

-Company Number 06694563

ICAP Holdings Limited

Annual Report and Financial Statements - 31 December 2020



ICAP Holdings Limited
Strategic report
31 December 2020

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Annual Report and the audited financial statements of ICAP Holdings Limited (the "Company") for the year ended 31 December 2020.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a private limited company, incorporated in England and Wales, and is a wholly owned subsidiary within the TP ICAP plc group (the "Group").

The principal activity of the Company is to act as a holding company within the Group. The Company earned dividends of £49,172,000 (2019: £7,394,000) and impaired its investments in subsidiaries by £6,842,000 (2019: £7,969,000). The directors consider that the year end financial position was satisfactory and do not anticipate any changes to the principal activities.

RESULTS

The results of the Company are set out in the Statement of profit and loss on page 10.

The Profit after tax for the financial year of £45,638,000 (2019: £12,159,000) has been transferred to Retained profits.

The Net assets of the Company are £943,000 (2019: £513,857,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks in the Company's day to day operations can be categorised as Market, Credit, Operational, Liquidity, Capital management, Strategic and business risk.

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

Capital management risk is the risk of failure to maintain adequate levels of capital. The Company closely monitors regulatory developments in the market and is actively involved in the consultation and rule-setting process so as to ensure an informed debate on all regulatory issues potentially affecting IDB markets, both on an individual firm basis and through trade associations. The board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources.

Strategic and business risk is the risk that the Company's ability to do business might be damaged through its failure to adapt to changing market dynamics and customer requirements .

Management have the day-to-day responsibility for ensuring that the Company operates in accordance with the Enterprise Risk Management Framework. The Group has approved policies and procedures to manage key risks. Further details of the Enterprise Risk Management Framework are outlined in the Group's Annual Report, which does not form part of this report.

During 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. As at the date of this report, the outbreak of a novel COVID-19 virus continues to be a challenge for governments around the world, including the United Kingdom. Restrictions regarding the movement of people has generated widespread disruption, which has impacted the global financial markets. In response, the Group, including the Company, has activated its Business Continuity Planning strategies, which include the introduction of measures to allow a significant proportion of our employees to work remotely, to safeguard their wellbeing and to continue Company operations and support of our clients. The full extent of how these conditions will impact the Company is not yet known as there is uncertainty around the duration and severity. Therefore, while we expect this matter to impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. The Company has a positive net asset value and cash reserves available to help preserve its financial flexibility.

SECTION 172(1) STATEMENT

The directors provide this statement describing how they have had regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing their duty to promote the success of the Company. Further details on key actions in this regard are also contained in the Group Corporate Governance Report. This statement also provides details of how the directors have engaged with and had regard to the interests of our key stakeholders.

Our stakeholders

The Group believes that engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2020 we maintained its focus on engagement with stakeholders as well as increasing our attention on Environment, social and governance ("ESG") matters. During the year the Company strengthened its risk and governance framework with the adoption of a UK Regulated Entity Governance Framework which forms part of the Group's Governance Framework. The structure and form of Company and Committee papers have been reviewed and, as a result, changes were implemented to ensure that Section 172(1) considerations are considered in Board discussion and decision making.

- **Group Shareholders**

The Group Board believes that engagement with our shareholders is of key importance to the business. During the year, the Board considered whether to pay dividends to its shareholder, taking into account the impact of such distributions on the long-term prospects of the business. Further information on the tailored engagement approach which is adopted towards the Group's shareholders is carried out at Group level, details of which are included in the Group's Annual Report which does not form part of this report.

Environment and Community

The directors are aware of society's increasing focus on ESG and is committed to striving to operate in a sustainable and responsible way whilst delivering value for our stakeholders. Further details of the Group's key community initiatives and reporting on greenhouse gas emissions can be found in the Strategic report and Directors' report within the Group's Annual Report which does not form part of this report.

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets, is 4,839.7% (2019: 2.4%).

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

This report has been approved by the board of directors and signed by order of the board.



A Chen
Director

29 September 2021

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITIES

The Company's principal activity is to act as a holding company within the Group. The directors are currently reviewing the role of the Company within the Group. As a result, the holdings of the Company were transferred to a fellow subsidiary of the Group subsequent to the year end.

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Details of business review and future developments can be found in the Strategic Report on page 1.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties can be found in the Strategic Report on page 2.

GOING CONCERN

In comparison to the prior period financial statements, the role of this Company within the TPICAP Group has been revised and it is no longer the intention of the directors to transfer the holdings to a fellow subsidiary. Having considered the Company's forecasts including the liquidity and capital, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. Accordingly, the going concern basis has been used in preparing these financial statements. Further detail regarding the adoption of the going concern basis, which includes consideration of the potential impact of COVID-19, is detailed in Note 1, General information and principal accounting policies.

DIVIDENDS

During the year ended 31 December 2020 the directors declared and paid dividends on the ordinary shares of £558,552,000 (2019: £4,630,000).

DIRECTORS

The following persons were directors of the Company during the financial year and up to the date of this report, unless otherwise stated:

R Cordeschi
A Chen

DIRECTOR'S INDEMNITIES

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

SECTION 172(1) STATEMENT

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

ENVIRONMENTAL POLICY

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

Responsibility for environmental matters rests with the Board, and is included in its terms of reference. The Chief Executive Officer is the Board member responsible for corporate social responsibility across the Group. These policies and practices are outlined in TP ICAP plc's (now known as TP ICAP Limited) Annual Report, which does not form part of this report.

POLITICAL CONTRIBUTIONS

There were no political contributions made by the Company during the year (2019: £Nil).

ICAP Holdings Limited
Directors' report
31 December 2020

POST BALANCE SHEET EVENTS

In February 2021, the shareholders of TP ICAP plc approved the re-domiciliation of the Group from the UK to Jersey by means of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("the Scheme").

The Scheme became effective on 26 February 2021 and, as a result, TP ICAP Group plc became the new ultimate parent and controlling party of the Group.

Shortly after the Scheme became effective, the former ultimate parent and controlling party of the Group, TP ICAP plc, changed its status to that of a private company and was renamed TP ICAP Limited.

On 26 March 2021, ICAP Global Broking Holdings Limited repaid an on demand loan amount of £1,816,820 to the Company.

On 26 March 2021, the Company repaid an on demand loan amount of £7,034,438 to ICAP Holdings (Latin America) Limited.

On 7 May 2021, the Company's registered office changed to 135 Bishopsgate, London, EC2M 3TP.

There have been no other post balance sheet events from 31 December 2020 up to the date of signing which require separate disclosure.

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

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

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

This report is authorised for issue by the board of directors.

Approved by the board and signed on its behalf by:



A Chen
Director

29 September 2021

Company No: 06694563

ICAP Holdings Limited
Directors' responsibilities statement
31 December 2020

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 FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 FRS 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors 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 may differ from legislation in other jurisdictions.

ICAP Holdings Limited
Independent auditor's report to the members of ICAP Holdings Limited
31 December 2020

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ICAP Holdings Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

ICAP Holdings Limited
Independent auditor's report to the members of ICAP Holdings Limited
31 December 2020

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

ICAP Holdings Limited
Independent auditor's report to the members of ICAP Holdings Limited
31 December 2020

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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



Giles Lang (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 September 2021

ICAP Holdings Limited
Statement of profit or loss
For the year ended 31 December 2020

	Note	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Administrative income	3	384	1,553
Operating profit		384	1,553
Interest receivable and similar income	5	3,751	14,354
Interest payable and similar expenses	6	(142)	-
Dividends received	7	49,172	7,394
Impairment of investments	9,13	(6,842)	(7,969)
Profit before income tax		46,323	15,332
Income tax	8	(685)	(3,173)
Profit after income tax for the year		<u>45,638</u>	<u>12,159</u>

The profit after income tax for the current and prior year is derived solely from continuing operations.

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

The above Statement of profit or loss should be read in conjunction with the accompanying notes

ICAP Holdings Limited
Balance sheet
As at 31 December 2020

	Note	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Assets			
Non-current assets			
Investment in subsidiaries	9	633	-
Investment in associate	10	8,546	-
Total non-current assets		<u>9,179</u>	<u>-</u>
Current assets			
Debtors	11	4,631	195,928
Cash and cash equivalents	12	807	1
		<u>5,438</u>	<u>195,929</u>
Investment in subsidiaries and associate	13	-	323,949
Total current assets		<u>5,438</u>	<u>519,878</u>
Total assets		<u>14,617</u>	<u>519,878</u>
Liabilities			
Current liabilities			
Creditors	14	12,089	5,111
Tax payable	8	1,585	910
Total current liabilities		<u>13,674</u>	<u>6,021</u>
Total liabilities		<u>13,674</u>	<u>6,021</u>
Net assets		<u>943</u>	<u>513,857</u>
Equity			
Issued capital	15	-	-
Retained profits		<u>943</u>	<u>513,857</u>
Total equity		<u>943</u>	<u>513,857</u>

The financial statements on pages 10 to 22 were approved and authorised for issue by the board of directors on 29 September 2021 and were signed on its behalf by:



A Chen
Director

29 September 2021

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

ICAP Holdings Limited
Statement of changes in equity
For the year ended 31 December 2020

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2019	10,000	454,835	1,000	40,493	506,328
Profit after income tax for the year	-	-	-	12,159	12,159
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	12,159	12,159
Issued shares (Note 15)	1,000	-	(1,000)	-	-
Shares cancelled during the year (Notes 15 and 16)	(11,000)	(454,835)	-	465,835	-
Dividends paid (Note 17)	-	-	-	(4,630)	(4,630)
Balance at 31 December 2019	-	-	-	513,857	513,857
	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2020	-	-	-	513,857	513,857
Profit after income tax for the year	-	-	-	45,638	45,638
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	45,638	45,638
Dividends paid (Note 17)	-	-	-	(558,552)	(558,552)
Balance at 31 December 2020	-	-	-	943	943

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

Note 1. General information and principal accounting policies

General information

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

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

Going concern

In comparison to the prior period financial statements, the role of this Company within the TPICAP Group has been revised and it is no longer the intention of the directors to transfer the holdings to a fellow subsidiary. After consideration of the Company's business review and the risks and uncertainties; including the risks related to Brexit and the uncertainties related to the current Covid-19 pandemic as set out in the Strategic Report, and having considered the Company's forecasts including the liquidity and capital, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. Accordingly, the going concern basis continues to be used in preparing these financial statements.

Basis of preparation

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

The Company has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by the ultimate parent company TP ICAP plc (now known as TP ICAP Limited).

The Company's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey). As at the year end, the Company's ultimate parent and controlling party was TP ICAP plc (now known as TP ICAP Limited) (incorporated in the United Kingdom) whose consolidated financial statements are available from Companies House.

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

Historic cost convention

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

Interest receivable and similar income

Interest revenue is recognised as interest and accrues using the applicable effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends received

Dividend income is recognised upon declaration or when it becomes receivable.

Tax

Tax on the profit for the financial year comprises both current and deferred tax as well as any adjustment in respect of prior years. Tax is charged or credited to the Statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also recorded within equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

Calculations of current and deferred tax liability are based on ongoing discussions with the relevant tax authorities, management's assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax amounts in the year in which a reassessment of the liability is made.

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

Deferred tax

Deferred tax is recognised using the liability method, in respect of all temporary differences between the carrying value of assets and liabilities for reporting purposes and the tax bases of the assets and liabilities. Deferred tax is calculated at the rate of tax expected to apply when the liability is settled or the asset is realised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Dividend paid

Dividends are recognised as deductions from retained profits in the year in which they are paid.

Foreign currencies

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

Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, demand deposits and other short-term highly liquid investments which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash within less than three months.

Debtors

Debtors are recognised at amortised cost less expected credit loss provision. All provisions are recorded within Administrative expenses in the Statement of profit or loss.

Investment in subsidiaries

Investments comprise equity shareholdings. These investments are recorded at historic cost less provision for any impairment in their values. A subsidiary is an entity over which the Company has control. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Investment in associates

Investments comprise equity shareholdings. These investments are recorded at historical cost less provision for any impairment in their values. An associate is an entity in which the Company has an interest and, in the opinion of the directors, can exercise significant influence, but not control, over its operating and financial policies. An interest exists where an investment is held on a long-term basis for the purpose of securing a contribution to the Company's activities. Significant influence will generally exist where the Company holds more than 20% and less than 50% of the shareholders' voting rights.

Impairment of subsidiaries and associates

An impairment review is undertaken at each balance sheet date or when events or changes in circumstances indicate that an impairment loss may have occurred. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For non-financial assets, Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Financial instruments

The Company has applied IFRS 9 in valuing its financial instruments. The Company had no hedging relationships as at this date or during the current reporting period. Classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset. There exist three principal classification categories for financial assets that are debt instruments:

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

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

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

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

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

Impairment of financial assets

IFRS 9 applies the Expected Credit Loss ("ECL") model to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of Trade and other debtors, Cash and cash equivalents and other Intercompany debtors. ECL of Trade and other debtors and Cash and cash equivalents is calculated using simplified method (lifetime ECL) while Intercompany debtors adopt the general approach (12 month ECL).

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: that result from expected default events within 12 months of the reporting date; and
- lifetime ECLs: that result from all default events anticipated during the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs. The only exception is Cash and cash equivalents and Intercompany positions for which credit risk has not increased significantly since initial recognition, which is measured as 12-month ECLs. The Company has elected to measure loss allowances for Debtors at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Measurement of Expected Credit Loss ("ECL")

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

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

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

Credit-impaired financial assets

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

Intercompany current accounts

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

Intercompany loan

Intercompany loans are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Issued capital

Ordinary shares are classified as equity.

New and revised IFRS in issue and mandatorily effective during the year

Management have reviewed the new and revised IFRS in issue and mandatorily effective during the year. These standards have not had a material impact on the financial statements of the Company in the period of initial application.

New and revised IFRS in issue but not yet effective

Management have reviewed the new and revised IFRS in issue but not yet effective and anticipates these standards will have no material impact on the financial statements of the Company in the period of initial application.

Note 2. Key accounting judgements and sources of estimation uncertainty

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

As at 31 December 2020 the only such estimates are related to the impairment review of investment in subsidiaries in (Note 9) and impairment in associate (Note 10). When considering the investments value in use, net asset values as well as cashflow projections which extend forward to a terminal value and take account of the approved budget for the coming year have been used. The Company applies a suitable discount factor to the future cash flows based on its weighted average cost of capital at 12.8% (2019: 11.4%), applying rates consistent to all Group related companies. Growth rates are conservatively applied and do not exceed the expected growth in the local economy after the fifth year (Notes 9 and 10).

Note 3. Administrative income

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Movement in expected credit loss provision	(384)	(1,553)

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

Fees payable for the audit of the financial statements were £10,286 (2019: £9,797).

Note 4. Directors remuneration

No fees were paid to the directors in respect of services to the Company during the year (2019: £Nil).

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

Note 5. Interest receivable and similar income

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Group related company loan	3,751	14,354

Note 6. Interest payable and similar expenses

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Group related loan	142	-

Note 7. Dividends received

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Dividend income from Subsidiaries	48,364	5,898
Dividend income from Associate	808	1,496
	49,172	7,394

Note 8. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Current tax		
UK Corporation tax – current year	686	2,727
Adjustment in respect of prior years – deferred tax	-	435
Adjustments in respect of prior years - current tax	(1)	11
Aggregate income tax	685	3,173
Numerical reconciliation of income tax and tax at the statutory rate		
Profit before income tax	46,323	15,332
Tax at the statutory tax rate of 19%	8,801	2,913
Expenses not deductible for tax purposes	1,228	1,219
Non taxable dividends	(9,343)	(1,405)
Adjustment in respect of prior years - current tax	(1)	11
Adjustment in respect of prior years - deferred tax	-	435
Income tax	685	3,173
Effective tax rate	1.5%	20.7%

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

Note 8. Income tax (continued)

In the UK, legislation to reduce the corporation tax rate from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020 was previously enacted. The government subsequently announced that the reduction to 17% would not go ahead, which was enacted accordingly. As at 31 December 2020, UK deferred tax was therefore expected to unwind at a rate of 19%. On 3 March 2021, the UK Government announced a proposed increase in the rate of corporation tax from 19% to 25%, effective from 1 April 2023. The effect of the proposed increase to 25% is not expected to have a material impact on the deferred tax position of the company.

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Provision for income tax	1,585	910

Note 9. Non-current assets - Investment in subsidiaries

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
As at beginning of the year	-	5,690
Transfer from / (to) current assets	315,403	(5,690)
Disposals	(307,928)	-
Impairment	(6,842)	-
As at end of the year	633	-

During the year ended 31 December 2020, Investment in subsidiaries have been classified from Current assets to Non-current assets following a decision to prepare the financial statements on a Going Concern basis. The role of this Company within the TPICAP Group has been revised and it is no longer the intention of the directors to transfer the holdings to a fellow subsidiary.

During the year ended 31 December 2020, the Company disposed its investment in ICAP Holdings (Latin America) Limited by £306,927,000, ICAP Management Services Hong Kong Limited by £1,001,000 and Exco Nominees Limited by £0.1k.

During the year ended 31 December 2020, the Company impaired its investment in ICAP Holdings (Latin America) Limited by £6,836,000 and Harlow (London) Limited by £6,000 on account of reduced value of future earnings.

The directors believe that the carrying value of the investments is supported by their underlying net assets. The investments in subsidiary undertakings are stated at cost less impairment.

Determining whether the carrying value of investment in subsidiaries is impaired requires an estimation of the recoverable amount of each subsidiary. The recoverable amount is the higher of value in use ('VIU') or its Net realisable value ('NRV'). Value in use requires estimation of future cash flows expected to arise, the selection of suitable discount rates and the estimation of future growth rates. Future projections are based on the most recent projections considered by the Board which are used to project future pre-tax cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for each subsidiary. Net tangible assets is used as a proxy for NRV.

As at 31 December 2020, effective growth rate varied by location but amounted to a weighted rate of 0.00% per annum over a five year projected period, with effective weighted pre tax discount rate of 12.75%. During the year the carrying value of investments has been impaired by £6,842,000 (2019: £7,969,000). No further impairment would be required if there are changes to applicable assumptions. A 0.5% increase in the discount rate and a reduction of 20% in the effective growth rates used would increase the impairment charge by £Nil.

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

Note 9. Non-current assets - Investment in subsidiaries (continued)

As 31 December 2020, the Company held a principal investment in the following company:

Name	Registered Address	Country of incorporation	Percentage held of ordinary share capital
Harlow (London) Limited	135 Bishopsgate, London, EC2M 3TP, England	England & Wales	100%
ICAP Holdings (EMEA) Limited	135 Bishopsgate, London, EC2M 3TP, England	England & Wales	100%
ICAP Management Services Limited	135 Bishopsgate, London, EC2M 3TP, England	England & Wales	100%

Full details of the Company's undertakings are disclosed on page 23.

Note 10. Non-current assets - Investment in associate

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
As at beginning of the year	-	8,546
Transfer from / (to) current assets	8,546	(8,546)
As at end of the year	8,546	-

During the year ended 31 December 2020, Investment in associate has been classified from Current assets to Non-current assets following a decision to prepare the financial statements on a Going Concern basis. The role of this Company within the TPICAP Group has been revised and it is no longer the intention of the directors to transfer the holdings to a fellow subsidiary.

During the year ended 31 December 2019, Investment in associate has been classified from Non-current assets to Current assets in the current year, following a decision to prepare the financial statements on a basis other than Going Concern.

Note 11. Current assets - Debtors

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Loans owed by Group related companies	1,774	193,033
Amounts owed by Group related companies	3,457	3,880
Expected credit loss	(600)	(985)
	4,631	195,928

Loans owed by Group related company are unsecured, repayable on demand and interest is charged at 3.5% above LIBOR. Amounts owed by Group related companies are unsecured, non-interest bearing and repayable on demand.

Note 12. Current assets - Cash and cash equivalents

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Cash at bank and in hand	807	1

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

Note 13. Current assets - Investment in subsidiaries and associate

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Investment in subsidiaries	-	315,403
Investment in associate	-	8,546
	<u>-</u>	<u>323,949</u>
	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Investment in subsidiaries		
As at beginning of the year	315,403	-
Transfer (to) / from non-current assets	(315,403)	5,690
Additions	-	317,682
Impairment	-	(7,969)
	<u>-</u>	<u>315,403</u>
As at end of the year	<u>-</u>	<u>315,403</u>
	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Investment in associate		
As at beginning of the year	8,546	-
Transfer (to) / from non-current assets	(8,546)	8,546
	<u>-</u>	<u>8,546</u>
As at end of the year	<u>-</u>	<u>8,546</u>

During the year ended 31 December 2020, Investment in subsidiaries and Investment in associate have been classified from Current assets to Non-current assets in the current year, following a decision to prepare the financial statements on a Going Concern basis. The role of this Company within the TPICAP Group has been revised and it is no longer the intention of the directors to transfer the holdings to a fellow subsidiary.

During the year ended 31 December 2019, Investment in subsidiaries and Investment in associate have been classified from Non-current assets to Current assets in the current year, following a decision to prepare the financial statements on a basis other than Going Concern.

During the year ended 31 December 2019, the Company increased its investment in ICAP Holdings (Latin America) Limited by £317,682,000.

During the year ended 31 December 2019, the Company impaired its investment in ICAP Holdings (Latin America) Limited by £4,315,000 and Harlow (London) Limited by £3,654,000. The impairments were made, following the receipt of dividends from these subsidiaries such that the net assets of the subsidiaries decreased below the book value held by it in the Company.

Note 14. Current liabilities - Creditors

	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Amounts owed to Group related companies	5,253	5,111
Loans owed to Group related companies	6,836	-
	<u>12,089</u>	<u>5,111</u>

Loan owed to Group related company is unsecured, repayable on demand and interest is charged at 3.5% above LIBOR. Amounts owed to Group related companies are unsecured, non-interest bearing and repayable on demand.

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

Note 15. Equity - Issued capital

	As at 31 Dec 2020 Shares	As at 31 Dec 2019 Shares	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Allotted, issued and fully-paid ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2019, the Company issued one million shares at par to ICAP Global Broking Holdings Limited.

During the year ended 31 December 2019, the Company reduced its shares (by way of a solvency statement) from 11,000,001 shares of £1 each to 1 share (of £1) by cancelling 11,000,000 shares with a value of £11,000,000 and reduced its share premium by £454,835,000.

Note 16. Equity - Share premium

The share premium includes the value of the proceeds above nominal on issue of the Company's share capital, comprising £1 ordinary shares. During the year ended 31 December 2019, shares were cancelled thereby decreasing share premium by £454,835,000. The surplus was transferred to Retained profits.

Note 17. Equity - Dividends

Dividends paid during the current year were as follows:

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Dividend paid of £558,552,000 per ordinary share (2019: £4,630,000 per ordinary share)	<u>558,552</u>	<u>4,630</u>

Note 18. Guarantees and contingent liabilities

There are no individual matters, which are considered to pose a significant risk of material adverse financial impact on the Company's results or net assets.

Note 19. Events after the reporting period

In February 2021, the shareholders of TP ICAP plc approved the re-domiciliation of the Group from the UK to Jersey by means of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("the Scheme").

The Scheme became effective on 26 February 2021 and, as a result, TP ICAP Group plc became the new ultimate parent and controlling party of the Group.

Shortly after the Scheme became effective, the former ultimate parent and controlling party of the Group, TP ICAP plc, changed its status to that of a private company and was renamed TP ICAP Limited.

On 26 March 2021, ICAP Global Broking Holdings Limited repaid an on demand loan amount of £1,816,820 to the Company.

On 26 March 2021, the Company repaid an on demand loan amount of £7,034,438 to ICAP Holdings (Latin America) Limited.

On 7 May 2021, the Company's registered office changed to 135 Bishopsgate, London, EC2M 3TP.

There have been no other post balance sheet events from 31 December 2020 up to the date of signing which require separate disclosure.

ICAP Holdings Limited
Notes to the financial statements
31 December 2020

Note 20. Immediate and ultimate parent company

At the beginning of the current year, the Company's immediate parent was ICAP Global Broking Holdings Limited. During the current year, the Company's shareholding was transferred to Tullett Prebon Investment Holdings Limited. At the end of the current year, the Company's immediate parent was Tullett Prebon Investment Holdings Limited, which does not prepare consolidated financial statements.

At the year end, the Company's ultimate parent and controlling party was TP ICAP plc (now known as TP ICAP Limited), which is incorporated in the United Kingdom, and headed the largest and smallest group of companies of which the Company is a member. TP ICAP plc prepared consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: 135 Bishopsgate, London, EC2M 3TP.

After the year end and as a result of the Scheme, the Company's ultimate parent and controlling party became TP ICAP Group plc, which is incorporated in Jersey, and now heads the largest and smallest group of companies of which the Company is a member. TP ICAP Group plc will prepare consolidated financial statements in accordance with IFRS. Copies of TP ICAP Group plc financial statements will be available from the registered office: 22 Grenville Street, St Helier, Jersey JE4 8PX.

ICAP Holdings Limited
Company undertakings
31 December 2020

Direct and indirect subsidiaries, associates and joint ventures

At 31 December 2020, the following companies were the Company's subsidiary undertakings, associates and joint ventures.

Subsidiary undertakings

Name	Country of incorporation and operation	Issued ordinary shares Directly Held	Registered office address
Harlow (London) Limited	England & Wales	100%	135 Bishopsgate, London EC2M 3TP
ICAP Holdings (EMEA) Limited	England & Wales	100%	135 Bishopsgate, London EC2M 3TP
ICAP Management Services Limited	England & Wales	100%	135 Bishopsgate, London EC2M 3TP

Associates and joint ventures

Name	Country of incorporation and operation	Issued ordinary shares Directly Held	Registered office address
Corretaje e Información Monetaria y de Divisas, S.A.	Spain	21.47%	Torre Picasso, Pza Pablo Ruiz Picasso, s/n-Plantas 22 y 23, Madrid, Spain
Patshare Limited	England & Wales	50%	135 Bishopsgate, London EC2M 3TP
Automated Confirmation Services Limited	England & Wales	30.30%	ISIS Building, Marsh Wall, London, E14 9SG, England