

Fee - See Letter

In accordance with
Regulation 32 of the
Overseas Companies
Regulations 2009.

OS AA01

Statement of details of parent law and other information for an overseas company



Companies House

✓ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form for
an alteration of manner
with accounting requirements.

FRIDAY



A07 30/07/2021 #142
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ① P.V.M. Oil Associates Limited

UK establishment number B R 0 1 0 9 8 4

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ② Bermuda

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

Name of organisation
or body ③ FRS

③ Please insert the name of the
appropriate accounting organisation
or body.

A3 Accounts

Accounts Have the accounts been audited? Please tick the appropriate box.

☐ No. Go to Section A5.

☒ Yes. Go to Section A4.

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Statement of details of parent law and other information for an overseas company

A4

Audited accounts

Audited accounts	<p>Have the accounts been audited in accordance with a set of generally accepted auditing standards?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No. Go to Part 3 'Signature'.</p> <p><input checked="" type="checkbox"/> Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.</p>	<p>① Please insert the name of the appropriate accounting organisation or body.</p>
Name of organisation or body ①	International Standards on Auditing (UK)	


A5

Unaudited accounts

Unaudited accounts	<p>Is the company required to have its accounts audited?</p> <p>Please tick the appropriate box.</p> <p><input type="checkbox"/> No.</p> <p><input type="checkbox"/> Yes.</p>
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Part 3

Signature

	<p>I am signing this form on behalf of the overseas company.</p>	
Signature	<p>Signature</p> <p>X  X</p>	
	<p>This form may be signed by: Director, Secretary, Permanent representative.</p>	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Company Secretarial
Company name	TP ICAP Group plc
Address	135 Bishopsgate
Post town	London
County/Region	
Postcode	E C 2 M 3 T P
Country	
DX	
Telephone	



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Company Number FC010229

P.V.M. Oil Associates Limited

Annual Report and Financial Statements - 31 December 2020

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Annual Report and the audited financial statements of P.V.M. Oil Associates Limited (the "Company") for the year ended 31 December 2020.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a private limited company, incorporated in Bermuda with a branch based in the United Kingdom, authorised and regulated by the Financial Conduct Authority ("FCA") and the National Futures Association ("NFA"). The Company is a wholly owned subsidiary within the TP ICAP Group plc group (the "Group").

The directors consider that the year end financial position was satisfactory and are currently reviewing the role of the Company within the Group. As a result, it is expected that the operational activities of the Company will be transferred to a fellow subsidiary of the Group within the foreseeable future following the approval of these financial statements, allowing the Group to consolidate certain trading and broking activities. On that basis, the financial statements have been prepared on a basis other than going concern.

The Company's principal activities include over-the-counter ("OTC") broking of swaps, forwards and physical crude oil and refined products, together with exchange broking of contracts.

The following comments are made on the main product areas within the business:

- The Company delivered a good performance in 2020. Revenue was down 4% to \$109m, against a particularly strong prior year performance.
- The energy and commodities markets experienced high volatility at the beginning of the year as markets adjusted to the pandemic, with clients having to adjust their trading positions to better reflect the new supply and demand levels. The middle of the year saw reduced market activity as many people worked from home and clients adopted a lower risk profile. The remainder of the year saw a return to more normalised market activity.
- Front office costs decreased as a result of reduced compensation costs in line with decreased revenue. Further savings were made in reduced travel and entertaining costs.

The Company will continue to concentrate its efforts on achieving maximum growth in its existing market and will continue to explore potential opportunities to enter new markets expanding its product offering.

RESULTS

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

The Profit after income tax for the financial year of \$18,245,000 (2019: \$20,128,000) has been transferred to Retained profits.

The Net assets of the Company are \$29,077,000 (2019: \$28,332,000).

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.

Market risk is the vulnerability of the Company to movements in foreign exchange and interest rates. These risks are further discussed in Note 3, Financial risk management.

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.

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.

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 ongoing operations or any reasonable unanticipated events on cost effective terms. Cash and cash equivalent balances are held with the principal objective of capital security and availability and with a secondary objective of generating return. Funding requirements and Cash and cash equivalent exposures are monitored by Group Finance and Operations.

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.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. TP ICAP's UK-based authorised subsidiaries continue to service clients based in certain EU 27 member states where possible under available temporary permission regimes, existing third country access rights, or as otherwise permitted by applicable laws and regulations. In those EU 27 member states where TP ICAP's existing operating model does not allow it to service clients under available temporary permission regimes, existing third country access rights, or applicable laws and regulations, TP ICAP is adjusting its operating model to ensure that it services clients in those jurisdictions in accordance with such temporary permission regimes, existing third country access rights, or applicable laws and regulations. Such adjustments include, amongst other things, obtaining additional third country permissions for its UK authorised firms and servicing clients from its EU establishments once a sufficient number of brokers have been relocated from the UK.

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.

STATEMENT OF GOVERNANCE

The directors provide this statement describing how they have had regard to the matters 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 Company believes that engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2020, we maintained our 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 format of Company and Committee papers have been reviewed and, as a result, changes were implemented to ensure that the following stakeholders are considered in Board discussion and decision making.

- **Shareholders**
The directors believe that engagement with our shareholders is of key importance to the business. During the year, the directors considered, approved and paid dividends as appropriate to its shareholders, having considered the impact of a distribution 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.
- **Employees**
Employees are central to the long-term success of the Company, and, as such the directors consider their interests in its decision-making. During the year, engagement with employees was enhanced by the introduction of a Group Board Non-executive Director Engagement programme with employees. Following the inaugural meetings, the Chief Executive Officer for the EMEA region held a townhall session to provide feedback and discuss with employees the areas they wanted to prioritise and progress. The Group's core values of honesty, integrity, respect and excellence are integral to the long-term success of the business and the directors are committed to promoting a culture which embodies the highest possible standards. The "town hall" meeting was therefore an opportunity to reinforce the importance of conduct and culture to employees and underline the expectations of the business. The directors received feedback from the Chief Executive Officer, EMEA region on the outcomes of the engagement and "town hall" meeting. In the coming year the directors will continue to ensure that it has a well-developed structure through which it engages with its employees. Plans for 2021 include extending the reach of the employee sessions to other locations to ensure that the widest possible employee views are captured. Further details of the Group-wide programme and other Group-wide employee engagement and the Group's culture and values are set out on in the Group Annual Report which does not form part of this report.
- **Clients**
The Group Board has regular contact with our principal clients and during the year meetings were held with clients to understand what actions they were taking in relation to Brexit. Further details of engagement with clients is provided in the Group Annual Report which does not form part of this report.
- **Regulators**
The directors recognise the importance of engaging with the FCA and other regulatory bodies to better understand and respond to their views. During the year the directors engaged with the FCA and the AMF, the French financial markets regulator, to discuss Brexit plans. The directors also received updates on engagement with the Regulators through Board reporting. The Group coordinates engagement with the Regulators in relation both to the Group and this entity and further details can be read in the Group's Annual Report which does not form part of this report.
- **Suppliers**
The directors recognise the importance of engagement with our key infrastructure suppliers to monitor performance and manage risk and receives updates on Payment Practices Reporting biannually. In 2021 the directors will receive regular updates on Payment Practices initiatives regarding suppliers which will further strengthen its oversight of and engagement with suppliers. Key supplier engagement is also carried out at Group level and is discussed in detail in the Group Annual Report which does not form part of this report.

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.

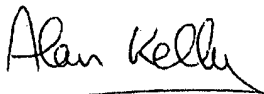
P.V.M. Oil Associates Limited
Strategic report
31 December 2020

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets, is 62.7% (2019: 71.4%). This is in line with management expectations.

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

31 March 2021

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

PRINCIPAL ACTIVITIES

The Company's principal activities include over-the-counter broking of swaps, forwards and physical crude oil and refined products, together with exchange broking of contracts. The Company is a wholly owned subsidiary within the Group. The Company is regulated by the FCA and the NFA. The Company expects to transfer its operational activities to a fellow subsidiary of TP ICAP Group plc within foreseeable future following the approval of these financial statements, after which event the Company will not be active in its principal activity and will cease to trade.

The Company is incorporated in Bermuda. The Company is a private company limited by shares. The registered office is Cedar House, 3rd Floor, 41 Cedar Avenue, Hamilton, HM12, Bermuda.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

GOING CONCERN

The directors intend to transfer the Company's operational activities to a fellow subsidiary of TP ICAP Group plc within twelve months from the date of signing, and the financial statements have therefore been prepared on a basis other than going concern. Preparation of the financial statements on an 'other than going concern' basis has had no material impact on the financial statements reported.

DIVIDENDS

During the year ended 31 December 2020 the directors declared and paid dividends on the ordinary shares of \$17,500,000 (2019: \$19,900,000). No further dividends have been proposed up to the date of signing.

DIRECTORS

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

S Andrews (Resigned on 6 November 2020)

A Kelly (Appointed on 17 April 2020)

L Mayhew (Appointed on 25 April 2020 and Resigned on 1 September 2020)

M Planquart (Appointed on 25 April 2020 and Resigned on 1 September 2020)

D McClumpha (Appointed on 1 September 2020)

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.

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 Annual Report, which does not form part of this report.

POLITICAL CONTRIBUTIONS

There were no political contributions made by the Company during the financial year (2019: \$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.

P.V.M. Oil Associates Limited
Directors' report
31 December 2020

EMPLOYEE CONSULTATION

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

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

POST BALANCE SHEET EVENTS

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.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. TP ICAP's UK-based authorised subsidiaries continue to service clients based in certain EU 27 member states where possible under available temporary permission regimes, existing third country access rights, or as otherwise permitted by applicable laws and regulations. In those EU 27 member states where TP ICAP's existing operating model does not allow it to service clients under available temporary permission regimes, existing third country access rights, or applicable laws and regulations, TP ICAP is adjusting its operating model to ensure that it services clients in those jurisdictions in accordance with such temporary permission regimes, existing third country access rights, or applicable laws and regulations. Such adjustments include, amongst other things, obtaining additional third country permissions for its UK authorised firms and servicing clients from its EU establishments once a sufficient number of brokers have been relocated from the UK.

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

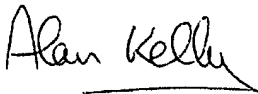
The Company's incumbent auditor, Deloitte LLP, have indicated their willingness to continue in office and, in the absence of an Annual General Meeting, are deemed reappointed in the next financial year.

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 report is authorised for issue by the board of directors.

Approved by the board and signed on its behalf by:



A Kelly
Director

31 March 2021

Company number: FC010229

P.V.M. Oil Associates Limited
Directors' responsibilities statement
31 December 2020

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with Bermudan law and regulations.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Bermuda Companies Act 1981. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

P.V.M. Oil Associates Limited

Independent auditor's report to the members of P.V.M. Oil Associates Limited

31 December 2020

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of P.V.M. Oil Associates 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 then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Bermuda Companies Act 1981.

We have audited the financial statements which comprise:

- The statement of profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in this regard.

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.

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.

P.V.M. Oil Associates Limited
Independent auditor's report to the members of P.V.M. Oil Associates Limited
31 December 2020

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 FRS 101 "Reduced Disclosure Framework", Bermuda Companies Act 1981, and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Financial Conduct Authority and National Futures Association regulations.

We discussed among the audit engagement team 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 and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 90(2) of the Bermuda Companies Act 1981. 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.

DELOITTE LLP

Deloitte LLP
London, United Kingdom
31 March 2021

P.V.M. Oil Associates 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
Revenue	4	109,164	113,629
Other operating (expenses) / income	7	(1,796)	1,161
Expenses			
Administrative expense	5	<u>(84,361)</u>	<u>(89,777)</u>
Operating profit		23,007	25,013
Interest receivable and similar income	8	64	216
Dividends received	9	1	-
Impairment of investment	13	<u>(1)</u>	<u>-</u>
Profit before income tax		23,071	25,229
Income tax	10	<u>(4,826)</u>	<u>(5,101)</u>
Profit after income tax for the year		<u>18,245</u>	<u>20,128</u>

The profit after income tax for the current and prior year is derived from operations that are expected to discontinue in the coming year.

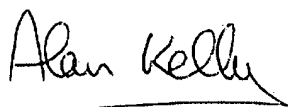
There were no items of other comprehensive income in the current or prior year other than the profit for the current or prior year and, accordingly, no Statement of other comprehensive income is presented.

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

P.V.M. Oil Associates Limited
Balance sheet
As at 31 December 2020

	Note	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Assets			
Current assets			
Investment in subsidiaries	13	-	1
Debtors	12	28,766	25,835
Cash and cash equivalents	11	23,676	28,332
		<u>52,442</u>	<u>54,168</u>
Deferred tax asset	10	192	204
Total current assets		<u>52,634</u>	<u>54,372</u>
Total assets		<u>52,634</u>	<u>54,372</u>
Liabilities			
Current liabilities			
Creditors	15	21,418	23,626
Tax payable	10	2,139	2,414
Total current liabilities		<u>23,557</u>	<u>26,040</u>
Total liabilities		<u>23,557</u>	<u>26,040</u>
Net assets		<u>29,077</u>	<u>28,332</u>
Equity			
Issued capital	16	13	13
Share premium	17	2,308	2,308
Paid in capital reserve	18	2,626	2,626
Retained profits		<u>24,130</u>	<u>23,385</u>
Total equity		<u>29,077</u>	<u>28,332</u>

The financial statements on pages 10 to 26 were approved and authorised for issue by the board of directors on 31 March 2021 and were signed on its behalf by:



A Kelly
Director

31 March 2021

P.V.M. Oil Associates Limited
Statement of changes in equity
For the year ended 31 December 2020

	Issued capital \$'000	Share premium \$'000	Paid in capital reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 January 2019	13	2,308	2,626	23,157	28,104
Profit after income tax for the year	-	-	-	20,128	20,128
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	20,128	20,128
Dividends paid (Note 19)	-	-	-	(19,900)	(19,900)
Balance at 31 December 2019	<u>13</u>	<u>2,308</u>	<u>2,626</u>	<u>23,385</u>	<u>28,332</u>
	Issued capital \$'000	Share premium \$'000	Paid in capital reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 January 2020	13	2,308	2,626	23,385	28,332
Profit after income tax for the year	-	-	-	18,245	18,245
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	18,245	18,245
Dividends paid (Note 19)	-	-	-	(17,500)	(17,500)
Balance at 31 December 2020	<u>13</u>	<u>2,308</u>	<u>2,626</u>	<u>24,130</u>	<u>29,077</u>

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

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 1. General information and principal accounting policies

General information

The Company is incorporated in Bermuda. The Company is a private company limited by shares. The registered office is Cedar House, 3rd Floor, 41 Cedar Avenue, Hamilton, HM12, Bermuda.

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

Going concern

The directors intend to transfer the Company's operational activities to a fellow subsidiary of TP ICAP Group plc within twelve months from the date of signing, and the financial statements have therefore been prepared on a basis other than going concern. Preparation of the financial statements on an 'other than going concern' basis has had no material impact on the financial statements reported.

Basis of preparation

The financial statements of the Company have been prepared in accordance with FRS 101 "Reduced Disclosure Framework" and the Bermuda Companies Act 1981. 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'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 (incorporated in the United Kingdom) whose consolidated financial statements are available from Companies House.

The financial statements are prepared in United States Dollars, which is the functional currency of the Company.

Historical cost convention

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

Revenue

Revenue comprises of:

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

The Company has applied IFRS 15, a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A contract-based revenue recognition model is used, with a measurement approach that is based on an allocation of the transaction price. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company, which is normally trade date, or at the time of the simultaneous commitment by the counterparties to sell and purchase the financial instrument. Revenue is stated net of VAT, rebates and discounts. Amounts receivable at the year end are reported in Note 12, Current assets - Debtors.

Pension costs

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

Interest receivable and similar income

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

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

Interest payable and similar expenses

Interest expenditure is recognised as interest and accrues using the applicable effective interest method. Finance costs directly attributable to Tangible assets are capitalised as part of the asset. This is a method of calculating the amortised cost of a financial liability and allocating the interest expense 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 liability to the net carrying amount of the financial liability. All other finance costs are expensed in the period in which they are incurred.

Dividend 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.

Deferred tax

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

Dividends paid

Dividends are recognised as deductions from Retained profits in the period in which they are paid.

Foreign currencies

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

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.

Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year where the invoice is unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and usually paid within 30 days of recognition.

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.

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

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 entity in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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.

Tangible assets

The cost of tangible assets is their purchase cost, together with any incidental costs at acquisition.

Tangible assets are stated at cost less accumulated depreciation and provision for any impairment. Depreciation and impairment is charged to the Statement of profit or loss. The cost is written off in equal annual instalments based on the estimated useful lives, which are:

Fixtures and fittings	10 years
Computer equipment	3 years
Office equipment	5 years

Investment in subsidiaries

Investments comprise equity shareholdings. These investments are recorded at historical 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 benefits from its activities.

Impairment of subsidiaries

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.

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.

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 3. Financial risk management

Financial risk factors

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

Financial assets

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Debtors less prepayments (Note 12)	23,973	20,080
Cash and cash equivalents (Note 11)	23,676	28,332
Total financial assets	<u>47,649</u>	<u>48,412</u>

Market risk

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

Foreign exchange risk

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

It is estimated that a 10 pence increase in the exchange rate of Sterling against United States Dollar as at 31 December 2020, would positively impact the Company's Statement of profit or loss and Retained profits by \$432,000 (2019: \$1,568,000). Any movement in the remainder currencies against sterling is not expected to have a significant input on the financial statements (2019: \$Nil).

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2020:

	GBP \$'000	EUR \$'000	Other \$'000	USD \$'000	Total \$'000
Financial assets					
Debtors less prepayments	34	4	-	23,935	23,973
Cash and cash equivalents	8,651	-	-	15,025	23,676
Total financial assets	<u>8,685</u>	<u>4</u>	<u>-</u>	<u>38,960</u>	<u>47,649</u>
Financial liabilities					
Creditors	(5,090)	-	-	(105)	(5,195)
Total financial liabilities	<u>(5,090)</u>	<u>-</u>	<u>-</u>	<u>(105)</u>	<u>(5,195)</u>
Net financial assets	<u>3,595</u>	<u>4</u>	<u>-</u>	<u>38,855</u>	<u>42,454</u>

The balance excludes accruals and payables which are not recorded as financial liabilities.

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 3. Financial risk management (continued)

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2019:

	GBP \$'000	EUR \$'000	Other \$'000	USD \$'000	Total \$'000
Financial assets					
Debtors less prepayments	-	-	2	20,078	20,080
Cash and cash equivalents	7,226	-	-	21,106	28,332
Total financial assets	7,226	-	2	41,184	48,412
Financial liabilities					
Creditors	(20,635)	-	-	(2,991)	(23,626)
Total financial liabilities	(20,635)	-	-	(2,991)	(23,626)
Net financial (liabilities) / assets	(13,409)	-	2	38,193	24,786

Interest rate risk

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

The Company estimates that an increase of 1% in interest rates would positively impact the Company's Statement of profit or loss and Retained profits by \$81,000 (2019: \$106,000).

The Company's interest rate profile as at 31 December 2020 was as follows:

	None \$'000	Fixed \$'000	Variable \$'000	Total \$'000
Financial assets				
Debtors less prepayments	23,973	-	-	23,973
Cash and cash equivalents	-	-	23,676	23,676
Total financial assets	23,973	-	23,676	47,649
Financial liabilities				
Creditors	(5,195)	-	-	(5,195)
Total financial liabilities	(5,195)	-	-	(5,195)

The Company's interest rate profile as at 31 December 2019 was as follows:

	None \$'000	Fixed \$'000	Variable \$'000	Total \$'000
Financial assets				
Debtors	20,080	-	-	20,080
Cash and cash equivalents	-	-	28,332	28,332
Total financial assets	20,080	-	28,332	48,412
Financial liabilities				
Creditors	(23,626)	-	-	(23,626)
Total financial liabilities	(23,626)	-	-	(23,626)

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 3. Financial risk management (continued)

Price risk

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

Fair value

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

As at 31 December 2020 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2019: \$Nil).

Credit risk

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

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

Liquidity risk

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

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

	On demand \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	More than 1 year \$'000	Total \$'000
31 December 2020					
Creditors	(5,052)	-	(143)	-	(5,195)
Total financial liabilities	<u>(5,052)</u>	<u>-</u>	<u>(143)</u>	<u>-</u>	<u>(5,195)</u>
31 December 2019					
Creditors	(3,015)	-	(20,611)	-	(23,626)
Total financial liabilities	<u>(3,015)</u>	<u>-</u>	<u>(20,611)</u>	<u>-</u>	<u>(23,626)</u>

Capital management

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

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

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

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 4. Revenue

Revenue by type:

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Brokerage fees income	101,267	106,290
Other income	7,897	7,339
Total revenue	<u>109,164</u>	<u>113,629</u>

Other income consists primarily of rebate commissions.

Revenue by geographical market:

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
EMEA	<u>109,164</u>	<u>113,629</u>

Note 5. Administrative expense

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Employment costs (Note 6)	65,458	68,505
Other staff cost	281	278
Travel and entertainment	676	2,126
Market data and telecommunications	2,897	2,906
Technology and related costs	120	262
Professional fees	148	176
Service fees	14,592	14,760
Premises and related costs	40	216
Movement in expected credit loss provision	(451)	176
Depreciation of tangible fixed assets	-	1
Other administrative costs	600	371
	<u>84,361</u>	<u>89,777</u>

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

Fees payable for the audit of the financial statements were \$172,660 (2019: \$98,168).

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 6. Employment costs

Employment costs borne by the Company comprise:

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Wages, salaries, bonuses and incentive payments	57,272	59,840
Social security	8,067	8,519
Other pension	119	146
Total employment costs	65,458	68,505

For the year ended 31 December 2020, the average number of employees identified as being directly involved in the operation of the Company was 84, comprising of 73 brokers and 11 support staff (2019: 85, comprising of 73 brokers and 12 support staff).

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

Note 7. Other operating (expenses) / income

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

Note 8. Interest receivable and similar income

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Bank deposit	64	216

Note 9. Dividends received

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Dividend income from Subsidiary	1	-

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 10. 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	4,505	4,949
Deferred tax - current year	23	3
Adjustment recognised for prior years - current tax	140	149
Adjustment recognised for prior years - deferred tax	(11)	-
Overseas tax	169	-
	<u>4,826</u>	<u>5,101</u>
Aggregate income tax		
Deferred tax included in income tax comprises:		
Decrease in deferred tax assets	<u>12</u>	<u>3</u>
Numerical reconciliation of income tax and tax at the statutory rate		
Profit before income tax	<u>23,071</u>	<u>25,229</u>
Tax at the statutory tax rate of 19%	4,383	4,794
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	<u>161</u>	<u>202</u>
	4,544	4,996
Adjustment recognised for prior years - current tax	140	149
Adjustment recognised for prior years - deferred tax	(11)	(41)
Deferred tax - difference in tax rate	(16)	(3)
Overseas tax	169	-
	<u>4,826</u>	<u>5,101</u>
Income tax		
Effective tax rate	20.9%	20.2%

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.

In accordance with the Capital Requirements Directive IV (CRD IV) and the associated Capital Requirements (Country-by-Country Reporting) Regulations 2013, the Company will publish additional information at the following web address: www.tpicap.com.

P.V.M. Oil Associates Limited
Notes to the financial statements
31 December 2020

Note 10. Income tax (continued)

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Deferred tax		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Capital allowances	159	175
Other timing differences	33	29
Deferred tax asset	<u>192</u>	<u>204</u>
Movements:		
Opening balance	204	207
Charged to profit or loss	<u>(12)</u>	<u>(3)</u>
Closing balance	<u>192</u>	<u>204</u>
	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Provision for income tax	<u>2,139</u>	<u>2,414</u>

Note 11. Current assets - Cash and cash equivalents

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Cash at bank	23,719	28,400
Expected credit loss	<u>(43)</u>	<u>(68)</u>
	<u>23,676</u>	<u>28,332</u>

Note 12. Current assets - Debtors

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Agency trade debtors	23,550	18,737
Expected credit loss	<u>(65)</u>	<u>(389)</u>
	<u>23,485</u>	<u>18,348</u>
Other debtors	20	169
Prepayments and accrued income	<u>5,261</u>	<u>5,755</u>
	<u>5,281</u>	<u>5,924</u>
Amount owed by Group related companies	-	1,571
Expected credit loss	<u>-</u>	<u>(8)</u>
	<u>-</u>	<u>1,563</u>
	<u>28,766</u>	<u>25,835</u>

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Note 12. Current assets - Debtors (continued)

The majority of net trade debtors, which aren't impaired nor past their normal settlement dates are held with high quality credit institutions.

Maximum exposure to credit risk is limited to Debtors (Note 12) and Cash and cash equivalents (Note 11).

The following trade debtors were unsettled:

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Less than 30 days	10,700	5,882
Over 30 days but less than 90 days	3,972	7,572
Over 90 days	8,813	4,894
	<u>23,485</u>	<u>18,348</u>

Note 13. Current assets - Investment in subsidiaries

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
As at beginning of year	1	-
Transfer to current assets	-	1
Impairment	(1)	-
As at end of year	<u>-</u>	<u>1</u>

During the year ended 31 December 2020, the Company impaired its investment in PVM Oil Associates Canada Limited by \$1,000, which was subsequently dissolved.

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

Note 14. Current assets - Tangible assets

	Computer equipment \$'000	Fixtures and fittings \$'000	Total \$'000
Cost			
As at 1 January 2020	667	151	818
As at 31 December 2020	<u>667</u>	<u>151</u>	<u>818</u>
	Computer equipment \$'000	Fixtures and fittings \$'000	Total \$'000
Accumulated depreciation			
As at 1 January 2020	667	151	818
As at 31 December 2020	<u>667</u>	<u>151</u>	<u>818</u>

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Note 14. Current assets - Tangible assets (continued)

	Computer equipment \$'000	Fixtures and fittings \$'000	Total \$'000
Net book value			
As at 31 December 2020	-	-	-
As at 31 December 2019	-	-	-

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

Note 15. Current liabilities - Creditors

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Amounts owed to Group related companies	5,052	3,015
Accruals and deferred income	16,257	20,611
Other payables	109	-
	<u>21,418</u>	<u>23,626</u>

Note 16. 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, called up and fully paid ordinary shares of \$0.01 each	<u>1,263,114</u>	<u>1,263,114</u>	<u>13</u>	<u>13</u>

Note 17. Equity - Share premium

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

Note 18. Equity - Paid in capital reserve

The Paid in capital reserve relates to non-distributable reserves.

Note 19. Equity - Dividends

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Dividend paid of \$13.85 per ordinary share (2019: \$15.75 per ordinary share)	<u>17,500</u>	<u>19,900</u>

Note 20. 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 21. 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.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. TP ICAP's UK-based authorised subsidiaries continue to service clients based in certain EU 27 member states where possible under available temporary permission regimes, existing third country access rights, or as otherwise permitted by applicable laws and regulations. In those EU 27 member states where TP ICAP's existing operating model does not allow it to service clients under available temporary permission regimes, existing third country access rights, or applicable laws and regulations, TP ICAP is adjusting its operating model to ensure that it services clients in those jurisdictions in accordance with such temporary permission regimes, existing third country access rights, or applicable laws and regulations. Such adjustments include, amongst other things, obtaining additional third country permissions for its UK authorised firms and servicing clients from its EU establishments once a sufficient number of brokers have been relocated from the UK.

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

Note 22. Immediate and ultimate parent company

The Company's immediate parent undertaking is 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: Floor 2, 155 Bishopsgate, London, England, EC2M 3TQ.

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.