEGIC REPORT continued

The quality of the Energy business in the Americas has been improved through the acquisitions of MOAB, investments in gas and environmental products, and our withdrawal from broking power contracts for end-users by disposing of our standalone subsidiary Unified Energy Services.

Average broker headcount in the Americas was 7% higher than in 2014, with average revenue per broker 2% lower.

Asia Pacific

Revenue in Asia Pacific was 3% higher, reflecting increased revenue from the Risk Management Services business which is operated from the region, with base broking revenue unchanged.

Base broking revenue in the region has benefited from the continued growth in the offshore Renminbi market and the investment made in our Fixed Income broking capability with the hiring of a team to build our presence in corporate and sovereign bonds that started with the business during the second half.

Activity in FX options and equity derivatives was lower than in the prior year reflecting a slowdown in client trading in volatility products. Revenue from Interest Rate Derivatives was higher than last year reflecting improved market conditions for JPY interest rate swaps in the first half.

Average broker headcount in the region was 1% lower than in 2014 with average revenue per broker up 2%.

Underlying Operating profit

The revenue, underlying operating profit and operating margin by region shown below are as reported.

	Revenue			**Underlying Operating profit**		
£m	**2015**	**2014**	**Change**	**2015**	**2014**	**Change**
Europe and the Middle East	370.8	399.1	-7%	71.5	88.8	-19%
Americas	223.0	201.1	+11%	13.7	10.5	+30%
Asia Pacific	98.4	95.8	+3%	10.0	10.0	0%
Reported	692.2	696.0	-1%	95.2	109.3	-13%

Underlying Operating margin by region	**2015**	**2014**
Europe and the Middle East	19.3%	22.3%
Americas	6.1%	5.2%
Asia Pacific	10.2%	10.4%
	13.8%	15.7%

Underlying operating profit in Europe and the Middle East of £71.5m was 19% lower than in the prior year, with revenue down 7% the underlying operating margin has reduced by 3.0% points, to 19.3%. The actions taken under the cost improvement programmes have resulted in a 9% reduction in fixed broker employment costs in the region compared with the prior year in line with the reduction in base broking revenue, and total broker employment costs as a percentage of broking revenue have fallen by 0.4% points. The benefit of the higher contribution margin has been offset by higher management and support costs due to the investments being made in strengthening and developing the business, and one off costs relating to technology and regulatory projects.

STRATEGIC REPORT continued

In the Americas the underlying operating profit of £13.7m is 30% higher than in 2014 and the underlying operating margin has improved by 0.9% points to 6.1%. The actions taken under the cost improvement programmes have resulted in a 14% reduction in fixed broker employment costs (MOAB and the brokers hired from Murphy & Durieu), in 2015 compared with 2014, and total broker employment costs as a percentage of broking revenue have fallen by 1.4% points. Total management and support costs in the region have increased broadly in line with the increase in revenue.

Underlying operating profit in Asia Pacific is the same as 2014 at £10.0m. Broker employment costs as a percentage of broking revenue are little changed compared with the prior year, with the underlying operating margin broadly in line with prior year.

Net finance expense

An analysis of the net finance expense is shown in the table below.

£m	**2015**	**2014**
Receivable on cash balances	1.6	1.3
Payable on Sterling Notes August 2014	-	(0.4)
Payable on Sterling Notes July 2016	(9.9)	(9.9)
Payable on bank facilities, including commitment fee	-	-
Amortisation of debt issue costs	(0.3)	(0.3)
Other interest	(0.4)	(0.5)
Net cash finance expense	(9.0)	(9.8)
Net non-cash finance income	1.8	2.1
	(7.2)	(7.7)

The net cash finance expense of £9.0m in 2015 is £0.8m lower than in 2014. The reduction mainly reflects the non-recurrence in 2015 of the £0.4m of payable on Sterling Notes recognised in 2014 that related to the bank debt that was repaid during that year, and an increase of £0.3m in interest receivable on cash balances.

The underlying net non-cash finance income comprises the deemed interest on the pension scheme net asset of £2.3m, partly offset by the unwinding of discounted liabilities and provisions.

Tax

The effective rate of tax on underlying PBT is 18.4% (2014: 20.0%). The 1.6% point reduction in the effective rate reflects the benefit of the reduction in the UK statutory rate of corporation tax to 20.25% for 2015, 1.25% points lower than for 2014, partly offset by a lower level of provision releases relating to tax uncertainties which have been resolved.

The tax charge on exceptional and acquisition related items reflects the net of tax charges and tax relief recognised on those items at the relevant rate for the jurisdiction in which the charges are borne. No tax relief has been recognised on the exceptional charges and credits arising in the USA in either 2015 or 2014 due to the tax losses available in that jurisdiction.

Exceptional and acquisition related items

The £25.7m charge in 2015 relating to the cost improvement programme is discussed in the business Overview above. The £46.7m charge in 2014 relates to the cost improvement actions taken in the prior year.

STRATEGIC REPORT continued

The other acquisition and disposal items include the loss on the disposal of Unified Energy Services and costs relating to the acquisition of MOAB.

The £15.3m credit in 2014 relating to the major legal actions reflects the net $27m compensatory damages awarded to the subsidiary companies in the United States following the conclusion of the FINRA arbitration on their claims against BGC and former employees which were received in August 2014.

The £6.8m charge in 2014 relating to goodwill impairment reflects the write down in the balance sheet carrying value of the Group's business in Brazil.

Exchange and Hedging

The income statements of the Group's non-UK operations are translated into sterling at average exchange rates. The most significant exchange rates for the Group are the US dollar, the Euro, the Singapore dollar and the Japanese Yen. The balance sheets of the Group's non-UK operations are translated into Sterling using year-end exchange rates. The major balance sheet translation exposure is to the US dollar. The Group's current policy is not to hedge income statement or balance sheet translation exposure.

Average and year end exchange rates used in the preparation of the financial statements are shown below.

	Average		Year End	
	2015	**2014**	**2015**	**2014**
US dollar	$1.53	$1.65	$1.47	$1.56
Euro	€1.38	€1.24	€1.36	€1.29
Singapore dollar	S$2.10	S$2.09	S$2.09	S$2.07
Japanese Yen	¥185	¥174	¥177	¥187

Pensions

The Group has one defined benefit pension scheme in the UK. The scheme is closed to new members and future accrual.

The triennial actuarial valuation of the scheme as at 30 April 2013 was concluded in January 2014. The actuarial funding surplus of the scheme at that date was £64.2m and under the agreed schedule of contributions the Group will continue not to make any payments into the scheme.

The assets and liabilities of the scheme are included in the Consolidated Balance Sheet in accordance with IAS19. The fair value of the scheme's assets at the end of the year was £289.8m (2014: £255.7m). The increase reflects the investment return on the assets of 15% less amounts paid as benefits. The value of the scheme's liabilities at the end of 2015 calculated in accordance with IAS19 was £201.6m (2014: £193.6m). The valuation of the scheme's liabilities at the end of 2015 reflects the demographic assumptions adopted for the most recent triennial actuarial valuation and a discount rate of 3.7% (2014: 3.7%). Under IAS19 the scheme shows a surplus, before the related deferred tax liability, of £88.2m at 31 December 2015 (2014: £62.1m).

As the scheme is in a strong financial position, the Trustees are actively considering making arrangements for an insurance company to take over their responsibility as Trustees for providing the benefits, and the Group's responsibility for supporting the Scheme financially.

STRATEGIC REPORT continued

Principal Risks

The Group identifies the risks to which it is exposed as a result of its business objectives, strategy and operating model, and categorises those risks into three overarching risk categories: Operational Risk, Financial Risk, and Strategic and Business Risk. The risks identified within each of these categories are described below, along with an explanation of how the Group seeks to manage or mitigate these risk exposures.

Operational Risk
Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events. Operational risk is a significant component of the Group's overall risk profile and arises in a wide range of activities and scenarios.

Whilst operational risk is often seen as a distinct risk category in its own right, in reality it arises in the execution of all activities undertaken by the Group. Therefore, the Group seeks to ensure that it identifies any exposure to loss arising from processes, people activities, systems or external events, in whatever context it may arise.

The Group is exposed to operational risk in nearly every facet of its role as an intermediary in the wholesale financial markets, arising from its dependence on:

- Large numbers of employees (both broking and support staff) undertaking their roles correctly and behaving appropriately;
- Multiple IT platforms (including broking, middle office and support platforms);
- The accurate execution of a large number of processes including those required to execute, clear and settle trades;
- The continued availability of various third party market infrastructure providers (such as clearing and settlement institutions).

The overall objective of the Group's approach to Operational Risk management is not to attempt to avoid all potential risks, but to proactively identify and assess risks and risk situations in order to manage them in an efficient and informed manner.

The Group manages its operational risk exposure through its policy framework which prescribes the policies and procedures to be followed to ensure the Group's operational risk exposure remains within risk appetite.

Business Process
The risk that the Group suffers a loss as a result of a failure in the broking business process, whether arising from trade execution or from post-trade activities, such as clearing, settlement or trade reporting. Failures in the broking process could include a broker error or failure to match clients' orders precisely, resulting in an incidental position and consequential market risk for the Group – this is discussed under Market Risk below. The Group could also experience a failure in the non-broking business process, such as in the Information Sales and Risk Management businesses.

Front office and functional heads are responsible for implementing an appropriate control framework and ensuring that all staff are aware of their risk management responsibilities. Senior management are also responsible for monitoring operational risk exposure through the adoption and review of appropriate management information.

STRATEGIC REPORT continued

Senior management seek to foster a culture of openness and transparency and ensure that brokers and other members of staff are aware of their responsibility to disclose any errors or issues that arise at the earliest opportunity.

Legal and Compliance
The risk that the Group incurs loss as a result of litigation brought against the Group or incurs significant legal costs in conducting litigation to protect the Group's commercial interests. The Group's Legal department manages the Group's legal risk and is responsible for conducting any litigation which may arise.

The Group is also exposed to the risk of loss due to regulatory enforcement action (such as for breaches of conduct of business requirements, failures or inadequacy of systems and controls including those related to know your customer and anti-money laundering, or market abuse provisions) and the possible costs and penalties associated with such action.

Tullett Prebon plc's lead regulator is the FCA, but the Group is also subject to the requirements imposed by the regulatory frameworks of the other jurisdictions in which the Group operates. The Group's Compliance function is responsible for ensuring that staff are made aware of all applicable regulatory requirements and for monitoring the Group's compliance with the various regulatory regimes to which the Group is subject.

Technology and Infrastructure
The risk that the Group experiences the unavailability or failure of business critical systems or infrastructure undermining the Group's ability to conduct its business. This includes the failure of critical applications, hardware or network components operated by the Group, as well as loss or unavailability of any infrastructure provided by a third party, such as clearing and settlement facilities. It also includes the occurrence of an event which prevents access to premises, telecommunications failure or loss of power supply.

The Group seeks to mitigate this risk by maintaining detailed and comprehensive business continuity plans which can be activated at short notice to minimise business disruption.

Recent events in the financial services sector illustrate the serious threat posed by cyber-criminals whose activity can result in the prolonged disruption of technology infrastructure as well as potential loss of critical business or client data. The Group continues to monitor and assess the evolving and increasingly sophisticated cyber-threat landscape to ensure that its control framework is appropriate to address the potential cyber-threats to which it is exposed.

Human Capital
The risk that the Group is unable to attract or retain the staff it requires to operate its business, or is subject to employee litigation. The Group seeks to ensure the retention of staff through an effective recruitment and performance management process, and to foster appropriate employee behaviour through clearly articulated values and expectations.

Financial Management
This is the risk of loss arising from a failure to manage or safeguard the Group's financial assets or a failure in a financial management process. It includes the risk of loss arising from internal or external fraud or employee error (inaccurate payment or cash transfer). It also includes a failure to ensure the Group holds adequate working capital resulting in an ability to meet obligations as they fall due.

The Group is also exposed to the risk of financial loss or misstatement as a result of non-compliance with regulations relating to direct, indirect or employee taxation.

The Group employs experienced professionals in key jurisdictions to manage the Group's financial position, engaging professional advisers, where required.

STRATEGIC REPORT continued

Governance

The risk of loss or damage to the Group arising as a result of a failure of management structures or processes. This includes failure to adhere to applicable corporate governance requirements (such as those recommended by the UK Corporate Governance Code), a failure to ensure adequate succession for key management positions, or a failure to exercise effective risk management oversight.

The Group manages this risk through the adoption of appropriate governance arrangements and by maintaining up-to-date succession plans.

Financial Risk

Market Risk

Market Risk is the vulnerability of the Group to movements in the value of financial instruments. The Group does not take trading risk and does not hold proprietary trading positions. Consequently, the Group is exposed to trading-book Market Risk only in relation to incidental positions in financial instruments arising as a result of the Group's failure to match clients' orders precisely. The Group has limited exposure to non-trading book Market Risk, specifically to interest rate risk and currency risk.

Residual Balances

The Group incurs occasional residual balances in instruments traded on a Matched Principal or Executing Broker basis. The Group's operational procedures and risk management policies reduce the likelihood of such trade mismatches and, in the event that they arise, the Group's policies requires such balances to be closed-out as soon as practicable.

Interest rate risk

The Group is exposed to interest rate risk on its cash deposits and on any borrowings under bank facilities. The Group's Sterling Notes carry interest at fixed rates. Cash deposits are typically held at maturities of less than three months.

The Group periodically considers its exposure to interest rate volatility.

Analysis of the Group's sensitivity to movements in interest rates is set out in Note 25 to the Consolidated Financial Statements.

Currency risk

The Group trades in a number of currencies around the world, but reports its results in Sterling. The Group therefore has translation exposure to foreign currency exchange rate movements in these currencies, principally the US dollar and the Euro, and transaction exposure within individual operations which undertake transactions in one currency and report in another.

Analysis of the Group's sensitivity to movements in foreign currency exchange rates is set out in Note 25 to the Consolidated Financial Statements.

Credit Risk

The Credit Risk faced by the Group consists of counterparty credit risk (as opposed to issuer risk), and principally arises from the following:

- pre-settlement risk arising from Matched Principal broking;
- settlement risk arising from Matched Principal broking;
- cash deposits held at banks and money market instruments; and
- Name Passing brokerage receivables.

STRATEGIC REPORT continued

In addition to the individual elements of counterparty risk identified above, the Group is also exposed to concentration risk, whereby the Group incurs an excessive exposure to an individual counterparty or to a group of linked counterparties.

Pre-settlement risk
Pre-settlement Risk arises in the Matched Principal broking business in which Group subsidiaries interpose themselves as principal between two (or more) contracting parties to a Matched Principal transaction and as a result the Group is at risk of loss should one of the parties to a transaction default on its obligations prior to settlement date. In the event of default, the Group would have to replace the defaulted contract in the market. This is a contingent risk in that the Group will only suffer loss if the market price of the securities has moved adversely to the original trade price.

Counterparty exposures are kept under constant review and are managed against exposure reporting thresholds, and the Group takes steps to reduce counterparty risk where market conditions require. Particular attention is paid to more illiquid markets where the price movement is more volatile, such as broking in GDR, ADR and emerging markets instruments.

The Group is also exposed to short term pre-settlement risk where it acts as an executing broker on an exchange, during the period between the execution of the trade and the client claiming the trade. This exposure is minimal as under the terms of the 'give-up' agreements the Group has in place with its clients, trades must be claimed by the end of trade day. Once the trade has been claimed, the Group's only exposure to the client is for the invoiced receivables.

Settlement risk
Settlement Risk is the risk that on settlement date a counterparty defaults on its contractual obligation to make payment for a securities transaction after the corresponding value has been paid away by the Group. Unlike pre-settlement risk, the exposure is to the full principal value of the transaction.

In practice the Group is not exposed to this risk as settlement is almost invariably effected on a delivery-versus-payment basis. Free-of-payment deliveries (where an immediate exposure arises due to the Group settling its side of the transaction without simultaneous receipt of the counter-value) occur very infrequently and only under the application of stringent controls.

Cash deposits
The Group is exposed to counterparty Credit Risk in respect of cash deposits held with financial institutions. The vast majority of the Group's cash deposits are held with highly rated clearing banks and settlement organisations (as set out in the Credit Risk analysis in Note 25 to the Consolidated Financial Statements).

Cash deposit counterparty exposures and limits are kept under review and steps are taken to reduce counterparty risk where market conditions require.

Name Passing brokerage receivables
The majority of revenue generated by the Group is on a Name Passing basis, where the Group acts as agent in arranging the trade and is not a counterparty to the transaction. Whilst the Group does not suffer any exposure in relation to the underlying instrument brokered (given that the Group is not a principal to the trade), it is exposed to the risk that the client fails to pay the brokerage it is charged.

Receivables arising from Name Passing brokerage are closely monitored by senior management.

Concentration risk
The Group manages its Concentration Risk exposure by continually monitoring its exposures to single counterparties and to concentrations of counterparty exposure, assessed by reference to country groups, credit rating, and counterparty type.

STRATEGIC REPORT continued

Liquidity Risk

The Group seeks to ensure that it has access to an appropriate level of cash, other forms of marketable securities and liquidity facilities to enable it to finance its ongoing operations 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 are monitored by the Group's Finance and Treasury functions.

As a normal part of its operations, the Group faces liquidity risk through the risk of being required to fund transactions that fail to settle on the due date. From a risk perspective, the most problematic scenario concerns 'fail to deliver' transactions, where the business has received a security from the selling counterparty (and has paid cash in settlement of the same) but is unable to effect onward delivery of the security to the buying counterparty. Such settlement 'fails' give rise to a funding requirement, reflecting the value of the security which the Group has 'failed to deliver' until such time as the delivery leg is finally settled and the business has received the associated cash.

The Group has addressed this funding risk by arranging overdraft facilities to cover 'failed to deliver' trades, either with the relevant settlement agent/depository or with a clearing bank. Under such arrangements, the facility provider will fund the value of any 'failed to deliver' trades until delivery of the security is effected. Certain facility providers require collateral (such as a cash deposit or parent company guarantee) to protect them from any adverse mark-to-market movement and some also charge a funding fee for providing the facility.

The Group is also exposed to potential margin calls from clearing houses and correspondent clearers, both in the UK and the United States.

In the event of a liquidity issue arising, the firm has recourse to existing global cash resources, after which it has access to Tullett Prebon plc's £250m committed revolving credit facility as additional contingency funding. This facility remained undrawn throughout 2015.

Further details of the Group's borrowings and cash are provided in Notes 22, 25 and 31 to the Consolidated Financial Statements.

Specific liquidity risk exposures

In addition to its general Liquidity Risk exposure, the Group is exposed to two additional types of funding risk.

The Group is exposed to the risk that it is required, in the short and medium term, to fund a deficit in the Group's defined benefit pension scheme. The scheme currently has a substantial funding surplus, and the Group closely monitors developments in its funding position.

The Group is also exposed to the risk that is unable to refinance its outstanding debt. The Group seeks to mitigate this risk by maintaining a strong credit rating and an ongoing dialogue with its lenders and investors, and by ensuring that it complies with all of its current debt covenants.

STRATEGIC REPORT continued

Strategic and Business Risk

The Group operates in an environment characterised by intense competition, rapid technological change and a continually evolving regulatory framework. Failure to adapt to changing market dynamics, customer requirements or the way OTC markets and their participants are regulated constitutes a significant risk. The Group has identified three principal categories of Strategic and Business Risk:

- regulatory environment;
- commercial environment; and
- strategic management.

Regulatory Environment
The Group is exposed to the risk of new regulations imposing a fundamental change to the structure or activity of financial markets, resulting in a reduced role for IDBs. Specific issues could include an inability of the business to provide electronic platforms or market facilities which are compliant with new regulations, or the obligation to hold punitive levels of regulatory capital.

The Group is also exposed to the risk of a fundamental change to the commercial environment due to the impact on clients of changes to their regulatory environment causing significantly reduced trade volumes. This could include increased execution and clearing costs, onerous collateral requirements or increases in regulatory capital requirements, or a prohibition on certain types of trading activity.

The Group monitors closely regulatory developments in its markets and is actively involved in consultation and rule setting processes so as to ensure an informed debate of all regulatory issues potentially affecting the IDB markets, both on an individual firm basis and through trade associations.

Commercial Environment
The Group's performance would be adversely affected by a sustained and prolonged period of supressed market activity leading to reduced revenues. This could arise as a result of adverse macro-economic conditions, reduced levels of general banking activity, market uncertainty or lack of volatility.

The Group is also exposed to the risk of significant or fundamental changes to the commercial or competitive environment. The markets in which the Group competes are characterised by rapidly changing technology and evolving customer requirements, including the demand for electronic broking solutions. Competitors offering new or enhanced services may gain first-mover advantage to which the Group may not be able to respond in a timely manner. Consolidation within the industry or integration with adjacent sectors may provide competing firms or platforms with advantages of scale, access to wider pools of liquidity, or service capability that may put the Group at a competitive disadvantage.

The Group also competes with other interdealer brokers for staff. The costs of employing front office broking staff is currently the largest cost faced by the Group. The effect of the competition for broking staff can result in an increase in staff costs, or if staff leave the Group, can result in the loss of capability, customer relationships and expertise.

The Group seeks to manage and mitigate its commercial risk through geographic and product diversification and strong client relationship management. The Group also continues to develop and enhance its electronic broking capability, to ensure that it can offer a competitive solution for all major asset classes.

Strategy Management
This is the risk that the Group suffers a reduction in its profitability or its competitive position due to a failure to adopt or implement an effective business strategy, or as a result of inadequate management of the business, potentially undermining the viability of the business. It also includes the risk that the Group fails to integrate a business acquisition, resulting in a material loss of value.

STRATEGIC REPORT continued

The Group manages this risk by adopting a strategy defined by the Board, which clearly articulates the Group's business objectives. This is subject to ongoing review by the Board to ensure it remains effective and appropriate in the context of any changes to the commercial and regulatory environment in which the Group operates.

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

Paul Mainwaring

P R Mainwaring
Director
19 April 2016

Tower 42
25 Old Broad Street
London
EC2N 1HQ

Registered no. 3904126

DIRECTORS' REPORT

This Annual Report has been prepared for, and only for, the members of the Company as a body, and no other persons. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and such responsibility is expressly disclaimed. By their nature, the statements concerning the risks and uncertainties facing the Group in this Annual Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

Directors
The following Directors held office throughout the year and to the date of this report:

Paul Mainwaring
John Phizackerly

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

Political and charitable donations
During 2015 no political donations were made by the Group (2014: £nil). No charitable donations were made during 2015 (2014: £nil).

Social, environmental and ethical policy
The Company policies relating to social environmental and ethical matters are consistent with the Tullett Prebon plc Group's policies which are outlined in the Tullett Prebon plc Group's Annual Report.

Going concern
The Group's business activities and performance, and the financial position of the Group, together with the factors likely to affect its future development, performance and position, are discussed in the Business Review. Analysis of the Group's key risks and approach to risk management is also set out above. Details of the Group's interest-bearing loans and borrowings, long term provisions, other long term payables and financial instruments are set out in Notes 22 to 25.

The Group has considerable financial resources both in the regions and at the corporate centre to comfortably meet the Group's ongoing obligations.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the annual report and accounts continue to be prepared on the going concern basis.

Auditor
A resolution to re-appoint Deloitte LLP as the auditor will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT continued

Disclosure of information to the auditor
Each of the persons who is a director at the date of approval of this annual 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 ought to have taken as a director in order to make himself 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 was approved by the Board and signed on its behalf by:

Paul Mainwaring

P R Mainwaring
Director
19 April 2016

Tower 42
25 Old Broad Street
London
EC2N 1HQ

Registered no. 3904126

STATEMENT OF DIRECTORS' RESPONSIBLITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and have chosen to prepare the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the accounts 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 the case of the Group Financial Statements, International Accounting Standard 1 requires that Directors:

- select and apply accounting policies properly;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance: and
- make an assessment of the Company's ability to continue as a going concern.

In the case of the Parent Company Financial Statements, the Directors are required to:

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

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

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

RESPONSIBILITY STATEMENT

The Directors confirm, to the best of their knowledge, that:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Paul Mainwaring

P R Mainwaring
Director
19 April 2016

Independent Auditor's Report to the Members of Tullett Prebon Group Holdings plc

We have audited the Group and Parent Company financial statements of Tullett Prebon Group Holdings plc for the year ended 31 December 2015 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, related Notes 1 to 37, the Company Balance Sheet, the Statement of Changes in Equity and related Notes 1 to 8. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's and the Parent Company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Independent Auditor's Report to the Members of Tullett Prebon Group Holdings plc (continued)

Opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

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 and the Directors' Report.

Ben Jackson FCA
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom
19 April 2016

Consolidated Income Statement

for the year ended 31 December 2015

	Notes	2015 Underlying £m	2015 Exceptional items £m	2015 Total £m
Revenue	4	692.2	-	692.2
Administrative expenses	6	(617.3)	(27.0)	(644.3)
Other operating income	5	20.3	0.2	20.5
Operating profit		95.2	(26.8)	68.4
Finance income	9	3.9	-	3.9
Finance costs	10	(11.1)	-	(11.1)
Profit before tax		88.0	(26.8)	61.2
Taxation	11	(16.2)	2.6	(13.6)
Profit of consolidated companies		71.8	(24.2)	47.6
Share of results of associates		2.6	-	2.6
Profit for the year	6	74.4	(24.2)	50.2
Attributable to: Equity holders of the parent		74.0	(24.2)	49.8
Minority interests		0.4	-	0.4
		74.4	(24.2)	50.2

	Notes	2014 Underlying £m	2014 Exceptional items £m	2014 Total £m
Revenue	4	696.0	-	696.0
Administrative expenses	6	(602.4)	(54.2)	(656.6)
Other operating income	5	15.7	16.0	31.7
Operating profit		109.3	(38.2)	71.1
Finance income	9	3.5	-	3.5
Finance costs	10	(11.2)	-	(11.2)
Profit before tax		101.6	(38.2)	63.4
Taxation	11	(20.3)	3.5	(16.8)
Profit of consolidated companies		81.3	(34.7)	46.6
Share of results of associates		1.9	-	1.9
Profit for the year	6	83.2	(34.7)	48.5
Attributable to: Equity holders of the parent		82.8	(34.7)	48.1
Minority interests		0.4	-	0.4
		83.2	(34.7)	48.5

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

	Notes	2015 £m	2014 £m
Profit for the year		50.2	48.5
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of the defined benefit pension scheme	34	24.5	10.0
Taxation charge relating to items not reclassified	11	(8.6)	(3.5)
		15.9	6.5
Items that may be reclassified subsequently to profit or loss:			
Revaluation of investments		0.1	(0.5)
Effect of changes in exchange rates on translation of foreign operations		4.2	7.4
Taxation charge on components of other comprehensive income	11	(0.5)	(0.2)
		3.8	6.7
Other comprehensive income for the year		19.7	13.2
Total comprehensive income for the year		69.9	61.7
Attributable to:			
Equity holders of the parent		69.4	61.0
Minority interests		0.5	0.7
		69.9	61.7

Consolidated Balance Sheet

as at 31 December 2015

	Notes	2015 £m	2014 £m
Non-current assets			
Intangible assets arising on consolidation	13	291.8	273.3
Other intangible assets	14	22.1	20.1
Property, plant and equipment	15	26.6	28.4
Interest in associates	16	6.0	5.0
Investments	17	8.5	5.2
Deferred tax assets	19	2.2	1.7
Retirement benefit assets	34	88.2	62.1
		445.4	395.8
Current assets			
Trade and other receivables	20	2,630.4	3,248.9
Financial assets	18	20.3	10.7
Cash and cash equivalents	31	255.8	240.2
		2,906.5	3,499.8
Total assets		3,351.9	3,895.6
Current liabilities			
Trade and other payables	21	(2,637.8)	(3,248.3)
Interest bearing loans and borrowings	22	(140.9)	-
Current tax liabilities		(12.2)	(11.2)
Short term provisions	23	(21.0)	(6.3)
		(2,811.9)	(3,265.8)
Net current assets		94.6	234.0
Non-current liabilities			
Interest bearing loans and borrowings	22	-	(140.6)
Deferred tax liabilities	19	(31.1)	(22.1)
Long term provisions	23	(7.8)	(9.7)
Other long term payables	24	(15.8)	(9.5)
		(54.7)	(181.9)
Total liabilities		(2,866.6)	(3,447.7)
Net assets		485.3	447.9
Equity			
Share capital	26	31.2	31.2
Share premium	27(a)	541.2	516.7
Other reserves	27(b)	155.8	152.1
Retained earnings	27(c)	(244.6)	(253.7)
Equity attributable to equity holders of the parent	27(c)	483.6	446.3
Minority interests	27(c)	1.7	1.6
Total equity		485.3	447.9

The consolidated financial statements of Tullett Prebon Group Holdings plc (registered number 3904126) were approved by the Board of Directors and authorised for issue on 19 April 2016 and are signed on its behalf by:

Paul Mainwaring

P R Mainwaring
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Equity attributable to equity holders of the parent									
	Share Capital £m	Share Premium Account £m	Re-valuation Reserve £m	Merger Reserve £m	Hedging and Translation £m	Retained Earnings £m	Capital Redemption Reserve £m	Total £m	Minority Interest £m	Total Equity £m
2015										
Balance at 1 January 2015	**31.2**	**516.7**	**1.4**	**121.5**	**7.3**	**(253.7)**	**21.9**	**446.3**	**1.6**	**447.9**
Profit for the year	-	-	-	-	-	49.8	-	49.8	0.4	50.2
Other comprehensive income for the year	-	-	-	-	3.7	15.9	-	19.6	0.1	19.7
Total comprehensive income	-	-	-	-	3.7	65.7	-	69.4	0.5	69.9
Issue of ordinary shares	-	24.5	-	-	-	-	-	24.5	-	24.5
Dividends paid	-	-	-	-	-	(58.1)	-	(58.1)	(0.4)	(58.5)
Credit arising on share-based payment awards	-	-	-	-	-	1.5	-	1.5	-	1.5
Balance at 31 December 2015	**31.2**	**541.2**	**1.4**	**121.5**	**11.0**	**(244.6)**	**21.9**	**483.6**	**1.7**	**485.3**

	Share Capital £m	Share Premium Account £m	Re-valuation Reserve £m	Merger Reserve £m	Hedging and Translation £m	Retained Earnings £m	Capital Redemption Reserve £m	Total £m	Minority Interest £m	Total Equity £m
2014										
Balance at 1 January 2014	**31.2**	**505.4**	**1.9**	**121.5**	**0.4**	**(212.8)**	**21.9**	**469.5**	**2.1**	**471.6**
Profit for the year	-	-	-	-	-	48.1	-	48.1	0.4	48.5
Other comprehensive income for the year	-	-	(0.5)	-	6.9	6.5	-	12.9	0.3	13.2
Total comprehensive income	-	-	(0.5)	-	6.9	54.6	-	61.0	0.7	61.7
Issue of ordinary shares	-	11.3	-	-	-	-	-	11.3	-	11.3
Dividends paid	-	-	-	-	-	(95.6)	-	(95.6)	(0.2)	(95.8)
Credit arising on share-based payment awards	-	-	-	-	-	0.3	-	0.3	-	0.3
Decrease in minorities' equity interests	-	-	-	-	-	(0.2)	-	(0.2)	(1.0)	(1.2)
Balance at 31 December 2014	**31.2**	**516.7**	**1.4**	**121.5**	**7.3**	**(253.7)**	**21.9**	**446.3**	**1.6**	**447.9**

Consolidated Cash Flow Statement

for the year ended 31 December 2015

	Notes	2015 £m	2014 £m
Net cash from operating activities	30	77.4	84.6
Investing activities			
(Purchase)/Sale of financial assets		(10.7)	20.6
Interest received		1.6	1.4
Dividends from associates		1.5	1.0
Expenditure on intangible fixed assets		(9.3)	(5.3)
Purchase of available for sale assets		(0.4)	-
Purchase of property, plant and equipment		(4.3)	(5.7)
Investment in subsidiaries		(11.6)	(5.5)
Cash acquired with acquisitions		1.7	-
Cash sold with subsidiaries		(0.3)	-
Net cash used in investment activities		(31.8)	6.5
Financing activities			
Dividends paid	12	(58.1)	(95.6)
Dividends paid to minority interests		(0.4)	(0.2)
Repayment of debt		-	(8.5)
Issue of shares		24.5	11.3
Net cash used in financing activities		(34.0)	(93.0)
Net increase/(decrease) in cash and cash equivalents		11.6	(1.9)
Cash and cash equivalents at the beginning of the year		240.2	236.8
Effect of foreign exchange rate changes		4.0	5.3
Cash and cash equivalents at the end of the year	31	255.8	240.2

Notes to the Consolidated Financial Statements
for the year ended 31 December 2015

1. General information

Tullett Prebon Group Holdings plc is a wholly owned subsidiary of Tullett Prebon plc and is incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 82. The nature of the Group's operations and its principal activities are set out in the Strategic Report on page 2.

2. Basis of preparation

(a) Basis of accounting
The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') adopted by the European Union and comply with Article 4 of the EU IAS Regulation.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. As discussed on page 18 of the Directors' Report, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be used in preparing these Financial Statements.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Financial Statements are presented in Pounds sterling because that is the currency of the primary economic environment in which the Group operates and are rounded to the nearest hundred thousand (expressed as millions to one decimal place – £m), except where otherwise indicated. The significant accounting policies are set out in Note 3.

(b) Basis of consolidation
The Group Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company made up to 31 December each year. Under IFRS 10 'Consolidated Financial Statements', control is achieved where the Company exercises power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect the returns from the entity.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests, also referred to as minority interests, in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Other non-controlling interests are initially measured at fair value. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

2. Basis of preparation continued

(b) Basis of consolidation continued

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, including goodwill, less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities are disposed of. The fair value of any investment retained in the former subsidiary at the date when control was lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(c) Adoption of new and revised Standards

The following new and revised Standards and Interpretations have been adopted in the current year although their adoption has not had any significant impact on the Financial Statements:

- Amendments to IAS 19 'Employee Benefits' regarding employee contributions to defined benefit plans;
- Annual Improvements to IFRSs (2010–2012 Cycle); and
- Annual Improvements to IFRSs (2011–2013 Cycle).

At the date of authorisation of these Financial Statements, the following EU endorsed Standards and Interpretations were in issue but not yet effective. The Group has not applied these Standards or Interpretations in the preparation of these Financial Statements:

- Amendments to IAS 1 'Presentation of financial statements' regarding disclosures;
- Annual Improvements to IFRSs (2012–2014 Cycle);
- Amendments to IAS 16 and IAS 38 clarification of acceptable methods of depreciation and amortisation; and
- Amendments to IFRS 11 regarding the accounting for acquisition of interests in Joint Operations.

The following Standards and Interpretations have not been endorsed by the EU and have not been applied in the preparation of these Financial Statements:

- IFRS 9 'Financial Instruments';
- IFRS 15 'Revenue from Contracts with Customers';
- IFRS 16 'Leases'; and
- Amendments to IAS 12 'Income Taxes' regarding the recognition of deferred tax assets for unrealised losses.

The adoption of IFRS 9 will impact both the measurement and disclosures of financial instruments but it is not practicable to provide a complete estimate of its effect until a detailcd review has been completed prior to implementation. The adoption of IFRS 15 may have an impact on revenue recognition and related disclosures and the adoption of IFRS 16 may impact lease recognition and related disclosures. The Directors do not expect the adoption of the other Standards and Interpretations will have a material impact on the Financial Statements of the Group in future periods.

3. Summary of significant accounting policies

(a) Income recognition
Revenue, which excludes sales taxes, includes brokerage including commissions, fees earned and subscriptions for information sales. Fee income is recognised when the related services are completed and the income is considered receivable.

Revenue comprises:

(i) Name Passing brokerage, where counterparties to a transaction settle directly with each other. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date;

(ii) Matched Principal brokerage revenue, being the net proceeds from a commitment to simultaneously buy and sell financial instruments with counterparties, is recognised on trade date;

(iii) Executing Broker brokerage, where the Group executes transactions on certain regulated exchanges, and then 'gives-up' the trade to the relevant client, or its clearing member. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date; and

(iv) Fees earned from the sales of price information from financial and commodity markets to third parties is recognised on an accruals basis.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the Group's right to receive the payment is established.

(b) Business combinations
Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about the facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year. All subsequent changes in the fair value of contingent consideration classified as an asset or a liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 'Income Taxes';
- liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 19 'Employee Benefits';
- acquiree share-based payment awards replaced by Group awards are measured in accordance with IFRS 2 'Share-based Payments'; and
- assets or disposal groups that are classified for sale are measured in accordance with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations'.

3. Summary of significant accounting policies continued

(b) Business combinations continued
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, provisional amounts are reported. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities recognised, to reflect the facts and circumstances that existed as at the acquisition date.

(c) Investment in associates
An associate is an entity over which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in these Financial Statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. Any discount in the cost of acquisition below the Group's share of the fair value of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited to profit and loss in the year of acquisition.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of impairment of the asset transferred in which case appropriate provision is made for impairment.

(d) Interests in joint venture arrangements
A joint venture arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.

Joint venture arrangements, which involve the establishment of a separate entity in which each party has an interest, are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity method of accounting. Investments in joint ventures are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of the joint venture in excess of the Group's interest in those joint ventures are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments under the terms of the joint venture.

(e) Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary or associate at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts at that date.

Goodwill recognised as an asset is reviewed for impairment at least annually. Any impairment loss is recognised as an expense immediately and is not subsequently reversed. For the purpose of impairment testing goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of any goodwill allocated to the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

3. Summary of significant accounting policies continued

(e) Goodwill continued
Goodwill arising on the acquisition of an associate is included within the carrying value of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The interest of minority shareholders in the acquired entity is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(f) Intangible assets
Software and software development costs:
An internally-generated intangible asset arising from the Group's software development is recognised at cost only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

Where the above conditions are not met, costs are expensed as incurred.

Acquired separately or from a business combination:
Intangible assets acquired separately are capitalised at cost and intangible assets acquired in a business acquisition are capitalised at fair value at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on assets with a finite useful life is taken to the income statement through 'other administrative expenses'.

Other than software development costs, intangible assets created within the business are not capitalised and expenditure is charged to the income statement in the year in which the expenditure is incurred.

Intangible assets are amortised over their finite useful lives generally on a straight-line basis, as follows:

Software:	
– Purchased or developed	– up to 5 years
– Software licences	– over the period of the licence
Acquisition intangibles:	
– Brand/Trade marks	– up to 5 years
– Customer relationships	– 2 to 10 years
– Other intangibles	– over the period of the contract

Intangible assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

3. Summary of significant accounting policies continued

(g) Property, plant and equipment
Freehold land is stated at cost. Buildings, furniture, fixtures, equipment and motor vehicles are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over its expected useful life as follows:

Furniture, fixtures, equipment and motor vehicles	– 3 to 10 years
Short and long leasehold land and buildings	– period of the lease
Freehold land	– infinite
Freehold buildings	– 50 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

(h) Impairment of tangible and intangible assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Broker contract payments
Payments made to brokers under employment contracts which are in advance of the expected economic benefit due to the Group are accounted for as prepayments and included within trade and other receivables. Payments made in advance are subject to repayment conditions during the contract period and the prepayment is amortised over the shorter of the contract term and the period the payment remains recoverable. Amounts that are irrecoverable, or become irrecoverable, are written off immediately.

Payments made in arrears are accrued and are included within trade and other payables.

3. Summary of significant accounting policies continued

(j) Financial assets and financial liabilities
Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

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

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

Available-for-sale
Certain of the Group's investments are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in other comprehensive income. For equity financial assets, where the fair value cannot be reliably measured, the assets are held at cost less any provision for impairment. These assets are generally expected to be held for the long term and are included in non-current assets. Assets such as holdings in exchanges, cash related instruments and long term equity investments that do not qualify as associates or joint ventures are classified as available-for-sale. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

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

Fair value through the income statement
Financial assets and liabilities can be designated at fair value through the income statement where they meet specific criteria set out in IAS 39 'Financial Instruments: Recognition and Measurement' or where assets or liabilities are held for trading. Subsequent changes in fair value are recognised directly in the income statement.

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

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

3. Summary of significant accounting policies continued

(k) Derivative financial instruments
Derivative financial instruments, such as foreign currency contracts and interest rate swaps, are entered into by the Group in order to manage its exposure to interest rate and foreign currency fluctuations or as simultaneous back-to-back transactions with counterparties. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the datea derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(l) Hedge accounting
From time to time, the Group uses derivatives as either 'fair value hedges' or 'hedges of net investments in foreign operations'.

Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The changes in the fair value of the hedging instrument and the changes in the hedged item attributable to the hedged risk are recognised in the line of the income statement relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Net investment hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in the hedging and translation reserve in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in financial income or financial expense respectively.

Gains and losses deferred in the hedging and translation reserve are recognised in profit or loss on disposal of the foreign operation.

(m) Settlement balances
Certain Group companies engage in Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions typically takes place within a few business days of the transaction date according to the relevant market rules and conventions. The amounts due from and payable to counterparties in respect of as yet unsettled Matched Principal transactions are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously.

(n) Derivative financial instrument balances arising from business activities
The Group undertakes matched principal broking involving simultaneous back-to-back derivative transactions with counterparties. These transactions are classified as financial instruments at fair value through the income statement ('FVTPL') and are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously.

3. Summary of significant accounting policies continued

(o) Cash and cash equivalents
Cash comprises cash in hand and demand deposits which may be accessed without penalty. Cash equivalents comprise short term highly liquid investments with a maturity of less than three months from the date of acquisition. For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(p) Interest bearing loans and borrowings
All loans and borrowings are initially recognised at fair value, being the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any issue costs and any discounts or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

(q) Client money
Client money to settle transaction bargains is held separately and included in the Group's balance sheet. The net return received on managing client money is included within interest.

(r) Provisions
Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event where it is probable that this will result in an outflow of economic benefits that can be reasonably estimated.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring, which has been notified to affected parties.

(s) Foreign currencies
The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group company are expressed in Pounds sterling, which is the functional currency of the Group and the presentation currency for the Consolidated Financial Statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Gains and losses arising from the settlement of these transactions, and from the retranslation of monetary assets and liabilities denominated in currencies other than the functional currency at rates prevailing at the balance sheet date, are recognised in the income statement. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at historical cost or fair value, are translated at the exchange rate at the date of the transaction or at the date the fair value was determined.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Exchange differences arising are classified as other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expense in the year in which the operation is disposed of. Income and expense items are translated at average exchange rates for the year.

(t) Taxation
The tax expense represents the sum of current tax payable arising in the year, movements in deferred tax and movements in tax provisions.

The current tax payable arising in the year is based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of prior years.

3. Summary of significant accounting policies continued

(s) Taxation continued
Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised. Temporary differences are not recognised if they arise from goodwill or from initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled or when the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

(u) Leases
Assets held under finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(v) Retirement benefit costs
Defined contributions made to employees' personal pension plans are charged to the income statement as and when incurred.

For defined benefit retirement plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur. They are recognised outside the income statement and are presented in other comprehensive income.

Past service cost is recognised immediately to the extent that the benefits have already vested, and is otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the net of the present value of the defined benefit obligation as adjusted for actuarial gains and losses and past service cost, and the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

3. Summary of significant accounting policies continued

(w) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. 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 the Group's estimate 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 models 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.

(x) Equity instruments

Equity instruments issued by the Company are recorded at the value of proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(y) Treasury shares

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

(z) Accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period an estimate is revised. Significant judgement and estimates are necessary in relation to the following matters:

Impairment of goodwill and intangible assets
Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which these assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise for the cash-generating unit, the selection of suitable discount rates and the estimation of future growth rates.

Taxation
In arriving at the current and deferred tax liability the Group has taken account of tax issues that are subject to ongoing discussions with the relevant tax authorities. Liabilities have been calculated based on management's assessment of relevant information and advice. Where outcomes differ from the amounts initially recorded, such differences impact current and deferred tax amounts in the period the outcome is determined.

3. Summary of significant accounting policies continued

(z) Accounting estimates and judgements continued

Provisions

Provisions are established by the Group based on management's assessment of relevant information and advice available at the time of preparing the Financial Statements. Outcomes are uncertain and dependent on future events. Where outcomes differ from management's expectations, differences from the amount initially provided will impact profit or loss in the period the outcome is determined.

Contingent consideration payable on acquisitions

Acquisition consideration that is contingent on future events is recorded at its acquisition date fair value, based on management's assessment of achieving the required targets. Subsequent changes in the fair value of contingent consideration are reflected in profit or loss in the period in which the remeasurement occurs.

Retirement benefit asset

The Group's retirement benefit asset is the net of its defined benefit scheme's assets and the related defined benefit obligation. The defined benefit obligation represents the scheme's future liabilities, which are estimated using actuarial and other financial assumptions, discounted to a current value using a discount rate set by reference to market yields on high quality corporate bonds. The value of the defined benefit obligation is sensitive to changes in the actuarial, financial and discount rate assumptions, changes to which would be reflected in other comprehensive income in the period the change occurs.

4. Segmental analysis

Products and services from which reportable segments derive their revenues

The Group is organised by geographic reporting segments which are used for the purposes of resource allocation and assessment of segmental performance by Group management. These are the Group's reportable segments under IFRS 8 'Operating Segments'.

Each geographic reportable segment derives revenue from Treasury Products, Interest Rate Derivatives, Fixed Income, Equities, Energy, and Information Sales and Risk Management Services.

Information regarding the Group's operating segments is reported below:

Analysis by geographical segment

	2015 £m	2014 £m
Revenue		
Europe and Middle East	370.8	399.1
Americas	223.0	201.1
Asia Pacific	98.4	95.8
	692.2	696.0
Operating profit		
Europe and Middle East	71.5	88.8
Americas	13.7	10.5
Asia Pacific	10.0	10.0
Underlying operating profit	95.2	109.3
Exceptional items (Note 6)	(26.8)	(38.2)
Reported operating profit	68.4	71.1
Finance income	3.9	3.5
Finance costs	(11.1)	(11.2)
Profit before tax	61.2	63.4
Taxation	(13.6)	(16.8)
Profit of consolidated companies	47.6	46.6
Share of results of associates	2.6	1.9
Profit for the year	50.2	48.5

There are no inter-segment sales included in segment revenue.

Tullett Prebon Group Holdings plc is domiciled in the UK. Revenue attributable to the UK amounted to £315.9m (2014: £338.6m) and the total revenue from other countries was £376.3m (2014: £357.4m).

4. Segmental analysis continued

Other segmental information

Capital additions	2015 £m	2014 £m
Europe and the Middle East - UK	10.3	5.9
Europe and the Middle East - Other	0.8	0.6
Americas	2.0	3.7
Asia Pacific	0.5	0.8
	13.6	11.0

Depreciation and amortisation	2015 £m	2014 £m
Europe and the Middle East - UK	8.8	8.3
Europe and the Middle East - Other	0.8	0.6
Americas	4.3	3.8
Asia Pacific	0.5	0.9
	14.4	13.6

Goodwill impairment	2015 £m	2014 £m
Americas - Brazil impairment (Note 13)	-	6.8
	-	6.8

Share-based compensation	2015 £m	2014 £m
Europe and the Middle East - UK	0.9	0.4
Europe and the Middle East - Other	-	-
Americas	0.5	(0.1)
Asia Pacific	0.1	-
	1.5	0.3

Segment assets	2015 £m	2014 £m
Europe and the Middle East - UK	1,258.3	1,617.2
Europe and the Middle East - Other	26.7	24.1
Americas	1,987.9	2,184.2
Asia Pacific	79.0	70.1
	3,351.9	3,895.6

Segment liabilities	2015 £m	2014 £m
Europe and the Middle East - UK	937.1	1,299.6
Europe and the Middle East - Other	21.6	19.8
Americas	1,867.0	2,089.8
Asia Pacific	40.9	38.5
	2,866.6	3,447.7

Segment assets and liabilities exclude all inter-segment balances.

4. Segmental analysis continued

Analysis by product group

Revenue	2015 £m	2014 £m
Treasury Products	185.0	190.5
Interest Rate Derivatives	135.3	140.6
Fixed Income	171.2	186.5
Equities	46.3	39.5
Energy	101.1	92.5
Information Sales and Risk Management Services	53.3	46.4
	692.2	696.0

5. Other operating income

Other operating income represents receipts such as rental income, royalties, insurance proceeds, settlements from competitors, business relocation grants and income from expense recharges billed to Group undertakings. Costs associated with such items are included in administrative expenses.

6. Profit for the year

The profit for the year has been arrived at after charging:

	2015 £m	2014 £m
Depreciation of property, plant and equipment (Note 15)	7.1	6.5
Amortisation of intangible assets (Note 14)	7.3	7.1
Staff costs (Note 7)	470.3	485.8
Auditor's remuneration for audit services (see below)	2.0	1.9

The analysis of auditor's remuneration (including that recharged to Group undertakings) is as follows:	2015 £000	2014 £000
Audit of the Group's annual accounts	393	433
Audit of the Company's subsidiaries and associates pursuant to legislation	1,638	1,508
Total audit fees	2,031	1,941
Audit-related assurance services	191	240
Taxation compliance services	103	115
Other taxation advisory services	28	11
Corporate finance services	-	283
Other services	21	95
Total non-audit fees	343	744
Audit fees payable to the Company's auditor and its associates in respect of associated pension schemes	13	13

6. Profit for the year continued

Exceptional and acquisition related items comprise:	2015 £m	2014 £m
Net (charge)/credit relating to major legal actions	(0.2)	15.3
Charge relating to cost improvement programme	(25.7)	(46.7)
Other acquisition costs	(0.5)	-
Goodwill impairment	-	(6.8)
Loss on disposal of subsidiary undertakings	(0.6)	-
Adjustment to acquisition consideration	0.2	-
	(26.8)	(38.2)
Taxation credit on exceptional items	2.6	3.5
	(24.2)	(34.7)

7. Staff costs

The average monthly number of full time equivalent employees and directors of the Group was:

	2015 No.	2014 No.
Europe	1,127	1,159
Americas	820	792
Asia Pacific	548	555
	2,495	2,506

The aggregate employment costs of staff and directors were:

	2015 £m	2014 £m
Wages, salaries, bonuses and incentive payments	423.6	443.1
Social security costs	38.3	35.5
Defined contribution pension costs (Note 34(b))	6.9	6.9
Share-based compensation expense	1.5	0.3
	470.3	485.8

8. Directors' remuneration and transactions

Paul Mainwaring and John Phizackerley are directors of Tullett Prebon plc, the ultimate parent undertaking at 31 December 2015. They received total remuneration of £3.3m from Tullett Prebon plc during the year, but it is not practicable to allocate this between their services as executives of Tullett Prebon plc and their services as directors of the Group. Details of their emoluments are disclosed in the financial statements of Tullett Prebon plc.

9. Finance income

	2015 £m	2014 £m
Interest receivable and similar income	1.6	1.3
Deemed interest arising on the defined benefit pension scheme surplus	2.3	2.2
	3.9	3.5

10. Finance costs

	2015 £m	2014 £m
Interest payable on Sterling Notes August 2014	-	0.4
Interest payable on Sterling Notes July 2016	9.9	9.9
Other interest payable	0.4	0.5
Amortisation of debt issue costs	0.3	0.3
Total borrowing costs	10.6	11.1
Amortisation of discount on deferred consideration	0.5	0.1
	11.1	11.2

11. Taxation

	2015 £m	2014 £m
Current tax:		
UK corporation tax	11.8	15.1
Overseas tax	3.3	4.4
Prior year UK Corporation tax	0.2	(0.9)
Prior year overseas tax	(1.4)	(3.5)
	13.9	15.1
Deferred tax: (Note 19)		
Current year	0.2	1.0
Prior year	(0.5)	0.7
	(0.3)	1.7
Tax charge for the year	13.6	16.8

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £m	2014 £m
Profit before tax:	61.2	63.4
Tax based on the UK corporation tax rate of 20.25% (2014: 21.5%)	12.4	13.6
Tax effect of non-deductible goodwill impairment	-	1.5
Tax effect of expenses that are not deductible	2.6	4.4
Tax effect of non-taxable income	(0.3)	(0.2)
Unrecognised timing differences	(1.9)	1.8
Prior year adjustments	(1.7)	(3.7)
Impact of overseas tax rates / other	2.5	(0.6)
Tax charge for the year	13.6	16.8

11. **Taxation** continued

In addition to the income statement, the following current and deferred tax items have been included in other comprehensive income and equity:

	Recognised in other comprehensive income	Recognised in equity	Total
2015	**£m**	**£m**	**£m**
Current tax credit relating to:			
Exchange movement on net investment loans	0.4	-	0.4
Deferred tax charge relating to:			
Increase in the defined benefit pension scheme surplus	8.6	-	8.6
Change in fair value of available-for-sale assets	0.1		0.1
Tax charge on items taken directly to other comprehensive income and equity	9.1	-	9.1
2014	**£m**	**£m**	**£m**
Current tax charge relating to:			
Exchange movement on net investment loans	0.2	-	0.2
Deferred tax charge relating to:			
Increase in the defined benefit pension scheme surplus	3.5	-	3.5
Tax charge on items taken directly to other comprehensive income and equity	3.7	-	3.7

12. **Dividends**

	2015	**2014**
	£m	**£m**
Amounts recognised as distributions to equity holders in the year:		
Dividend paid	58.1	95.6

13. Intangible assets arising on consolidation

	Goodwill £m	Other £m	Total £m
Cost			
At 1 January 2015	273.3	-	273.3
Recognised on acquisition	14.5	1.1	15.6
Effect of movements in exchange rates	2.9	-	2.9
At 31 December 2015	290.7	1.1	291.8

	Goodwill £m	Other £m	Total £m
Cost			
At 1 January 2014	273.7	-	273.7
Recognised on acquisition	4.1	-	4.1
Impairment	(6.8)	-	(6.8)
Effect of movements in exchange rates	2.3	-	2.3
At 31 December 2014	273.3	-	273.3

Goodwill arising through business combinations has been allocated to individual cash-generating units ('CGUs') for impairment testing as follows:

CGU	2015 £m	2014 £m
Europe and the Middle East	193.2	193.2
Americas	75.9	57.5
Brazil	2.3	3.3
Asia Pacific	19.3	19.3
	290.7	273.3

Determining whether goodwill is impaired requires an estimation of the recoverable amount of each CGU. The recoverable amount of each CGU is the higher of its value in use ('VIU') or its net realisable value ('NRV').

The key assumptions for the VIU calculations are those regarding expected cash flows arising in future periods, regional growth rates and the discount rates. Future cash flow projections are based on the most recent Board approved financial budgets which are used to project cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU. Goodwill has an indefinite life and this is reflected in the calculation of the CGU's terminal value. Estimated average growth rates, based on each region's constituent country growth rates as published by the World Bank, are used to estimate cash flows after the budgeted period. Discount rates used are based on the Group's WACC and are a function of the Group's cost of equity, derived using a Capital Asset Pricing Model ('CAPM'), and the Group's cost of debt. The cost of equity estimate depended on inputs in the CAPM reflecting a number of variables including the risk-free rate and a premium to reflect the inherent risk of the business being evaluated. These inputs are based on external assessment of economic variables together with management's judgement.

As at 31 December 2015 VIU has been used to estimate recoverable amounts for all CGUs and for all CGU's, the estimate of the recoverable amount was higher than the carrying value. The VIU calculations used annual growth rates of 2% for Europe and the Middle East (2014: 2%), 2.5% for North America (2014: 2.5%), 2% for Brazil (2014: 2%), 3% for Asia Pacific (2014: 3%). Terminal values for each CGU assumed no further growth reflecting longer term forecasting constraints. Resultant cash flows for Europe and the Middle East and for Asia Pacific have been discounted at a pre-tax discount rate of 10.5% (2014: 10.5%), and for North America and Brazil have been discounted at 12.5% (2014: 12.5%) reflecting the higher level of uncertainty in the forecasts of those CGU's future cash flows.

13. Intangible assets arising on consolidation continued

These calculations have been subject to stress tests reflecting reasonable possible changes in key assumptions. All VIU calculations are tolerant to reasonably changes in the discount rate and are most sensitive to lower growth rate assumptions which reduce expected cash flows. With zero growth all CGU's recoverable amounts were still higher than their carrying value. At this level the recoverable amount for Europe and the Middle East exceeded its carrying value by £196m, which reduces to nil if growth rates fall to negative 4%. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances.

In 2014, the estimated recoverable amount for the Brazil CGU was based on its NRV resulting in an impairment of £6.8m to the goodwill attributed to that CGU.

14. Other intangible assets

	Purchased software £m	Developed software £m	Total £m
Cost			
At 1 January 2015	7.4	41.8	49.2
Additions	1.9	7.4	9.3
Amounts derecognised	(0.6)	(0.3)	(0.9)
Effect of movements in exchange rates	0.5	0.6	1.1
At 31 December 2015	9.2	49.5	58.7
Accumulated amortisation			
At 1 January 2015	(5.5)	(23.6)	(29.1)
Charge for the year	(1.1)	(6.2)	(7.3)
Amounts derecognised	0.6	0.2	0.8
Effect of movements in exchange rates	(0.2)	(0.8)	(1.0)
At 31 December 2015	(6.2)	(30.4)	(36.6)
Carrying amount			
At 31 December 2015	3.0	19.1	22.1
Cost			
At 1 January 2014	11.6	36.4	48.0
Additions	0.7	4.6	5.3
Amounts derecognised	(5.2)	-	(5.2)
Effect of movements in exchange rates	0.3	0.8	1.1
At 31 December 2014	7.4	41.8	49.2
Accumulated amortisation			
At 1 January 2014	(9.6)	(16.6)	(26.2)
Charge for the year	(1.0)	(6.1)	(7.1)
Amounts derecognised	5.2	-	5.2
Effect of movements in exchange rates	(0.1)	(0.9)	(1.0)
At 31 December 2014	(5.5)	(23.6)	(29.1)
Carrying amount			
At 31 December 2014	1.9	18.2	20.1

15. Property, plant and equipment

	Land, buildings, and leasehold improvements £m	Furniture, fixtures, equipment and motor vehicles £m	Total £m
Cost			
At 1 January 2015	25.4	52.9	78.3
Additions	2.2	2.1	4.3
Acquired with acquisitions	0.5	0.2	0.7
Disposals	(0.4)	(1.2)	(1.6)
Effect of movements in exchange rates	0.4	0.8	1.2
At 31 December 2015	28.1	54.8	82.9
Accumulated depreciation			
At 1 January 2015	(13.2)	(36.7)	(49.9)
Charge for the year	(1.9)	(5.2)	(7.1)
Disposals	0.1	1.3	1.4
Effect of movements in exchange rates	(0.1)	(0.6)	(0.7)
At 31 December 2015	(15.1)	(41.2)	(56.3)
Carrying amount			
At 31 December 2015	13.0	13.6	26.6
Cost			
At 1 January 2014	29.5	51.6	81.1
Additions	1.3	4.4	5.7
Disposals	(5.9)	(3.9)	(9.8)
Effect of movements in exchange rates	0.5	0.8	1.3
At 31 December 2014	25.4	52.9	78.3
Accumulated depreciation			
At 1 January 2014	(17.3)	(35.0)	(52.3)
Charge for the year	(1.5)	(5.0)	(6.5)
Disposals	5.9	3.9	9.8
Effect of movements in exchange rates	(0.3)	(0.6)	(0.9)
At 31 December 2014	(13.2)	(36.7)	(49.9)
Carrying amount			
At 31 December 2014	12.2	16.2	28.4

No assets held under finance leases are included within property, plant and equipment.

16. Interest in associates

	2015 £m	2014 £m
Carrying amount of investment in associates	6.0	5.0

	2015 £m	2014 £m
Aggregated amounts relating to associates:		
Total assets	29.5	22.3
Total liabilities	(12.0)	(8.1)
Net assets	17.5	14.2
Revenue	32.1	22.0
Profit for the year	7.8	5.4
Other comprehensive income attributable to the owners	-	-
Group's share of profit for the year	2.6	1.9
Group's share of other comprehensive income	-	-
Dividends received from associates during the year	1.5	1.0

A list of the significant investments in associates, including the name, country of incorporation and proportion of ownership interest is given in Note 37.

17. Investments

	2015 £m	2014 £m
Available-for-sale assets carried at fair value		
- unlisted	5.0	4.2
- listed	0.7	1.0
Loans and receivables	2.8	-
	8.5	5.2

The fair values of unlisted available-for-sale assets are based on derived valuations as disclosed in Note 25(h).

Listed investments comprise equity securities that present the Group with opportunity for return through dividend income and capital gains.. They have no fixed maturity or coupon rate. Fair values are derived from quoted market prices.

18. Financial assets

	2015 £m	2014 £m
Short term government securities	13.7	8.3
Term deposits	6.6	2.4
	20.3	10.7

Financial assets are liquid funds held on deposit with banks and clearing organisations.

19. Deferred tax

	2015	2014
	£m	£m
Deferred tax assets	2.2	1.7
Deferred tax liabilities	(31.1)	(22.1)
	(28.9)	(20.4)

The movement for the year in the Group's net deferred tax position was as follows:

	2015	2014
	£m	£m
At 1 January	(20.4)	(15.0)
Charge to income for the year	0.3	(1.7)
Charge to other comprehensive income for the year	(8.7)	(3.5)
Effect of movements in exchange rates	(0.1)	(0.2)
At 31 December	(28.9)	(20.4)

Deferred tax balances and movements thereon are analysed as:

	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Effect of movements in exchange rates	At 31 December
	£m	£m	£m	£m	£m
2015					
Share-based payment awards	0.2	0.3	-	-	0.5
Defined benefit retirement schemes	(21.7)	(0.6)	(8.6)	-	(30.9)
Other timing differences	1.1	0.6	(0.1)	(0.1)	1.5
	(20.4)	0.3	(8.7)	(0.1)	(28.9)

	At 1 January	Recognised in profit or loss	Recognised in other comprehensive income	Effect of movements in exchange rates	At 31 December
2014					
Share-based payment awards	0.3	(0.1)	-	-	0.2
Defined benefit retirement schemes	(17.7)	(0.5)	(3.5)	-	(21.7)
Other timing differences	2.4	(1.1)	-	(0.2)	1.1
	(15.0)	(1.7)	(3.5)	(0.2)	(20.4)

19. Deferred tax continued

At the balance sheet date, the Group has an unrecognised deferred tax asset in respect of tax losses of £24.8m (2014: £21.3m) which is available for offset against future profits.

No deferred tax has been recognised on temporary differences associated with unremitted earnings of subsidiaries as the Group is able to control the timing of distributions and overseas dividends are largely exempt from UK tax. As at the balance sheet date, the Group had unrecognised deferred tax liabilities of £0.8m (2014: £0.9m) in respect of withholding tax on unremitted earnings.

20. Trade and other receivables

	2015 £m	2014 £m
Trade receivables	77.3	75.5
Settlement balances	2,434.1	3,134.1
Financial assets at FVTPL	73.2	-
Amounts owed by group undertakings:		
- due within one year	13.4	2.8
Financial assets	2,598.0	3,212.4
Other debtors	7.2	8.4
Prepayments and accrued income	23.6	27.2
Corporation tax	0.9	0.4
Owed by associates and related parties	0.7	0.5
	2,630.4	3,248.9

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The table below shows the ageing of trade receivables:

	2015 £m	2014 £m
Less than 30 days (not yet due)	57.9	53.2
Between 30 and 60 days	10.2	10.7
Between 60 and 90 days	4.1	5.4
Greater than 90 days	5.1	6.2
Total past due	19.4	22.3
Trade receivables	77.3	75.5

Trade receivables are shown net of a provision of £1.2m (2014: £1.6m) against certain trade receivables due after 90 days.

20. Trade and other receivables continued

The table below shows the ageing of settlement balances:

	2015 £m	2014 £m
Amounts not yet due	2,300.9	3,082.5
Less than 30 days	133.1	45.2
Between 30 and 60 days	0.1	4.6
Between 60 and 90 days	-	1.6
Greater than 90 days	-	0.2
Total past due	133.2	51.6
Settlement balances	2,434.1	3,134.1

Settlement balances arise on Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. The above analysis reflects only the receivable side of such transactions. Corresponding payable amounts are shown in Note 21 'Trade and other payables'.

21. Trade and other payables

	2015 £m	2014 £m
Settlement balances	2,433.8	3,132.3
Trade payables	4.0	4.8
Financial liabilities at FVTPL	73.2	-
Financial liabilities	2,511.0	3,137.1
Tax and social security	15.1	16.8
Other creditors	1.8	3.0
Accruals and deferred income	109.9	91.4
	2,637.8	3,248.3

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

22. Interest bearing loans and borrowings

	Less than one year £m	Greater than one year £m	Total £m
2015			
Sterling Notes July 2016	140.9	-	140.9
2014			
Sterling Notes July 2016	-	140.6	140.6

22. Interest bearing loans and borrowings continued

All amounts are denominated in sterling and are stated after unamortised transaction costs. An analysis of borrowings by maturity has been disclosed in Note 25.

Sterling Notes: Due July 2016
In July 2009 £141,144,000 of 7.04% Guaranteed Notes due July 2016 were issued.

At 31 December 2015 their fair value was £144.0m (2014: £149.0m).

Bank credit facility
During the year the Tullett Prebon plc, Group's parent, renegotiated its committed revolving credit facility. The £150m facility maturing in April 2016 was replaced with a £250m facility maturing in April 2018. Neither facility was drawn during the year.

23. Provisions

	Property	Restructuring	Legal and Other	Total
	£m	£m	£m	£m
At 1 January 2015	5.9	8.9	1.2	16.0
(Credit)/charge to income statement	(0.2)	21.4	0.6	21.8
Utilisation of provision	(0.3)	(9.4)	(0.1)	(9.8)
Effect of movements in exchange rates	0.2	0.5	0.1	0.8
At 31 December 2015	5.6	21.4	1.8	28.8
At 1 January 2014	2.4	1.7	2.0	6.1
Released to income statement	3.8	21.4	0.1	25.3
Utilisation of provision	(0.4)	(14.6)	(1.0)	(16.0)
Effect of movements in exchange rates	0.1	0.4	0.1	0.6
At 31 December 2014	5.9	8.9	1.2	16.0

	2015 £m	2014 £m
Included in current liabilities	21.0	6.3
Included in non-current liabilities	7.8	9.7
	28.8	16.0

23. Provisions continued

Property provisions outstanding as at 31 December 2015 relate to provisions in respect of onerous leases and building dilapidations. The onerous lease provision represents the net present value of the future rental cost net of expected sub-lease income. These leases expire in one to eleven years (2014: one to twelve years). The building dilapidations provision represents the estimated cost of making good dilapidations and disrepair on various leasehold buildings. The leases expire in one to six years.

Restructuring provisions outstanding as at 31 December 2015 relate to termination and other employee related costs, the majority of which are expected to be discharged during 2016.

Legal and other provisions include provisions for legal claims brought against subsidiaries of the Group together with provisions against obligations for certain employee related costs and non-property related onerous contracts. At present the timing of any payments is uncertain and provisions are subject to regular review. It is expected that the obligations will be discharged over the next three years.

24. Other long term payables

	2015 £m	2014 £m
Accruals and deferred income	8.5	9.0
Deferred consideration (Note 29)	7.3	0.5
	15.8	9.5

Accruals and deferred income includes deferred leasehold rental accruals that build up during rent free periods which are subsequently utilised over the rental payment period of the lease.

25. Financial instruments

The following analysis should be read in conjunction with the information on risk management included in the Strategic Report on pages 2 to 17.

(a) Capital risk management

The Group's policy is to maintain a capital base and funding structure that maintains creditor, regulator and market confidence and provides flexibility for business development whilst also optimising returns to shareholders. The capital structure of the Group consists of debt, as set out in Note 22, cash and cash equivalents, other current financial assets and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 26 and 27.

A number of the Company's subsidiaries are individually regulated and are required to maintain capital that is appropriate to the risks entailed in their businesses according to definitions that vary according to each jurisdiction.

25. Financial instruments continued

(b) Categorisation of financial assets and liabilities

Financial assets	Available- for-sale assets	Loans and receivables	Financial assets at FVTPL	Total
2015	**£m**	**£m**	**£m**	**£m**
Investments	5.7	2.8	-	8.5
Financial assets	13.7	6.6	-	20.3
Cash and cash equivalents	-	255.8	-	255.8
Trade receivables	-	77.3	-	77.3
Settlement balances	-	2,434.1	-	2,434.1
Financial assets at FVTPL	-	-	73.2	73.2
Amounts owed by group undertakings	-	13.4	-	13.4
	19.4	2,790.0	73.2	2,882.6
2014				
Investments	5.2	-	-	5.2
Financial assets	8.3	2.4	-	10.7
Cash and cash equivalents	-	240.2	-	240.2
Trade receivables	-	75.5	-	75.5
Settlement balances	-	3,134.1	-	3,134.1
Amounts owed by group undertakings	-	2.8	-	2.8
	13.5	3,455.0	-	3,468.5

Financial liabilities	Amortised cost	Financial liabilities at FVTPL	Total
2015	**£m**	**£m**	**£m**
Sterling Notes July 2016	140.9	-	140.9
Trade payables	4.0	-	4.0
Settlement balances	2,433.8	-	2,433.8
Financial liabilities at FVTPL	-	73.2	73.2
	2,578.7	73.2	2,651.9
2014			
Sterling Notes July 2016	140.6	-	140.6
Trade payables	4.8	-	4.8
Settlement balances	3,132.3	-	3,132.3
	3,277.7	-	3,277.7

c) Offsetting financial assets and financial liabilities

Financial instruments at fair value through the income statement represent simultaneous back-to-back derivative transactions with counterparties and are reported as separate financial assets and financial liabilities in the statement of financial position. The transactions are subject to ISDA (International Swaps and Derivatives Association) Master Netting Agreements which provide a legally enforceable right of offset on the occurrence of a specified event of default, or other events not expected to happen in the normal course of business, but are not otherwise enforceable.

25. Financial instruments continued

c) Offsetting financial assets and financial liabilities continued

	Financial assets £m	Financial liabilities £m
2015		
Financial instruments at FVTPL	73.2	(73.2)
Related amounts not offset in the statement of financial position	(73.2)	73.2
Net position	-	-
2014		
Net position	-	-

(d) Credit risk analysis

The following table presents an analysis by rating agency designation of cash and cash equivalents, financial assets, trade receivables and settlement balances based on external ratings.

	Cash and cash equivalents and financial assets		Trade receivables		Settlement balances	
	2015	2014	2015	2014	2015	2014
	£m	£m	£m	£m	£m	£m
AAA to AA+	23.9	6.3	3.3	0.2	151.0	33.7
AA to A-	205.8	234.6	38.3	51.6	1,009.0	2,174.3
BBB+ to BBB-	41.7	9.4	17.0	9.4	795.3	671.5
BB+ to B-	-	-	1.9	1.3	49.1	24.5
Unrated	4.7	0.6	18.0	14.6	429.7	230.1
Total	276.1	250.9	78.5	77.1	2,434.1	3,134.1
Provision for doubtful debts	-	-	(1.2)	(1.6)	-	-
	276.1	250.9	77.3	75.5	2,434.1	3,134.1

In addition to the above, £2.2m (2014: £1.5m) of investments are rated AA to AA+, £0.7m are rated BBB- to BBB+ (2014: £1.0m) and £5.6m (2014: £2.7m) are unrated.

The carrying value of financial assets recorded in the Financial Statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. None of the Group's financial assets are secured by collateral or other credit enhancements.

In respect of trade receivables, the Group is not exposed to significant credit risk to a single counterparty or any group of counterparties.

Matched Principal brokerage transactions, whereby securities are bought from one counterparty and sold to another counterparty, are settled on a delivery versus payment basis. The above analysis reflects only the receivable side of such transactions, the other side being shown in trade and other payables. Settlement of such transactions typically takes place within a few business days according to the relevant market rules and conventions and the credit risk is considered to be minimal.

25. Financial instruments continued

(e) Maturity profile of financial liabilities

The table below reflects the contractual maturities, including future interest obligations, of the Group's financial liabilities as at 31 December:

2015	Due within 3 months £m	Due between 3 months and 12 months £m	Due between 1 year and 5 years £m	Due after 5 years £m	Total £m
Settlement balances	2,433.8	-	-	-	2,433.8
Financial assets at FVTPL	23.3	49.9	-	-	73.2
Trade payables	4.0	-	-	-	4.0
Sterling Notes July 2016	-	151.1	-	-	151.1
	2,461.1	201.0	-	-	2,662.1
2014					
Settlement balances	3,132.3	-	-	-	3,132.3
Trade payables	4.8	-	-	-	4.8
Sterling Notes July 2016	-	9.9	151.1	-	161.0
	3,137.1	9.9	151.1	-	3,298.1

(f) Foreign currency sensitivity analysis

The table below illustrates the sensitivity of the profit for the year with regard to currency movements on financial assets and liabilities denominated in foreign currencies as at the year end.

Based on a 5% weakening in the US dollar and Euro exchange rates against sterling, the effect on profit for the year would be as follows:

	2015		2014	
	USD £m	EUR £m	USD £m	EUR £m
Change in profit for the year	(0.6)	(0.5)	(1.0)	(0.6)

The Group would experience an equal and opposite foreign exchange gain should the US dollar and Euro exchange rates strengthen against sterling.

(g) Interest rate sensitivity analysis

Interest on floating rate financial instruments is reset at intervals of less than one year. The Group's exposure to interest rates arises on cash and cash equivalents, money market instruments and, up to the date of repayment, the bank loan. The Sterling Notes are fixed rate financial instruments.

A 100 basis point change in interest rates, applied to average floating rate financial instrument assets and liabilities during the year, would have resulted in the following impact on profit or loss:

25. Financial instruments continued

(g) Interest rate sensitivity analysis continued

	2015		2014	
Basis points change	+100pts £m	-100pts £m	+100pts £m	-100pts £m
Income/(expense) arising on				
– floating rate assets	2.6	(1.5)	2.4	(1.2)
– floating rate liabilities	-	-	-	-
Net income/(expense) for the year	2.6	(1.5)	2.4	(1.2)

(h) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2015				
Investments				
- unlisted	-	-	5.0	5.0
- listed	0.7	-	-	0.7
Loans and receivables	-	-	2.8	2.8
Financial assets				
- short term government securities	13.7	-	-	13.7
- financial assets at FVTPL	-	73.2	-	73.2
Financial assets				
- financial liabilities at FVTPL	-	(73.2)	-	(73.2)
	14.4	-	7.8	22.2
2014				
Investments				
- unlisted	-	-	4.2	4.2
- listed	1.0	-	-	1.0
Financial assets				
- short term government securities	8.3	-	-	8.3
	9.3	-	4.2	13.5

There were no transfers between Level 1 and 2 during the year.

25. Financial instruments continued

(h) Fair value measurements recognised in the statement of financial position continued

Reconciliation of Level 3 fair value measurements of financial assets:

	2015 £m	2014 £m
Balance as at 1 January	4.2	4.6
Unrealised gain/(loss) in other comprehensive	0.4	(0.4)
Additions	3.2	-
Balance as at 31 December	7.8	4.2

There were no financial liabilities subsequently remeasured at fair value on a Level 3 fair value measurement basis.

The revaluation gain of £0.4m (2014: loss of £0.4m) relating to the revaluation of unlisted available-for-sale investments held at the balance sheet date is included within the 'Revaluation reserve'.

26. Share capital

	2015 No.	2014 No.
Authorised		
Ordinary shares of 25p	284,699,447	284,699,447
Deferred shares of 25p	1	1
Allotted, issued and fully paid		
Ordinary shares of 25p	124,780,554	124,780,550
Deferred shares of 25p	1	1

	2015 £m	2014 £m
Allotted, issued and fully paid		
Ordinary shares of 25p	31.2	31.2

Although the concept of companies being required to have an authorised share capital was abolished on 1 October 2009 by the Companies Act 2006, the Company's Articles of Association continue to include a restriction on the Company allotting shares in excess of its authorised share capital immediately before 1 October 2009.

The deferred share has all the rights of an ordinary share save that the holder is not entitled to receive a dividend, has no right to attend or vote at any general meeting and is entitled after the payment to holders of all other shares to a repayment of the £0.25 capital paid on the deferred share.

2015

On 30 January 2015, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £677,198 satisfied in cash.

On 6 February 2015, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £4,148,675 satisfied in cash.

On 17 March 2015, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £10,000,000 satisfied in cash.

On 30 July 2015, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £9,622,787 satisfied in cash.

2014

On 17 February 2014, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £1,137,569 satisfied in cash.

On 18 March 2014, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £460,878 satisfied in cash.

On 15 August 2014, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £8,470,000 satisfied in cash.

On 17 December 2014, the Company approved the allotment and issue of 1 ordinary share of 25 pence at an aggregate subscription price of £1,254,555 satisfied in cash.

27. Reconciliation of shareholders' funds

(a) Share capital, Share premium account, Reverse acquisition reserve

	Share capital £m	Share premium account £m	Total £m
As at 1 January 2015	**31.2**	**516.7**	**547.9**
Issue of ordinary shares	-	24.5	24.5
As at 31 December 2015	**31.2**	**541.2**	**572.4**
As at 1 January 2014	**31.2**	**505.4**	**536.6**
Issue of ordinary shares	-	11.3	11.3
As at 31 December 2014	**31.2**	**516.7**	**547.9**

(b) Other reserves

	Revaluation reserve £m	Capital redemption reserve £m	Merger reserve £m	Hedging and translation £m	Other reserves £m
As at 1 January 2015	**1.4**	**21.9**	**121.5**	**7.3**	**152.1**
Revaluation of available-for-sale assets	0.1	-	-	-	0.1
Exchange differences on translation of foreign operations	-	-	-	4.1	4.1
Taxation charge on components of other comprehensive income	(0.1)	-	-	(0.4)	(0.5)
Total comprehensive income	-	-	-	3.7	3.7
As at 31 December 2015	**1.4**	**21.9**	**121.5**	**11.0**	**155.8**
As at 1 January 2014	**1.9**	**21.9**	**121.5**	**0.4**	**145.7**
Revaluation of available-for-sale assets	(0.5)	-	-	-	(0.5)
Exchange differences on translation of foreign operations	-	-	-	7.1	7.1
Taxation charge on components of other comprehensive income	-	-	-	(0.2)	(0.2)
Total comprehensive income	(0.5)	-	-	6.9	6.4
As at 31 December 2014	**1.4**	**21.9**	**121.5**	**7.3**	**152.1**

27. Reconciliation of shareholders' funds continued

(b) Other reserves continued

Revaluation reserve
The revaluation reserve represents the remeasurement of assets in accordance with IFRS that have been recorded in other comprehensive income.

Merger reserve
The merger reserve relates to the Company's share based acquisitions prior to its acquisition by Tullett Prebon plc. The reserve reflects the difference between the value of those acquisitions and the amount required to be recorded in share capital.

Hedging and translation
The hedging and translation reserve records revaluation gains and losses arising on net investments hedges and the effect of changes in exchange rates on translation of foreign operations recorded in other comprehensive income.

27. Reconciliation of shareholders' funds continued

(c) Total equity	Equity attributable to equity holders of the parent					
	Total from Note 27(a)	Total from Note 27(b)	Retained earnings	Total	Minority interest	Total equity
	£m	£m	£m	£m	£m	£m
2015						
As at 1 January 2015	**547.9**	**152.1**	**(253.7)**	**446.3**	**1.6**	**447.9**
Profit for the year	-	-	49.8	49.8	0.4	50.2
Revaluation of available-for-sale assets	-	0.1	-	0.1	-	0.1
Exchange differences on translation of foreign operations	-	4.1	-	4.1	0.1	4.2
Remeasurement of the net defined benefit pension scheme asset	-	-	24.5	24.5	-	24.5
Taxation charge on components of other comprehensive income	-	(0.5)	(8.6)	(9.1)	-	(9.1)
Total comprehensive income	-	3.7	65.7	69.4	0.5	69.9
Dividends paid	-	-	(58.1)	(58.1)	(0.4)	(58.5)
Issue of ordinary shares	24.5	-	-	24.5	-	24.5
Credit arising on share-based payment awards	-	-	1.5	1.5	-	1.5
As at 31 December 2015	**572.4**	**155.8**	**(244.6)**	**483.6**	**1.7**	**485.3**
2014						
As at 1 January 2014	**536.6**	**145.7**	**(212.8)**	**469.5**	**2.1**	**471.6**
Profit for the year	-	-	48.1	48.1	0.4	48.5
Revaluation of available-for-sale assets	-	(0.5)	-	(0.5)	-	(0.5)
Exchange differences on translation of foreign operations	-	7.1	-	7.1	0.3	7.4
Remeasurement of the net defined benefit pension scheme asset	-	-	10.0	10.0	-	10.0
Taxation charge on components of other comprehensive income	-	(0.2)	(3.5)	(3.7)	-	(3.7)
Total comprehensive income	-	6.4	54.6	61.0	0.7	61.7
Dividends paid	-	-	(95.6)	(95.6)	(0.2)	(95.8)
Issue of ordinary shares	11.3	-	-	11.3	-	11.3
Decrease in minority interests	-	-	(0.2)	(0.2)	(1.0)	(1.2)
Credit arising on share-based payment awards	-	-	0.3	0.3	-	0.3
As at 31 December 2014	**547.9**	**152.1**	**(253.7)**	**446.3**	**1.6**	**447.9**

28. Share-based payments

As at 31 December 2015 the Group had one active equity-based long term incentive plan, the Tullett Prebon Long Term Incentive Plan, for the granting of non-transferable awards to certain employees and executives.

Option awards granted under the plan typically become exercisable three years after grant date. The exercise of certain options is dependent on option holders meeting performance criteria. The maximum life of the options is 10 years after grant date. Options are settled in equity once exercised.

Outstanding awards at 31 December 2015 and their estimated fair values when granted are set out below:

Awards	**Awards outstanding 2015**	**Estimated fair value at grant date**
Long term incentive award (2009)	302,148	199p

The following table shows the number of share options outstanding during 2015 and 2014:

	2015 No.	**2014 No.**
Outstanding at start of the year	302,148	1,061,558
Lapsed during the year	-	(759,410)
Outstanding at end of year	302,148	302,148
Exercisable at end of year	302,148	302,148

The weighted average exercise price for all awards is £nil (2014: £nil).

As at 31 December 2015 the weighted average contractual life of outstanding share-based awards was 3.5 years (2014: 4.5 years).

Share-based Deferred Bonus Plan

A Deferred Bonus Plan has been introduced for Senior Managers impacting the 2015 bonus year. Under this Plan, employees identified as Senior Managers had 20% of their discretionary 2015 bonus award deferred into Equity. As part of the introduction of the Deferred Bonus Plan, a Special Award was also granted to these employees. The number of deferred shares reflecting the monetary value of these awards will be determined in March 2016 at the then market price.

The awards are subject to the completion of service conditions and the fulfilment of other conduct requirements. Deferred shares under the 2015 award will vest in the period to March 2019 and those under the Special Award will vest in the period to March 2018. Awards will be settled by the Tullett Prebon plc Employee Benefit Trust 2007 from shares purchased by it in the open market.

The fair value of the deferred shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries. At the year-end closing share price of 372.1p the estimated total number of deferred shares under both awards would be 1,679,375.

	2015 £m	**2014 £m**
Charge arising from share-based options awards	-	0.3
Charge arising from share-based deferred bonus plans	1.5	-
	1.5	0.3

29. Acquisitions

a) Subsidiaries acquired during the year

MOAB Oil, Inc.
On 28 July 2015, the Group announced the acquisition of 100% of the share capital of MOAB Oil, Inc.('MOAB'). Initial cash consideration of £7.9m was paid on completion together with £3.7m for the working capital of the business, including its cash. Deferred contingent consideration is payable from the first anniversary of completion through to the fifth anniversary. The amount of deferred contingent consideration is dependent upon the performance of the business over the five year period and has an initial fair value of £8.4m. Intangible assets arising on the consolidation of MOAB amounted to £15.6m of which £14.5m relates to goodwill. Acquisition costs of £0.5m have been included in administrative expenses.

This transaction has been accounted for under the acquisition method of accounting.

	Fair value
Net assets acquired	**£m**
Property plant and equipment	0.7
Trade and other receivables	3.4
Cash and cash equivalents	1.7
Trade and other payables	(1.4)
	4.4
Intangible assets arising on consolidation	
– other intangible assets	1.1
– goodwill	14.5
Fair value of total consideration	20.0
Satisfied by:	
– initial cash consideration	7.9
– working capital cash payment	3.7
– deferred consideration	8.4
	20.0

Intangible assets arising on consolidation relate to the MOAB brand, £0.2m, the value of customer relationships, £0.9m, with the balance of £14.5m recognised as goodwill, representing the value of the established workforce and the business's reputation.

	£m
Goodwill arising on acquisition	14.5
Effect of movements in exchange rates	0.9
Goodwill at 31 December 2015	15.4

The revenue, underlying operating profit and underlying earnings for the period since the date of the acquisition were £6.1m, £1.7m and £1.0m respectively. Had MOAB been acquired on 1 January 2015 revenue would have been £8.1m higher, underlying operating profit £1.4m higher and underlying earnings £0.7m higher.

29. Acquisitions continued

b). Analysis of deferred and contingent consideration in respect of acquisitions

	2015 £m	2014 £m
At 1 January	0.6	1.7
Acquisitions during the year	8.4	0.5
Remeasurement charge/(credit) taken to operating profit	0.4	(1.0)
Unwind of discount	-	0.1
Cash paid	-	(0.7)
Effect of movements in exchange rates	0.5	-
At 31 December	9.9	0.6
Amounts falling due within one year	2.6	0.1
Amounts falling due after one year	7.3	0.5
At 31 December	9.9	0.6

30. Reconciliation of operating profit to net cash from operating activities

	2015 £m	2014 £m
Operating profit	68.4	71.1
Adjustments for:		
Share-based compensation expense	1.5	0.3
Pension scheme's administration costs	0.7	0.6
Depreciation of property, plant and equipment	7.1	6.5
Amortisation of intangible assets	7.3	7.1
Goodwill impairment	-	6.8
Loss on disposal of property, plant and equipment	0.2	-
Loss on de-recognition of intangible assets	0.1	-
Loss on disposal of subsidiary undertaking	0.2	-
Remeasurement of deferred consideration	0.4	-
Increase in provisions for liabilities and charges	11.5	9.5
Decrease in non-current liabilities	(0.8)	(1.6)
Operating cash flows before movement in working capital	96.6	100.3
(Increase)/decrease in trade and other receivables	(6.3)	33.2
Decrease/(increase) in net settlement balances	1.3	(1.1)
Increase/(decrease) in trade and other payables	9.3	(14.6)
Cash generated from operations	100.9	117.8
Income taxes paid	(13.2)	(22.2)
Interest paid	(10.3)	(11.0)
Net cash from operating activities	77.4	84.6

31. Analysis of net funds

2015	At 1 January 2015 £m	Cash flow £m	Non-cash items £m	Exchange differences £m	At 31 December 2015 £m
Cash	176.4	(13.2)	-	4.3	167.5
Cash equivalents	62.1	24.5	-	(0.3)	86.3
Client settlement money	1.7	0.3	-	-	2.0
Cash and cash equivalents	240.2	11.6	-	4.0	255.8
Financial assets	10.7	10.7	-	(1.1)	20.3
Total funds	250.9	22.3	-	2.9	276.1
Notes due within one year	-	-	(140.9)	-	(140.9)
Notes due after one year	(140.6)	-	140.6	-	-
	(140.6)	-	(0.3)	-	(140.9)
Total net funds	110.3	22.3	(0.3)	2.9	135.2

2014	At 1 January 2014 £m	Cash flow £m	Non-cash items £m	Exchange differences £m	At 31 December 2014 £m
Cash	197.8	(26.5)	-	5.1	176.4
Cash equivalents	37.4	24.5	-	0.2	62.1
Client settlement money	1.6	0.1	-	-	1.7
Cash and cash equivalents	236.8	(1.9)	-	5.3	240.2
Financial assets	31.2	(20.6)	-	0.1	10.7
Total funds	268.0	(22.5)	-	5.4	250.9
Notes due within one year	(8.5)	8.5	-	-	-
Notes due after one year	(140.2)	-	(0.4)	-	(140.6)
	(148.7)	8.5	(0.4)	-	(140.6)
Total net funds	119.3	(14.0)	(0.4)	5.4	110.3

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less. As at 31 December 2015 cash and cash equivalents amounted to £255.8m (2014: £240.2m). Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

Financial assets comprise short term government securities and term deposits held with banks and clearing organisations.

32. Contingent liabilities

The Company is currently under investigation by the FCA in relation to certain trades undertaken between 2008 and 2011, including trades which are risk free, with no commercial rationale or economic purpose, on which brokerage is paid, and trades on which brokerage may have been improperly charged. As part of its investigation, the FCA is considering the extent to which during the relevant period (i) the Company's systems and controls were adequate to manage the risks associated with such trades and (ii) whether certain of the Company's managers were aware of, and/or managed appropriately the risks associated with, the trades. The FCA is also reviewing the circumstances surrounding a failure in 2011 to discover certain audio files and produce them to the FCA in a timely manner. As the investigation is ongoing, any potential liability arising from it cannot currently be quantified.

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 issues which are considered to pose a significant risk of material adverse financial impact on the Group's results or net assets.

In the normal course of business, certain Group companies enter into guarantees and indemnities to cover trading arrangements and/or the use of third party services or software.

33. Operating lease commitments

	2015 £m	2014 £m
Minimum operating lease payments recognised in the income statement	14.0	16.6

At 31 December 2015 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015		2014	
	Buildings £m	Other £m	Buildings £m	Other £m
Within one year	13.4	0.8	13.4	1.1
Within two to five years	41.0	0.3	40.3	0.5
Over five years	37.8	-	44.5	-
	92.2	1.1	98.2	1.6

34. Retirement benefit obligations

(a) Defined benefit schemes

The Group operates one defined benefit pension scheme in the UK, the defined benefit section of the Tullett Prebon Pension Scheme ('the Scheme'). In addition, there are a small number of schemes operated in other countries which collectively are not significant in the context of the Group.

The Scheme is a final salary, funded pension scheme that is closed to new members and future accrual. For members still in service there is a continuing link between benefits and pensionable pay. The Principal Employer is Tullett Prebon Group Limited.

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

The latest funding actuarial valuations of the Scheme was carried out as at 30 April 2013 by independent qualified actuaries.

34. Retirement benefit obligations continued

(a) Defined benefit schemes continued

The amounts included in the balance sheet arising from the group's obligations in respect of the scheme were as follows:

	2015 £m	2014 £m
Fair value of Scheme assets	289.8	255.7
Present value of scheme liabilities	(201.6)	(193.6)
Defined benefit pension scheme surplus	88.2	62.1
Deferred tax liability (Note 19)	(30.9)	(21.7)

The main financial assumptions used by the independent qualified actuaries of the Scheme to calculate the liabilities under IAS 19 were:

Key assumptions used:	2015 %	2014 %
Discount rate	3.70	3.70
Expected rate of salary increases	4.65	4.55
Rate of increase in LPI pensions in payment(1)	2.30	2.20
Inflation assumption	2.30	2.20

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

The mortality assumptions are based on standard mortality tables and allow for future mortality improvements and are the same as those adopted for the 2013 funding valuation. Assumptions for the Scheme are that a member who retires in 15 years' time at age 60 will live on average for a further 31.4 years (2014: 31.2 years) after retirement if they are male and for a further 32.8 years (2014: 32.6 years) after retirement if they are female. Current pensioners are assumed to have a generally shorter life expectancy based on their current age.

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

		Plan assets £m	Defined benefit obligation £m	Surplus/ (deficit) £m
Current figures		289.8	(201.6)	88.2
Following a 0.25% p.a. decrease in the discount rate	Change	0%	(4.6%)	(10.5%)
	New value	289.8	(210.9)	78.9
Following a 0.25% increase in the inflation assumption	Change	0%	(1.8%)	(4.1%)
	New value	289.8	(205.2)	84.6
Life expectancy increases by 3 years	Change	0%	(6.6%)	(15.1%)
	New value	289.8	(214.9)	74.9

The above analysis does not reflect any interrelationship between the assumptions.

34. Retirement benefit obligations continued

(a) Defined benefit schemes continued

Changes to the risks inherent in the Scheme would result in changes to the Scheme's carrying value. The most significant risks are: investment performance – the liabilities are calculated using a discount rate set by reference to bond yields. If assets underperform this yield, this would result in the carrying value of the Scheme reducing; changes in bond yields – a decrease in corporate bond yields will increase the value placed on the Scheme's liabilities; inflation risk – some of the Scheme's liabilities are linked to inflation, and higher inflation would lead to higher liabilities (mitigated by a cap on the level of inflationary increases which protects against extreme inflationary increases); and life expectancy – the majority of the Scheme's obligations are for the life of the member, so increases in life expectancy will result in an increase in the liabilities.

The amounts recognised in income in respect of the Scheme were as follows:

	2015 £m	2014 £m
Deemed interest arising on the defined benefit pension scheme surplus	2.3	2.2

Deemed interest arising on the defined benefit pension scheme surplus has been included within finance income (Note 9). Scheme expenses for the year of £0.7m (2014: £0.6m) have been included in administrative expense.

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

	2015 £m	2014 £m
Return on Scheme assets (excluding deemed interest income) – Trustee administered funds	29.8	25.2
Return on Scheme assets (excluding deemed interest income) – revaluation of insurance policies	–	0.4
Actuarial losses arising on the revaluation of insurance policies	–	(0.4)
Actuarial losses arising from changes in financial assumptions	(0.8)	(16.8)
Actuarial losses arising from changes in demographic assumptions	(6.7)	–
Actuarial gains arising from experience adjustments	2.2	1.6
Total gain recognised in other comprehensive income	24.5	10.0

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

	2015 £m	2014 £m
At 1 January	(193.6)	(175.6)
Deemed interest cost	(7.1)	(7.6)
Actuarial losses on the revaluation of insurance policies	–	(0.4)
Actuarial losses arising from changes in financial assumptions	(0.8)	(16.8)
Actuarial losses arising from changes in demographic assumptions	(6.7)	–
Actuarial gains arising from experience adjustments	2.2	1.6
Benefits paid/transfers out	4.4	5.2
At 31 December	(201.6)	(193.6)

34. Retirement benefit obligations continued

(a) Defined benefit schemes continued

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

	2015 £m	2014 £m
At 1 January	255.7	226.1
Deemed interest income	9.4	9.8
Return on Scheme assets (excluding deemed interest income) – Trustee administered funds	29.8	25.2
Return on Scheme assets (excluding deemed interest income) – revaluation of insurance policies	–	0.4
Benefits paid/transfers out	(4.4)	(5.2)
Administrative expense	(0.7)	(0.6)
At 31 December	289.8	255.7

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

	2015 £m	2014 £m
Cash and cash equivalents	3.9	6.4
Equity instruments		
- Consumer products	222.8	197.4
- Industrials	21.1	20.0
- Business services	36.3	26.6
	280.2	244.0
Insurance policies	4.4	4.5
Other receivables	1.3	0.8
At 31 December	289.8	255.7

All equity instruments have quoted prices in active markets. The Scheme does not hedge against foreign currency exposures or interest rate risk.

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

The estimated amounts of contributions expected to be paid into the Schemes during 2015 is £nil.

(b) Defined contribution pensions

The Group operates a number of defined contribution schemes for qualifying employees. The assets of these schemes are held separately from those of the Group.

The defined contribution pension cost for the Group charged to administrative expenses was £6.9m (2014: £6.9m), of which £2.0m (2014: £2.0m) related to overseas schemes.

As at 31 December 2015, there was £0.6m outstanding in respect of the current reporting period that had not been paid over to the schemes (2014: £0.6m).

35. Client money

Client money held was £2.0m (2014: £1.7m). This represents balances held by the Group received as an indirect consequence of certain transactions undertaken with counterparties.

36. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group's parent, Tullett Prebon plc is a related party.

The total amount owed to the Group by related parties and associates at 31 December 2015 was £14.1m (2014: £3.3m). The total amount owed by the Group to related parties and associates at 31 December 2015 was £nil (2014: £nil).

	2015		2014	
	Highest balance(i) £m	31 December £m	Highest balance(i) £m	31 December £m
Amounts owed by related parties:				
Tullett Prebon plc	13.3	13.3	12.3	2.8
Associates	0.7	0.7	0.5	0.5
		14.0		3.3

Note:

(i) The disclosure of the year end balances and the highest balance during the year is considered to be the most meaningful information to represent transactions during the year.

There were no amounts owed to related parties in 2015 and 2014.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Directors

Costs in respect of the Directors who were the key management personnel of the Group during the year are set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the individual Directors is provided in the financial statements of Tullett Prebon plc, the Company's ultimate parent undertaking.

	2015 £m	2014 £m
Short term benefits	3.3	2.1
Share-based payment expense	-	0.4
Social security costs	0.5	0.3
	3.8	2.8

37. Group subsidiaries and undertakings

At 31 December 2015, the following companies were the Group's principal trading subsidiary undertakings, principal intermediate holding companies and associates.

Principal subsidiary undertakings	Country of incorporation and operation	Principal activities	Issued ordinary shares, all voting
Tullett Prebon (Australia) Pty. Limited	Australia	Broking	100%
Marshalls (Bahrain) WLL(1)	Bahrain	Broking	70%
Tullett Liberty (Bahrain) Company W.L.L.	Bahrain	Broking	85%
Tullett Prebon Holdings do Brasil Ltda.	Brazil	Holding company	100%
Tullett Prebon Brasil S.A. Corretora de Valores e Câmbio	Brazil	Broking	100%
Tullett Prebon Canada Limited	Canada	Broking	100%
TP Holdings Limited	England & Wales	Holding company	100%
Tullett Prebon Group Limited	England & Wales	Service company	100%
Tullett Prebon Investment Holdings Limited	England & Wales	Holding company	100%
Tullett Prebon (Europe) Limited	England & Wales	Broking	100%
Tullett Prebon (Securities) Limited	England & Wales	Broking	100%
Tullett Prebon (Equities) Limited	England & Wales	Broking	100%
Tullett Prebon Information Limited	Guernsey, Operating in England & Wales	Information sales	100%
Tullett Prebon (Hong Kong) Limited	Hong Kong	Broking	100%
PT. Inti Tullett Prebon Indonesia	Indonesia	Broking	57.52%
Tullett Prebon ETP (Japan) Limited (formerly Tullett Prebon FXO (Japan) Limited)	Japan	Broking	100%
Tullett Prebon (Japan) Limited	Japan	Broking	100%
Tullett Prebon Money Brokerage (Korea) Limited	Korea	Broking	100%
Tullett Prebon México SA de CV	Mexico	Broking	100%
Tullett Prebon (Philippines) Inc.	Philippines	Broking	51%
Tullett Prebon (Polska) SA	Poland	Broking	100%
Tullett Prebon Energy (Singapore) Pte. Ltd.	Singapore	Broking	100%
Tullett Prebon (Singapore) Limited	Singapore	Broking	100%
Prebon Technology Services (Singapore) Pte. Ltd.	Singapore	IT support services	100%
Tullett Prebon South Africa (Pty) Limited	South Africa	Broking	100%
Cosmorex A.G.	Switzerland	Broking	100%
Tullett Prebon (Dubai) Limited	UAE	Broking	100%
Tullett Prebon (Americas) Holdings Inc.	USA	Holding company	100%
Tullett Prebon Americas Corp	USA	Holding company	100%
Tullett Prebon Financial Services LLC	USA	Broking	100%
tpSEF Inc.	USA	Broking	100%
Tullett Prebon Information Inc.	USA	Information sales	100%

Note:
(1) The Group's interest in the trading results is 90%.

37. Group subsidiaries and undertakings continued

Other subsidiary undertakings	**Country of incorporation and operation**	**Principal Activities**	**Issued ordinary shares, all voting**
Fulton Prebon Holdings N.V.	Aruba	Dormant	100%
OTC Valuations Limited	Canada	Dormant	100%
Prebon Technology Services (Canada) Limited	Canada	Dormant	100%
M.W. Marshall (UK) Limited	England & Wales	Dormant	100%
Prebon Limited	England & Wales	Holding company	100%
Prebon Group Limited	England & Wales	Holding company	100%
Prebon Yamane International Limited	England & Wales	Service company	100%
Swardgreen Limited	England & Wales	Dormant	99.92%
Tullett Liberty (European Holdings) Limited	England & Wales	Dormant	100%
Tullett Liberty (Futures Holdings) Limited	England & Wales	Dormant	100%
Tullett Liberty (Power) Limited	England & Wales	Dormant	100%
Tullett Liberty (Securities Holdings) Limited	England & Wales	Dormant	100%
Tullett Liberty Brokerage Services (UK) Limited	England & Wales	Dormant	100%
Tullett Prebon (No. 3) Limited	England & Wales	Financing	100%
Tullett Prebon (No.1)	England & Wales	Financing	100%
Tullett Prebon (Oil) Limited	England & Wales	Dormant	100%
Tullett Prebon (UK) Limited	England & Wales	Dormant	100%
Tullett Prebon Administration Limited	England & Wales	Dormant	100%
Tullett Prebon Information Limited	England & Wales	Dormant	100%
Tullett Prebon Latin America Holdings Limited	England & Wales	Holding company	100%
Tullett Liberty Gmbh	Germany	Dormant	100%
Tullett Securities GmbH Deutschland	Germany	Dormant	100%
M.W. Marshall (Hong Kong) Limited	Hong Kong	Dormant	100%
Marshalls (London) Investment Limited	Hong Kong	Dormant	100%
Tullett Prebon Asia Group Limited	Hong Kong	Dormant	100%
M.W. Marshall (Overseas) Limited	Jersey	Holding company	100%
Prebon Marshall Yamane (C.I.) Ltd	Jersey	Dormant	100%
Gains International Infocom Holdings BV	Netherlands, Operating in England & Wales	Dormant	100%
Prebon Holdings BV	Netherlands	Holding company	100%
Tullett Liberty B.V.	Netherlands, Operating in England & Wales	Holding company	100%
Prebon (Singapore) Holdings Ltd	Singapore	Dormant	100%
Birdie Holdings I, LLC	USA	Dormant	100%
C&W Corporate Securities, LLC	USA	Dormant	100%
Chapdelaine Corporate Securities & Co.	USA	Dormant	100%
Chapdelaine Tullett Prebon LLC	USA	Dormant	100%
M.W. Marshall Inc	USA	Dormant	100%
MOAB Oil, Inc.	USA	Dormant	100%
Prebon Financial Products Inc.	USA	Dormant	100%
Tullett Liberty Brokerage Inc.	USA	Dormant	100%

37. Group subsidiaries and undertakings continued

All the above subsidiary undertakings are owned indirectly, with the exception of TP Holdings Limited, which are owned directly. They all have a 31 December year end with the exception of Tullett Prebon (Japan) Limited which has a 31 March year end.

As at 31 December 2015, £1.7m (2014: £1.6m) is due to minority interests relating to those subsidiaries that are not wholly owned. Movement in minority interests is set out in Note 27(c). No individual minority interest is material to the Group. There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities relating to these subsidiaries.

Associates	**Country of incorporation**	**Principal Activities**	**Issued ordinary shares, all voting**
Tullett Prebon SITICO (China) Limited	China	Broking	33%
Parekh (Forex) Private Limited	India	Broking	26%
Prebon Yamane (India) Limited	India	Broking	48%
Wall Street Tullett Prebon Limited	Thailand	Broking	49%
Energy Curves LLC	USA	Broking	25%

All associates are held indirectly. They all have a 31 December year end with the exception of Parekh (Forex) Private Limited, which has a 31 March year end.

Company Balance Sheet
as at 31 December 2015

	Notes	2015 £m	2014 £m
Fixed assets			
Investment in subsidiary undertakings	4	907.6	883.1
Current assets			
Debtors: due within one year	5	2.0	2.3
Cash and cash equivalents		8.9	8.6
		10.9	10.9
Creditors: amounts falling due within one year	6	(145.8)	(4.9)
Net current (liabilities)/assets		(134.9)	6.0
Total assets less current liabilities		772.7	889.1
Creditors: amounts falling due after more than one year	6	-	(140.6)
Net assets		772.7	748.5
Capital and reserves	7		
Called-up share capital		31.2	31.2
Share premium		541.2	516.7
Merger reserve		121.5	121.5
Capital redemption reserve		21.9	21.9
Profit and loss account		56.9	57.2
Total equity		772.7	748.5

The financial statements of Tullett Prebon Group Holdings plc (registered number 3904126) were approved by the Board of Directors and authorised for issue on 19 April 2016 and are signed on its behalf by:

Paul Mainwaring

P R Mainwaring
Director

Statement of Changes in Equity
for the year ended 31 December 2015

	Equity attributable to equity holders of the parent					
	Share capital £m	Share premium account £m	Merger reserve £m	Capital redemption reserve £m	Profit and loss account £m	Total equity £m
2015						
Balance at 1 January 2015	**31.2**	**516.7**	**121.5**	**21.9**	**57.2**	**447.9**
Profit for the year	-	-	-	-	57.8	57.8
Issue of ordinary shares	-	24.5	-	-	-	24.5
Dividends paid	-	-	-	-	(58.1)	(58.1)
Balance at 31 December 2015	**31.2**	**541.2**	**121.5**	**21.9**	**56.9**	**772.7**
2014						
Balance at 1 January 2014	**31.2**	**505.4**	**121.5**	**21.9**	**57.8**	**737.8**
Profit for the year	-	-	-	-	95.0	95.0
Issue of ordinary shares	-	11.3	-	-	-	11.3
Dividends paid	-	-	-	-	(95.6)	(95.6)
Balance at 31 December 2014	**31.2**	**516.7**	**121.5**	**21.9**	**57.2**	**748.5**

Notes to the Financial Statements
for the year ended 31 December 2015

1. Basis of preparation

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, the Company has changed its accounting framework for its entity financial statements for the year ended 31 December 2015. The Directors considered, and no shareholders objected, that it was in the best interest of the Company to adopt FRS 101 'Reduced Disclosure Framework'. No disclosures previously made in the Company's financial statements are omitted on the adoption of FRS 101.

The separate Financial Statements of the Company are presented as required by the Companies Act. They have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice. As discussed on page 18 of the Directors' Report, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be used in preparing these Financial Statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement and certain related party transactions.

2. Significant accounting policies

The principal accounting policies adopted are the same as those set out in Note 3 to the Consolidated Financial Statements except as noted below.

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

The Company has share-based payment arrangements involving employees of its subsidiaries. The cost of these arrangements is measured by reference to the fair value of equity instruments on the date they are granted. Cost is recognised in 'investment in subsidiary undertakings' and credited to the 'profit and loss account' reserves on a straight-line basis over the vesting period. Where the cost is subsequently recharged to the subsidiary, it is recognised as a reduction in 'investment in subsidiary undertakings'.

3. Profit for the year

As permitted in section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the period. Tullett Prebon Group Holdings plc reported a profit for the financial period ended 31 December 2015 of £57.8m (2014: profit £95.0m).

The auditor's remuneration for audit and other services is disclosed in Note 6 of the consolidated financial statements.

Notes to the Financial Statements
for the year ended 31 December 2015

4. Investments in subsidiary undertakings

Shares in subsidiary undertakings	**2015**	**2014**
	£m	**£m**
Cost		
At 1 January	883.1	880.2
Additions	24.5	2.9
At 31 December	907.6	883.1

There were no provisions for impairment at 31 December 2014 and 2015.

2015

On 30 January 2015, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £677,198 satisfied in cash.

On 6 February 2015, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £4,148,675 satisfied in cash.

On 17 March 2015, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £10,000,000 satisfied in cash.

On 30 July 2015, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £9,622,787 satisfied in cash.

2014

On 17 February 2014, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £1,137,569 satisfied in cash.

On 18 March 2014, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £460,878 satisfied in cash.

On 17 December 2014, the Company subscribed for 1 ordinary share of 1p in the share capital of Tullett Prebon Holdings Limited at an aggregate subscription price of £1,254,555 satisfied in cash.

5. Receivables

	2015	**2014**
	£m	**£m**
Amounts falling due within one year:		
Amounts due from group undertakings	2.0	2.2
Other debtors	-	0.1
	2.0	2.3

6. Creditors

	2015 £m	2014 £m
6a. Amounts falling due within one year:		
Accruals and deferred income	4.9	4.9
Sterling Notes July 2016	140.9	-
	145.8	4.9

	2015 £m	2014 £m
6b. Amounts falling due after one year:		
Sterling Notes July 2016	-	140.6
	-	140.6

6c. External borrowing analysis:

Sterling Notes: Due July 2016
In July 2009 £141,144,000 of 7.04% Guaranteed Notes due July 2016 were issued.
At 31 December 2015 their fair value was £144.0m (2014: £149.0m).

6d. Amounts owed to group undertakings:

The Company has no payables to group undertakings of greater than one year as at 31 December 2015.

7. Share Capital and Reserves

	2015 No.	2014 No.
Authorised		
Ordinary shares of 25p	284,699,447	284,699,447
Deferred shares of 25p	1	1
Allotted, issued and fully paid		
Ordinary shares of 25p	124,780,554	124,780,550
Deferred shares of 25p	1	1

	2015 £m	2014 £m
Allotted, issued and fully paid		
Ordinary shares of 25p	31.2	31.2

Although the concept of companies being required to have an authorised share capital was abolished on 1 October 2009 by the Companies Act 2006, the Company's Articles of Association continue to include a restriction on the Company allotting shares in excess of its authorised share capital immediately before 1 October 2009.

The deferred share has all the rights of an ordinary share save that the holder is not entitled to receive a dividend, has no right to attend or vote at any general meeting and is entitled after the payment to holders of all other shares to a repayment of the £0.25 capital paid on the deferred share.

Descriptions of the share capital, share premium, merger and capital redemption reserves, together with the movements on those reserves, are disclosed in Note 27 to the Consolidated Financial Statements.

As at 31 December 2015 the Company's distributable reserves amounted to £56.9m (2014: £57.2m).

8. Ultimate parent undertaking

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

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

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

The registered office of Tullett Prebon Group Holdings plc is Tower 42, 25 Old Broad Street, London EC2N 1HQ.