

TULLETT PREBON GROUP HOLDINGS PLC

Annual Report and Financial Statements

for the year ended 31 December 2016

Registered number: 03904126



TULLETT PREBON GROUP HOLDINGS PLC

Contents

	Page
Strategic report	1
Directors' report	3
Directors' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	8
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in shareholder's funds	10
Statement of cash flows	11
Notes to the financial statements	12
Supplementary information	18

TULLETT PREBON GROUP HOLDINGS PLC

STRATEGIC REPORT

REVIEW OF THE BUSINESS

Tullett Prebon Group Holdings Plc (the “Company”), is a wholly owned subsidiary and holding company within the TP ICAP plc group (the “Group”), (formerly known as Tullett Prebon plc group).

The principal activities of the Company are to be a holding company within the Group. The Directors are not aware, at the date of this report, of any other changes in the Company’s activities in the next year.

The Company’s results for the year are set out in the profit and loss account on page 8 and related notes and its financial position is set out in the balance sheet on page 9 and related notes. Cash flows for the year are set out in the statement of cash flows on page 11.

The Company’s operating loss was £5,261,000 compared to £10,347,000 in 2015. The decrease in operating loss was due to repayment of its Sterling Notes being made in July 2016.

The Company’s profit before tax was £84,170,000 (2015: £55,749,000). The profit includes dividends received from subsidiary undertakings amounting to £89,431,000 (2015: £66,096,000).

PRINCIPAL RISKS AND UNCERTAINTIES

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

Credit risk is the risk of financial loss to the Company in the event of non performance by a client or counterparty with respect to its contractual obligations to the Company. This includes the risk of default of the banking counterparties at which the Company has placed its cash balances.

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

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms. Cash and 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 Finance and Operations departments. In the event of a liquidity issue arising, the Company has recourse to Group funds.

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

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

The Group manages its operations on a regional basis. For this reason, the Company’s Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Europe, Middle East and Africa region, which includes the Company, is discussed in the Group’s Annual Report which does not form part of this report.

TULLETT PREBON GROUP HOLDINGS PLC

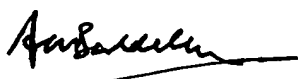
STRATEGIC REPORT

FUTURE DEVELOPMENTS

The Directors expect the general level of activity to remain consistent in the forthcoming year.

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

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



A M Baddeley
Director
22 June 2017

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

Registered No:
03904126

TULLETT PREBON GROUP HOLDINGS PLC

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended 31 December 2016.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 1.

GOING CONCERN

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1, accounting policies, in the financial statements on page 12.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of risks including credit risk, operational risk, liquidity risk and strategic and business risk. Details of risks are included in the strategic report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £85,222,000 (2015: £57,844,000) and will be transferred to reserves. The Company paid dividends in 2016 amounting to £89,431,000 (2015: £58,096,000). The Directors do not propose a final dividend (2015: £nil).

DIRECTORS

The Directors, who served throughout the year were as follows:

J Phizackerley

P R Mainwaring (resigned 30 June 2016)

A M Baddeley (appointed 30 June 2016)

DIRECTOR'S INDEMNITIES

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

POLITICAL CONTRIBUTIONS

There were no political donations made by the Company during the year (2015: £nil).

DISABLED EMPLOYEES

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

EMPLOYEE CONSULTATION

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

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

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

TULLETT PREBON GROUP HOLDINGS PLC

DIRECTORS' REPORT

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he 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.

Pursuant to s386 of the Companies Act 1985, an elective resolution was passed on 16 March 2005 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore Deloitte LLP are deemed to continue as auditors.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12 in relation to disclosures in respect of share based payments and remuneration of key management personnel. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by TP ICAP plc, as the immediate parent of the entity.

Approved by the Board and signed on its behalf by:



A M Baddeley
Director
22 June 2017

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

Registered No:
03904126

TULLETT PREBON GROUP HOLDINGS PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Independent auditor's report to the members of Tullett Prebon Group Holdings Plc

We have audited the financial statements of Tullett Prebon Group Holdings Plc for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholder's Funds, Statement of Cash Flows and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.

Matters on which we are required to report by exception

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

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



Ben Jackson F.C.A. (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
22 June 2017

TULLETT PREBON GROUP HOLDINGS PLC**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Net finance costs	2-3	(5,258)	(10,268)
Administrative expenses		(3)	(79)
OPERATING LOSS		(5,261)	(10,347)
Dividends received		89,431	66,096
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	84,170	55,749
Tax credit on profit on ordinary activities	5	1,052	2,095
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		85,222	57,844

Profit for the current and preceding year relates solely to continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	2016 £000	2015 £000
Profit for the financial year	85,222	57,844
Other comprehensive income	-	-
Total comprehensive income attributable to the equity shareholders of the Company	85,222	57,844

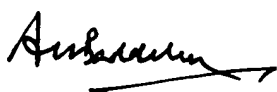
TULLETT PREBON GROUP HOLDINGS PLC

BALANCE SHEET

as at 31 December 2016

	Notes	2016 £000	2015 £000
FIXED ASSETS			
Investments in group undertakings	6	1,011,171	907,509
		<u>1,011,171</u>	<u>907,509</u>
CURRENT ASSETS			
Debtors due within one year	7	1,052	2,099
Cash at bank and in hand		1,057	8,887
CREDITORS: amounts falling due within one year	8	(9)	(145,821)
NET CURRENT ASSETS		<u>1,013,271</u>	<u>772,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,013,271</u>	<u>772,674</u>
NET ASSETS		<u><u>1,013,271</u></u>	<u><u>772,674</u></u>
CAPITAL AND RESERVES			
Called-up share capital	10	31,195	31,195
Share premium account		785,997	541,191
Other reserves		143,345	143,345
Profit and loss account		52,734	56,943
SHAREHOLDER'S FUNDS		<u><u>1,013,271</u></u>	<u><u>772,674</u></u>

The financial statements of Tullett Prebon Group Holdings Plc (registered number 03904126) were approved by the Board of Directors and authorised for issue on 22 June 2017. They were signed on its behalf by:



A M Baddeley
Director

TULLETT PREBON GROUP HOLDINGS PLC**STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS**

as at 31 December 2016

	Called-up share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total shareholder's fund £000
At 31 December 2014	31,195	516,742	121,456	21,889	57,195	748,477
Profit for the financial year	-	-	-	-	57,844	57,844
Shares issued	-	24,449	-	-	-	24,449
Dividends paid on equity shares (Note 9)	-	-	-	-	(58,096)	(58,096)
At 31 December 2015	31,195	541,191	121,456	21,889	56,943	772,674
Profit for the financial year	-	-	-	-	85,222	85,222
Shares issued	-	244,806	-	-	-	244,806
Dividends paid on equity shares (Note 9)	-	-	-	-	(89,431)	(89,431)
At 31 December 2016	31,195	785,997	121,456	21,889	52,734	1,013,271

TULLETT PREBON GROUP HOLDINGS PLC

STATEMENT OF CASH FLOWS for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
Operating profit		(5,261)	(10,347)
Adjustment for:			
Net interest payable	2-3	5,258	10,268
Net cash flow before changes in working capital		(3)	(79)
Decrease in debtors	7	1,047	203
Interest paid		(9,937)	(9,937)
Group tax relief		1,052	2,095
Net cash generated from operating activities		(7,841)	(7,718)
Interest received		11	30
Dividend received		89,431	66,096
Returns on investments		89,442	66,126
Acquisitions and disposals	6	(103,662)	(24,449)
Acquisitions and disposals		(103,662)	(24,449)
Equity dividends paid	9	(89,431)	(58,096)
Cash flow before financing		(111,492)	(24,137)
Repayment of debt	8	(141,144)	-
Issue of equity		244,806	24,449
Net cash flow from financing activities		103,662	24,449
Net (decrease)/ increase in cash		(7,830)	312

TULLETT PREBON GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. Accounting policies

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

a. General information and basis of accounting

Tullett Prebon Group Holdings plc is a company incorporated in the United Kingdom under the Companies Act. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 and 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ('FRS 102') issued by the Financial Reporting Council.

The functional currency of Tullett Prebon Group Holdings plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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

b. Going concern

The Directors, having regard to the Company's financial position and the resources available to it from the Company's direct and indirect subsidiary undertakings, consider that sufficient financial resources are available to the Company to enable it to satisfy its liabilities as they fall due for at least a year from the date of approval of these financial statements.

After consideration of the Company's business review and the risks and uncertainties as set out in the Strategic Report, and having considered the Company's forecasts including the Company's liquidity and capital, 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.

c. Group accounts

Tullett Prebon Group Holdings plc is exempt from the obligation to prepare and deliver group accounts under s400 of the Companies Act 2006. It is a wholly owned subsidiary of TP ICAP plc, a company registered in England and Wales.

d. Related party transactions

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

e. Dividend policy

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

f. Fixed asset investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment.

TULLETT PREBON GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1. Accounting policies (continued)

g. Financial instruments

The Company has elected to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU). Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

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

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

(i) Other financial liabilities and financial assets

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method with interest expense recognised on a 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 initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Impairment is recognised in the income statement.

h. Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax liabilities or assets are calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

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

i. Foreign currency

Transactions in foreign currencies are converted at exchange rates ruling at the transaction dates.

Monetary assets and liabilities, denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are taken to the profit and loss account.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date. Exchange differences arising are recorded in the statement of total recognised gains and losses and transferred to the Company's profit and loss account in equity.

TULLETT PREBON GROUP HOLDINGS PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

2. Finance income

	2016 £000	2015 £000
Interest receivable and similar income	11	29
	<u>11</u>	<u>29</u>

3. Finance costs

	2016 £000	2015 £000
Interest payable and similar cost	5,063	9,936
Amortisation of debt issue costs	206	361
	<u>5,269</u>	<u>10,297</u>

4. Profit on ordinary activities before taxation

A portion of the Company's expenditure, including auditor's remuneration of £5,570 (2015: £19,000) for the audit of the Company's statutory accounts, is borne by Tullett Prebon Group Limited.

The Company had no employees during the year (2015: nil).

The directors did not receive any remuneration for their services to the Company (2015: £nil).

5. Tax credit on profit on ordinary activities

The tax credit comprises:

	2016 £000	2015 £000
Current tax on profit on ordinary activities		
UK corporation tax credit on profit for the year	1,052	2,095
Total tax on profit on ordinary activities	<u>1,052</u>	<u>2,095</u>

Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is less than the standard rate of corporation tax in the UK of 20.00% (2015: 20.25 %).

TULLETT PREBON GROUP HOLDINGS PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

5. Tax on profit on ordinary activities (continued)

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £000	2015 £000
Profit on ordinary activities before tax	<u>84,170</u>	<u>55,749</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	(16,834)	(11,289)
Effects of:		
- Non-taxable UK dividends	<u>17,886</u>	<u>13,384</u>
Total tax credit for period	<u>1,052</u>	<u>2,095</u>

6. Investments in group undertakings

	Subsidiary undertakings £000
Cost:	
At 1 January 2016	907,509
Additions	103,662
At 31 December 2016	<u>1,011,171</u>
Amounts provided:	
At 1 January 2016 and 31 December 2016	-
Net book value:	
At 31 December 2016	<u>1,011,171</u>
Net book value:	
At 31 December 2015	<u>907,509</u>

During the 2016 the Company increased its shareholding in TP Holdings Limited by £103,662,000 (2015: £24,449,000).

At 31 December 2016, the Company's investment was in the issued share capital of the following company:

<i>Company</i>	<i>Business</i>	<i>Country of incorporation</i>	<i>% held</i>
TP Holdings Limited	Holding company	England & Wales	100%

TULLETT PREBON GROUP HOLDINGS PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

7. Debtors: due within one year

	2016	2015
	£000	£000
Amounts owed by Group undertakings	1,052	2,096
Other debtors	-	3
	<u>1,052</u>	<u>2,099</u>

8. Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Trade payables	9	4,882
Sterling Notes July 2016	-	140,939
	<u>9</u>	<u>145,821</u>

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

At 31 December 2016 their fair value was £nil (2015: 140,938,962) as the 7.04% Sterling Notes matured in July 2016.

On 6 July 2016 the Company issued one ordinary share to its immediate parent TP ICAP plc for cash consideration of £141,144,000 to enable it to repay its Sterling Notes.

9. Dividends on equity shares

	2016	2015
	£000	£000
Amounts recognised as distributions to equity holders in the period:		
Interim dividends for the year ended 31 December	<u>89,431</u>	<u>58,096</u>
	<u>89,431</u>	<u>58,096</u>

The directors do not propose a final dividend for 2016 (2015: £nil).

TULLETT PREBON GROUP HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

10. Called-up share capital and reserves

	2016 No.	2015 No.
Authorised		
Ordinary shares of 25p	284,699,447	284,699,447
Deferred shares of 25p	1	1
	<u> </u>	<u> </u>
	2016 No.	2015 No.
Allotted, called-up and fully-paid		
Ordinary shares of 25p	124,780,559	124,780,554
Deferred shares of 25p	1	1
	<u> </u>	<u> </u>
	2016 £000	2015 £000
Allotted, called-up and fully-paid		
Ordinary shares of 25p	31,195	31,195
	<u> </u>	<u> </u>

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 Article 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 it is entitled after the payment to holders of all other shares to a repayment of the £0.25 capital paid on the deferred share.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

On 3 February 2016 the Company issued one ordinary share to its immediate parent TP ICAP plc for cash consideration of £12,500,000. On 16 March 2016 the Company issued one ordinary share to its immediate parent TP ICAP plc for cash consideration of £6,225,778. On 17 March 2016 the Company issued one ordinary share to its immediate parent TP ICAP plc for cash consideration of £83,819,000. On 21 June 2016 the Company issued one ordinary share to its immediate parent TP ICAP plc for cash consideration of £1,116,902. On 6 July 2016 the Company issued one ordinary share to its immediate parent TP ICAP plc for cash consideration of £141,144,000.

11. Controlling party

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

The parent undertaking of the smallest and the largest group which includes the Company for which group financial statements are prepared is TP ICAP plc.

Copies of TP ICAP plc financial statements are available from the registered office: Level 37, Tower 42, 25 Old Broad Street, London, EC2N 1HQ.

TULLETT PREBON GROUP HOLDINGS PLC

SUPPLEMENTARY INFORMATION

Direct and indirect subsidiaries and undertakings

At 31 December 2016, the following companies were the Company's subsidiary undertakings 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%
PVM Data Services GmbH	Austria	Broking	100%
Marshalls (Bahrain) WLL ¹	Bahrain	Broking	70%
Tullett Liberty (Bahrain) Company W.L.L.	Bahrain	Broking	85%
PVM Oil Associates Limited	Bermuda	Broking	100%
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 Investment Holdings Limited	England & Wales	Holding company	100%
Tullett Prebon Group 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%
PVM Oil Futures 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%
PVM Oil Associates Pte. Ltd	Singapore	Broking	100%
PVM Oil Futures Pte. Ltd	Singapore	Broking	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%
PVM Oil Associates Inc.	USA	Broking	100%
PVM Futures Inc.	USA	Broking	100%

TULLETT PREBON GROUP HOLDINGS PLC
SUPPLEMENTARY INFORMATION

Other subsidiary undertakings	Country of incorporation and operation	Principal activities	Issued ordinary shares, all voting
Fulton Prebon Holdings N.V.	Aruba	Dormant	100%
Prebon Technology Services (Canada) Limited	Canada	Dormant	100%
PVM Oil Associates 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%
Fulton Prebon Group Limited	England & Wales	In liquidation	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 Liberty (Number 2) Limited	England & Wales	In liquidation	100%
PVM Oil Consultants Limited	England & Wales	Dormant	100%
Tullett Prebon Latin America Holdings Limited	England & Wales	Holding company	100%
Tullett Liberty GmbH	Germany	In liquidation	100%
Tullett Securities GmbH Deutschland	Germany	In liquidation	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	Dormant	100%
Prebon Holdings BV	Operating in Netherlands	Dormant	100%
Tullett Liberty B.V.	Operating in Netherlands	Holding company	100%
Prebon (Singapore) Holdings Ltd	Operating in Singapore	Holding company	100%
M.W. Marshall Inc	USA	Dormant	100%
MOAB Oil, Inc.	USA	Dormant	100%
Prebon Financial Products Inc.	USA	Dormant	100%
PVM Energy LLC	USA	Dormant	100%

All the above subsidiary undertakings are owned indirectly, with the exception of TP Holdings Limited which is owned directly.

TULLETT PREBON GROUP HOLDINGS PLC
SUPPLEMENTARY INFORMATION

	Country of incorporation and operation	Principal activities	Issued ordinary shares, all voting
Associates and joint ventures			
Tullett Prebon SITICO (China) Limited	China	Broking	33%
Prebon Yamane (India) Limited	India	Broking	48%
Wall Street Tullett Prebon Limited	Thailand	Broking	49%
Energy Curves LLC	USA	Broking	25%
PVM Smart Learning Limited	England & Wales	Training	50%
Tp Synrex Ltd	England & Wales	Broking	50%