

Louis Capital Markets UK LLP

Limited liability partnership number OC305139

Annual Report and Financial Statements - 31 December 2021



Louis Capital Markets UK LLP
Members' report
31 December 2021

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Members present their report and audited Financial Statements of Louis Capital Markets UK LLP (the "Partnership") for the year ended 31 December 2021, which comprise of the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and related notes 1-27.

The Partnership is a limited liability partnership, registered in England and Wales. The registered office and principal place of business is 135 Bishopsgate, London, England, EC2M 3TP.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Partnership continued to act as a broker in matched principal and agency inter dealer broking market. The Partnership is authorised and regulated by the Financial Conduct Authority ("FCA").

The Statement of comprehensive income for the year is set out on page 9. The (loss) / profit for the year was £(1,554,000) (2020: £11,999,000). Revenue decreased by £21,219,000 (2020: Increased by £2,417,000), a 68% decrease (2020: 8% increase) over the prior year. The decrease in Revenue is attributed to the closure of the Paris branch. The Partnership operates in London with a subsidiary in Israel.

No significant change in the principal business activity is anticipated.

The results for the year and the financial position at the year end were considered satisfactory by the members considering the very difficult trading conditions. The members consider the Partnership is well equipped with a highly talented mix of professional staff, strong trading platform and experienced management to drive growth in the future.

FINANCIAL RISK MANAGEMENT

The key risks in the Partnership's day to day operations can be categorised under Financial Risks, Operational Risks and Strategic Business Risks.

More details on Financial Risks are provided within the notes to the financial statements and include the following:

- **Market Risk:** the vulnerability of the Partnership to movements in foreign exchange and interest rates;
- **Credit Risk:** the risk of financial loss to the Partnership in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Partnership ;
- **Liquidity Risk:** the risk that the Partnership , 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;

The Partnership has a Sales Finance Agreement with Barclays Bank PLC which provides the Partnership with an invoice financing facility of up to 80% of approved debts. At the year end the total available funds under the facility was £Nil (2020: £495,000). At the year end, the Partnership had £6,371,000 in cash or cash equivalents (2020: £4,523,000).

The following table shows the maturity of the Partnership's liabilities:

Creditors	On demand £'000	< 3 months £'000	3 to 12 months £'000	Total £'000
As at 31 Dec 2021	5,160	328	1,552	7,040
As at 31 Dec 2020 (Restated)	6,882	927	2,122	9,931

- **Capital Management Risk:** the risk of failure to maintain adequate levels of prudential capital. The Partnership 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 inter-dealer broking ("IDB") markets, both on an individual firm basis and through trade associations. TP ICAP Group plc's EMEA Subgroup Board ("EMEA Board") undertakes an informed assessment of whether the Partnership 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.

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 Partnership'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.

Strategic Business Risk is the risk that the Partnership's ability to conduct business might be damaged through its failure to adapt to changing market dynamics, market dislocations and continuously evolving customer requirements. These include:

- Risk to technology expertise whereby the Partnership's ability to retain its position as a leading market infrastructure provider will be dependent on its ability to develop and implement its technology strategy;
- Risk to climate change when the Partnership fails to address any adverse impact on its business arising from the transitions to a net zero global economy;
- Following the loss of the European Union ("EU") passporting rights as a result of the United Kingdom ("UK")'s withdrawal from the EU ("Brexit"), the Partnership continues to implement its Brexit transition plan including relocating existing additional UK-based brokers and hiring local brokers in the EU. Despite evolving post Brexit landscape, the Company has been servicing its EU clients effectively;
- The global economy has shown recent signs of recovery from the ongoing impact of the COVID-19 pandemic, with governments deploying vaccine programmes and fiscal policy support from around the world. The Partnership has successfully implemented its Business Continuity Planning strategies to operate on a business as usual basis. This includes remote working measures in compliance with local government mandates, safeguarding employee wellbeing and providing continuing services to our clients;
- In February 2022, the UK, EU and United States imposed sanctions against certain Russian individuals, entities and their subsidiaries. As a result, all trading activities with sanctioned clients were ceased. The Partnership will continue to monitor Russian exposures, and execute any relevant mitigating actions as necessary.

Management has the day-to-day responsibility for ensuring the Partnership operates in accordance with its Enterprise Risk Management Framework, which aligns to TP ICAP Group plc risk management framework. Approved policies and procedures to manage key risks are outlined in the Group's Annual Report.

SECTION 172(1) STATEMENT

The Members 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 Partnership. Further details on Group's engagement with our key and other stakeholders, as well as how we promote the success of the Group are also contained in the Group Corporate Governance Report in the Group's Annual Report and Accounts. This statement also provides details of how the Members have engaged with and had regard to the interests of our key stakeholders.

Our stakeholders

The Partnership believes that engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2021, 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 Partnership reviewed its risk and governance framework with the adoption of a revised Group Governance Manual, including an EMEA specific Governance Framework. This revised framework has reinforced Section 172 oversight by further clarifying divisions of responsibilities within the Group. The structure and format of Partnership and Committee papers ensure that Section 172(1) considerations are considered in EMEA Board discussion and decision making.

Shareholders

The Members believe that engagement with our shareholders is of key importance to the business. During the year, the Members considered, and where applicable, approved and paid distributions as appropriate to its partners, having considered the impact of a distribution on the long-term prospects of the business. At Group level, a tailored engagement approach is undertaken with the Group's shareholders. Details of the approach taken with the Group's shareholders are included in the Group Annual Report.

Employees

Employees are central to the long-term success of the Partnership, and, as such the Members consider their interests in its decision-making. A Group Board Non-executive Director Engagement programme with employees has been running for two years. These coupled with engagement and diversity & inclusion surveys, have provided invaluable feedback and helped senior management understand the areas that employees wanted to prioritise and progress. Five Employee networks were established or re-launched during 2021 across the Group, with various events held, to help employees better connect and increase understanding across the firm. Further engagement activities are planned for 2022. The Group's core values of honesty, integrity, respect and excellence are integral to the long-term success of the business and the Members are committed to promoting a culture which embodies the highest possible standards. Following the acquisition of Liquidnet, the Group conducted a Culture and Values survey with a small random group of employees to gain a deeper understanding of how the Partnership's culture and values are supported by everyday behaviours of our employees. The employee feedback from the survey, together with a number of workshops with the Group's senior management team, will help shape further the Partnership's values to ensure a unified culture. Further details of the Group-wide programme, other Group-wide employee engagement and the Group's culture and values are set out on in the Group Annual Report.

Clients

The Group manages our client relationships at multiple levels of seniority across the global organisational structure. This includes management level strategic relationship discussions as well as regular transactional dialogue. Strategic meetings and all client interactions driven by our Client Relationship Management team in Global Broking are tracked centrally.

Regulators

The Members recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year, the Members engaged with the FCA and the Autorité des marchés financiers ("AMF"), the French financial markets regulator, to discuss post Brexit plans and Investment Firms Prudential Regime ("IFPR"). The Members also received updates on engagement with the Regulators through EMEA Board reporting. The Group coordinates engagement with the Regulators in relation both to the Group and this entity. Further details can be read in the Group Annual Report.

Suppliers

The Members recognise the importance of engagement with our key infrastructure suppliers to monitor performance, manage risk and receive updates on Payment Practices Reporting biannually. In 2022, the Members 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.

Environment and community

The members are aware of society's increasing focus on ESG and are committed to operating responsibly and sustainably for the benefit of all stakeholders (including our clients, colleagues, suppliers, and communities) whilst delivering value for our shareholders. Throughout 2021 the Group Board monitored the development and launch of a new Sustainability Strategy, by which the Group aims to be known as the "Broker for the Transition" – the transition to a sustainable future with a more socially inclusive and low-carbon economy. As the Broker for the Transition, we aim to avoid harm, benefit stakeholders, and contribute to solutions. Further details of the Group's Sustainability Strategy and ESG performance can be found in the Group Annual Report which does not form part of this report.

GOING CONCERN

The Members have a reasonable expectation that the Partnership has 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. Thus, they continue to adopt the going concern basis in preparing the financial statements.

DESIGNATED MEMBERS

The following designated members have held office during the year:

LCMD Limited
LCM Europe Limited

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 Partnership continues and that appropriate training is arranged. It is the policy of the Partnership that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Partnership 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 Partnership 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.

OUR PURPOSE AND CORPORATE GOVERNANCE

The Partnership's purpose is aligned with that of our ultimate parent company, which states that "we provide access to global financial and commodities markets, improving price discovery, flow of liquidity and distribution of data, working with and supporting the communities in which we operate and facilitating economic growth".

Like other companies in the TP ICAP Group plc, the Partnership adopted a governance framework in November 2019 which is set out within the Group's Governance Manual. The Partnership is a UK regulated entity and, as such, is also subject to the TP ICAP UK Regulated Entity Governance Framework. Together these documents set out the specific corporate governance requirements for the Partnership, including:

- the composition of the Board and the individual accountability of senior management;
- clarification on ultimate decision making and delegations;
- the embedding of s172 and stakeholder considerations in decision making;
- the responsibility of the Board in setting the right culture;
- how matters are to be escalated and the interactions with other Group committees;
- division of responsibilities and Member roles;
- the conduct of meetings;
- the requirement for Board Risk and Remuneration committees, their membership and their terms of reference;
- the role of TP ICAP Group plc Audit and Nominations & Governance Committees as they relate to the Partnership;
- the management of conflicts of interest;
- the implications of the Senior Managers and Certification Regime on the Partnership; and
- expectations on the structure and format of papers and management information made available to the Board in order to drive better decision making

POST BALANCE SHEET EVENTS

In February 2022, the UK, EU and the United States imposed sanctions against certain Russian individuals, entities and subsidiaries. As a result, any trading activities with sanctioned clients have been ceased. The Company continues to monitor exposures with Russian counterparties and underlyings, as well as review actions available to mitigate any potential losses incurred, which are currently deemed to be immaterial.

There have been no other post balance sheet events from 31 December 2021 up to the date of signing which require separate disclosure.

POLICY ON MEMBERS' DRAWINGS AND SUBSCRIPTIONS

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of the profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par". Repayment of capital upon a partner leaving is not guaranteed, and is at the discretion of the other members.

CHARITABLE DONATIONS

During the year the Partnership made charitable donations of £Nil (2020: £16,000).

INDEPENDENT AUDITOR

The Partnership's incumbent auditor, Shipleys 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.

MEMBERS' RESPONSIBILITIES STATEMENT

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2017 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the firm and of the profit or loss of the firm for that period.

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

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

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO THE AUDITOR

So far as each person who was a designated member 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 designated members and the partnership's auditor, each designated member has taken all the steps that they are obliged to take as a designated member in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Louis Capital Markets UK LLP
Members' report
31 December 2021

This report is authorised for issue by the Members.

On behalf of the Members:



Patrice Cohen
LCM D Limited
Designated member

25 April 2022

Louis Capital Markets UK LLP**Independent auditor's report to the members of Louis Capital Markets UK LLP****31 December 2021****Opinion**

We have audited the financial statements of Louis Capital Markets UK LLP (the "Partnership") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the member's 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 Partnership'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 members 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 members 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.

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 Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' Report has been prepared in accordance with applicable legal requirements

Louis Capital Markets UK LLP
Independent auditor's report to the members of Louis Capital Markets UK LLP
31 December 2021

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of members

As explained more fully in the Members' responsibilities statement set out on page 1, the members 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 members 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 members are responsible for assessing the Partnership'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 members either intend to liquidate the Partnership 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.

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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory framework applicable to the partnership and the industry in which it operates. We considered the significant laws and regulations to be the Companies Act 2006, tax legislation, the financial reporting framework, applicable mining laws and environmental legislation.
- We assessed the susceptibility of the Partnership's financial statements to material misstatement, including how fraud might occur by discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud.
- Holding discussions with management to consider any known or suspected instances of non-compliance with laws and regulations or fraud.
- Understanding how the Partnership is complying with those legal and regulatory frameworks by making enquiries of management, reviewing board minutes and reports received from legal counsel.
- In addressing risk of management override of controls, we performed testing of journal entries to the financial statements, including verification of journals which we consider exhibit higher fraud risk characteristics based on our understanding of the partnership. As part of our testing of management override of controls we performed procedures on accounts subject to greater management estimate and judgement including the recognition of revenue and the carrying values of investment in subsidiaries.

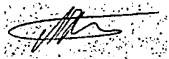
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Louis Capital Markets UK LLP
Independent auditor's report to the members of Louis Capital Markets UK LLP
31 December 2021

Use of report

This report is made solely to the partnership'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 partnership'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 partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Wood (Senior Statutory Auditor)
for and on behalf of Shipleys LLP
Chartered Accountants and Statutory Auditor
10 Orange Street Haymarket London
WC2H 7DQ

Date 25 April 2022

Louis Capital Markets UK LLP
Statement of comprehensive income
For the year ended 31 December 2021

	Note	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Revenue			
Cost of sales	3	9,780 <u>(2,251)</u>	30,999 <u>(5,264)</u>
Gross profit		<u>7,529</u>	<u>25,735</u>
Expenses			
Administrative expenses	5	(8,512)	(26,519)
Other operating (expenses) / income	4	<u>(483)</u>	<u>157</u>
Operating loss		<u>(1,466)</u>	<u>(627)</u>
Interest receivable and similar income	7	81	54
Interest payable and similar income	8	(169)	(258)
Gain on sale of investments	9	<u>-</u>	<u>12,830</u>
(Loss) / profit before income tax		<u>(1,554)</u>	<u>11,999</u>
Income tax		<u>-</u>	<u>-</u>
(Loss) / profit for the year available for discretionary division among members	21	<u>(1,554)</u>	<u>11,999</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of overseas branches		<u>-</u>	<u>2</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>2</u>
Total comprehensive (loss) / income for the year		<u><u>(1,554)</u></u>	<u><u>12,001</u></u>

All the activities of the Partnership are from continuing operations or operations that have since been disposed of in relation to its Paris branch.

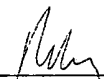
The above statement of comprehensive income should be read in conjunction with the accompanying notes

Louis Capital Markets UK LLP
Statement of financial position
As at 31 December 2021

	Note	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Assets			
Non-current assets			
Intangible assets	11	-	13
Tangible assets	12	-	56
Right-of-use assets	13	-	434
Investments	14	33	11,288
Total non-current assets		<u>33</u>	<u>11,791</u>
Current assets			
Debtors	15	17,998	9,381
Financial assets at fair value through profit or loss	17	1,198	1,764
Cash at bank and in hand	16	6,371	4,523
Tax receivable		-	48
Total current assets		<u>25,567</u>	<u>15,716</u>
Total assets		<u>25,600</u>	<u>27,507</u>
Liabilities			
Current liabilities			
Creditors	18	7,040	9,931
Financial liabilities at fair value through profit or loss	20	1,207	1,764
Lease liabilities	19	-	442
Total current liabilities		<u>8,247</u>	<u>12,137</u>
Total liabilities		<u>8,247</u>	<u>12,137</u>
Net assets		<u>17,353</u>	<u>15,370</u>
Represented by:			
Equity			
Members' capital classified as equity		6,879	4,879
Loans and other debts due to members	21	<u>10,474</u>	<u>10,491</u>
Total equity		<u>17,353</u>	<u>15,370</u>
Members' interests			
Members' equity		17,353	15,370
Loans and other debts due from members		<u>(6,337)</u>	<u>(4,820)</u>
Total members' interests		<u>11,016</u>	<u>10,550</u>

Refer to note 26 for detailed information on restatement of comparatives.

The financial statements on pages 10 to 27 of Louis Capital Markets UK LLP, Registration No. OC305139 (England and Wales), have been approved by the Members and authorised for issue on 25 April 2022.


 Patrice Cohen
 LCM D Limited
 Designated member
 25 April 2022

The above statement of financial position should be read in conjunction with the accompanying notes

Louis Capital Markets UK LLP
Statement of changes in equity
31 December 2021

	Members' other interests				
	Members' capital	Other reserves	Total	Loans & other debts due to / (from) members	Total members' interests
	(classified as equity)				
	£'000	£'000	£'000	£'000	£'000
Members' interests at 1 January 2020	4,879	-	4,879	(810)	4,069
Total comprehensive income for the financial year available for discretionary division among members	-	12,001	12,001	-	12,001
Members' interests after total comprehensive income for the year	4,879	12,001	16,880	(810)	16,070
Other divisions of profits	-	(12,001)	(12,001)	12,001	-
Reclassification	-	-	-	(5,520)	(5,520)
Members' interests at 31 December 2020	4,879	-	4,879	5,671	10,550
Amounts due from members				(4,820)	
Amounts due to members				10,491	
Members' interests at 1 January 2021	4,879	-	4,879	5,671	10,550
Total comprehensive loss for the financial year available for discretionary division among members	-	(1,554)	(1,554)	-	(1,554)
Members' interests after total comprehensive loss for the year	4,879	(1,554)	3,325	5,671	8,996
Other divisions of losses	-	1,554	1,554	(1,554)	-
Capital injection	2,000	-	2,000	-	2,000
Share based payment	-	-	-	20	20
Members' interests at 31 December 2021	6,879	-	6,879	4,137	11,016
Amounts due from members				(6,337)	
Amounts due to members				10,474	

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

Louis Capital Markets UK LLP is a limited liability partnership, registered in England and Wales. The address of the registered office and principal place of business is 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 the years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Partnership have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006. As permitted, the Partnership 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 Group 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 Partnership's results.

The Partnership has exercised its entitlement not to produce consolidated financial statements since consolidated financial statements have been prepared by TP ICAP Group plc.

The Partnership's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey).

The financial statements are prepared in Pound sterling, which is the functional currency of the Partnership and the accounts are rounded in thousands.

Change in accounting policy

On 31 December 2021, the Partnership changed its accounting policy for regular way purchases and sales of non-derivative financial instruments from trade date to settlement date accounting. In prior years, the Partnership recorded regular way purchases and sales of non-derivative financial instruments on a trade date basis.

The Partnership believes that the accounting policy change results in a more relevant and reliable presentation of its Financial Position. In particular, the change:

- Removes a significant amount of volatility from the balance sheet, facilitating uniform trend analysis and permitting a simpler assessment of relevant Balance Sheet key performance indicators, such as the Return on Total Assets;
- Provides a more accurate presentation of the settlements risk for unsettled receivables and payable balances, with consideration given to market practice of "delivery versus payment settlement basis"; and
- Provides consistency with managements internal view of reporting these pending settlement balances.

This accounting policy change has no material impact on the profitability of the Partnership and does not result in the restatement of the Partnership's Profit or loss reported in the Statement of Profit or Loss. Unrealised gains and losses related to the change in fair value of these non-derivative financial instruments between trade date and settlement date are recognised within revenues at the applicable reporting date.

As the change in accounting policy is applied retrospectively and has a material effect on the information reported in the balance sheet at the beginning of the preceding period, the Partnership has presented a restated balance sheet as at 31 December 2020. Additional comparative information is not included in the affected Notes as the quantitative impacts of the change in accounting policy, and impact on prior year comparatives are set out in Note 26.

Going concern

After consideration of the Partnership's business review and the risks and uncertainties; including the risks related to Brexit and the uncertainties related to the ongoing Covid-19 pandemic as well as the Russia Ukraine conflict as set out in the Members' Report, and having considered the Partnership's forecasts including liquidity and capital, the Members have a reasonable expectation that the Partnership 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.

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

Historical cost convention

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

Revenue

Revenue represents amounts receivable for commissions earned on trades net of VAT and trade discounts. Revenue is recognised on a trade date basis for those trades that are settled and on an accruals basis for those trades that are invoiced.

Revenue comprises of:

Matched Principal brokerage, where commission income represents the differential between consideration received from the sale of the security and that paid on its purchase. Matched Principal brokerage, where net income is recognised on the differential between consideration received from the sale of the security and that paid on its purchase. Revenue is recognised on settlement date.

Agency brokerage, where the Partnership earns commission on transactions where it acts as agent. The Partnership acts in a non-advisory capacity to match buyers and sellers of financial instruments and raises invoices for the service provided. The Partnership 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 Partnership 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 Partnership, 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 15, Current assets - Debtors.

Pension costs

The Partnership operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Investments

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 Partnership has control. Control exists where the Partnership has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Impairment of investments

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.

Interest receivable and similar income

Interest receivable and similar income 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.

Interest payable and similar expenses

Interest payable and similar expenses 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.

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

Dividend received

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

Income tax

Amounts relating to taxation on the Partnership profits are the personal or corporate liability of the members during the year and any disclosure in these financial statements is for information purposes only.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

The branches are translated using the temporal method from their local currency to Sterling. This means the results of the branch are translated using the average rates of exchange during the year and monetary assets and liabilities at the rates ruling at the balance sheet date. Fixed assets carried at historic cost are translated at the historic rate.

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.

Financial instruments

The Partnership has applied IFRS 9 in valuing its financial instruments. The Partnership 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:

- (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 Partnership 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 Partnership 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.

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

The Partnership 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 Partnership 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 Partnership 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 Partnership's historical experience and informed credit assessment and including forward-looking information. The Partnership assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Partnership 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.

Amounts relating to taxation on the partnership profits are the personal or corporate liability of the members during the year and any disclosure in these financial statements is for information purposes only.

In accordance with the SORP 2017, a provision for the relevant liability for taxation due on each of the partners' share of profits will be recognised in the accounts of the members of the partnership, being the parties ultimately liable.

Trade 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.

Trade creditors

Obligations to pay for goods/services; current and non-current are initially recognised at fair value and are subsequently measured at amortised costs.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the partnership has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The partnership recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the partnership's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Measurement of Expected Credit Loss

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

Credit-impaired financial assets

At each reporting date, the Partnership 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.

Write-off Policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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.

Matched Principal transactions

The Partnership engages in Matched Principal brokerage whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions are primarily on a delivery vs payment basis ('DVP') and typically take place within a few business days of the trade date according to the relevant market rules and conventions.

Matched Principal transactions in regular way financial assets are recognised on settlement date, classified as at FVTPL, and are derecognised on settlement of the related sale. Fair value movements on unsettled Matched Principal regular way transactions between trade date and settlement are recognised in profit or loss with the associated asset or liability recorded in financial assets or liabilities held at fair value through profit or loss.

The Partnership undertakes Matched Principal broking involving simultaneous back-to-back derivative transactions with counterparties. These transactions are classified as financial instruments at FVTPL and are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	Between 2 and 10 years
Leasehold improvements	Over 10 years
Plant and equipment under lease	2-5 years

The assets' residual value and useful lives are reviewed, and adjusted if required, at each reporting date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Partnership expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Partnership has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-4 years.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Partnership's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Members' capital

Members' capital is classified as a liability if it is repayable, otherwise it is classified as equity.

Allocation of profits

Members' share of profits are automatically allocated and, together with members' benefits such as motor vehicle expenses, are treated as members' remuneration charged as an expense to the profit or loss. The remaining profits available for discretionary allocation are included in other reserves.

Drawings

Members' drawings are set by management, after considering the working capital needs of the Partnership. Any amounts paid to members are reclaimable from members until profits have been allocated. Should drawings exceed allocated profits, the excess is included in receivables.

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 Partnership 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 judgments, 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. IFRS 9 requires the members' to make an estimate of Expected Credit Loss (ECL), the approach being as set out in note 1. Management considers whether the investments are impaired based on the underlying assets of the investment. Apart from these, there are no further critical accounting judgements, estimates or assumptions and there are no other sources of estimation uncertainty that are likely to affect the current or future financial years.

Note 3. Revenue

The total revenue of the Partnership for the year has been derived from its principal activity which is that of a matched principal and agency broker wholly undertaken in the United Kingdom (2020: United Kingdom and France).

The revenue is not disclosed by class of business or geographical segment because the partners consider this is prejudicial to the interest of the Partnership.

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
EMEA	<u>9,780</u>	<u>30,998</u>
	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Brokerage fee income	9,011	30,141
Service fee income	<u>769</u>	<u>857</u>
	<u>9,780</u>	<u>30,998</u>

Note 4. 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.

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Note 5. Administrative expenses

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Employment costs	5,477	20,177
Other staff costs	79	192
Travel and entertainment	28	212
Market data and telecommunications	1,378	2,839
Technology and related costs	234	62
Professional fees	51	602
Service fees	60	457
Movement in expected credit loss	52	38
Premises expenses	590	607
Amortisation of intangible assets	13	13
Depreciation of tangible assets	56	123
Depreciation of ROUA assets	434	1,102
Other administrative expenses	60	95
	8,512	26,519

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

Fees payable for the audit of the financial statements were £17,000 (2020: £15,000).

Note 6. Employment costs

The average number of employees during the year was as follows:

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
Trading and sales	21	53
Administration and support	2	33
Average number of employees	23	86

Employment costs

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages and salaries	4,781	14,578
Social security costs	682	5,518
Other pension costs	33	81
	5,496	20,177

The amount recognised in the profit or loss as an expense in relation to defined contribution plans was £33,000 (2020: £81,000).

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Note 6. Employment costs (continued)

Key management personnel remuneration

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages, salaries and bonus	-	240

Note 7. Interest receivable and similar income

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Other interest	81	54

Note 8. Interest payable and similar income

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Settlement interest	158	94
Bank overdraft	4	14
Finance lease	7	150
	<u>169</u>	<u>258</u>

Note 9. Gain on Investments

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Sale of Volcap Trading Partners Limited	-	1,875
Gain on LCM UK LLP Paris branch business and asset contribution to a group related company	-	10,955
	<u>-</u>	<u>12,830</u>

Note 10. Information in relation to members

The average number of members was 2 (2020: 2) There was no remuneration charged as an expense to members during the year (2020: £Nil).

The highest paid member earned £Nil (2020: £Nil) during the year.

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Note 11. Non-current assets - Intangible assets

	Intangibles £	Total £
Cost		
At 1 January 2021	63	63
Disposals	(4)	(4)
At 31 December 2021	<u>59</u>	<u>59</u>
Amortisation		
At 1 January 2021	(50)	(50)
Charge for the year	(13)	(13)
Disposals	4	4
At 31 December 2021	<u>(59)</u>	<u>(59)</u>
Net book value		
At 31 December 2021	-	-
At 31 December 2020	13	13

Note 12. Non-current assets - Tangible assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2021 and 31 December 2021	1,070	714	1,784
Disposals	(1,070)	(714)	(1,784)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 January 2021	1,019	709	1,728
Charge for the year	51	5	56
Disposals	(1,070)	(714)	(1,784)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2021	-	-	-
At 31 December 2020	51	5	56

Note 13. Non-current assets - Right-of-use assets

	Land and buildings £	Total £
Cost		
At 1 January 2021 and 31 December 2021	<u>1,301</u>	<u>1,301</u>
Depreciation		
At 1 January 2021	(867)	(867)
Charge for the year	(434)	(434)
At 31 December 2021	<u>(1,301)</u>	<u>(1,301)</u>

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Note 13. Non-current assets - Right-of-use assets (continued)

Net book value

At 31 December 2021	-	-
At 31 December 2020	434	434

The Partnership leased land and buildings with an average lease term of 12 months (2020: 66 months).

Note 14. Non-current assets - Investments

	LCM UK LLP Paris £	TP ICAP (Europe) SA £	Total £
Cost			
At 1 January 2021	33	11,255	11,288
Disposals	-	(11,255)	(11,255)
At 31 December 2021	<u>33</u>	<u>-</u>	<u>33</u>
Net book value			
At 31 December 2021	33	-	33
At 31 December 2020	33	11,255	11,288

Subsidiary undertakings

The partnership's subsidiary undertakings are set out below.

Entity	Country of	Holding	Principal activity	Registered office and principle place of business
Louis Capital Markets Israel	Israel	100% ordinary	Equities broker	3rd Floor, 45 Rothschild Boulevard, 6578403 Tel-Aviv
Louis Capital Markets SAS	France	100% ordinary	Equities broker	42 rue Washington, Paris 75008

During the prior year, the Partnership disposed of its entire 51% shareholding in its subsidiary Volcap Trading Partners Limited.

Associated undertakings

During the current year, the Partnership sold its 17.98% interest in TP ICAP (Europe) SA to a TP ICAP Group subsidiary, TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited) at its book value of £11,255,000.

During the prior year, the Partnership acquired a 17.98% interest in TP ICAP (Europe) SA in exchange for the contribution of the Paris branch business and assets. During the prior year, the Partnership also disposed of its 0.0001% investments in LCM Metals UK LLP and Spectra FX Solutions LLP respectively at book value.

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Note 15. Current assets - Debtors

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Trade debtors	2,237	2,323
Expected credit loss	(48)	(48)
	<u>2,189</u>	<u>2,275</u>
Other debtors	12	236
Prepayments	7	173
	<u>19</u>	<u>409</u>
Loans owed by Group related companies	-	34
Amounts owed by Group related companies	9,525	1,872
Amounts due from members	6,337	4,820
Expected credit loss	(72)	(29)
	<u>15,790</u>	<u>6,697</u>
	<u>17,998</u>	<u>9,381</u>

Amounts owed by parent and fellow subsidiary undertakings are related party balances that arose in the normal course of business.

The following trade debtors were unsettled:

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
< 30 days	265	2,275
30-90 days	288	-
> 90 days	1,636	-
	<u>2,189</u>	<u>2,275</u>

Note 16. Current assets - Cash at bank and in hand

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Cash at bank and in hand	6,380	4,523
Expected credit loss	(9)	-
	<u>6,371</u>	<u>4,523</u>

Included in cash at bank and in hand are restricted funds of £Nil (2020: £481,000), which represent cash for which the Partnership does not have immediate and direct access or for which regulatory requirements restrict the use of the cash.

Note 17. Current assets - Financial assets at fair value through profit or loss

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Fair value gain on unsettled Matched Principal transactions	1,198	1,764

*2020 was restated by £1,764,000, refer to note 26 for detailed information on restatement of comparatives.

Note 18. Current liabilities - Creditors

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Trade creditors	-	138
Amounts owed to parent and fellow subsidiary undertakings	5,160	6,882
Taxes and social security costs	-	27
Other creditors	328	762
Accruals and deferred income	1,552	2,122
	<u>7,040</u>	<u>9,931</u>

Amounts owed to parent and fellow subsidiary undertakings are related party balances that arose in the normal course of business. Debts due to other members rank equally with other creditors in the event of a winding up. These amounts are interest free, unsecured and repayable on demand.

Note 19. Current liabilities - Lease liabilities

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Lease liability	-	442

Amounts recognised in Profit or loss relate to interest payable on lease liability of £7,000 (2020: £150,000).

In the prior year, part of the lease was associated with the company's subsidiary which was transferred to a group related company.

Note 20. Current liabilities - Financial liabilities at fair value through profit or loss

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Fair value losses on Matched Principals	1,207	1,764

*2020 was restated by £1,764,000, refer to note 26 for detailed information on restatement of comparatives.

Note 21. Equity - Loans and other debts due to members

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Other reserves at the beginning of the financial year	10,491	648
(Loss) / profit after income tax for the year	(1,554)	11,999
Distribution of profits	1,537	-
Other comprehensive income for the year	-	2
Amount repaid to members during the year	-	(648)
Reclassification	-	(1,510)
Other reserves at the end of the financial year	<u>10,474</u>	<u>10,491</u>

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

Note 22. Financial instruments

The carrying amount for each category of financial instruments is as follows:

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Financial assets that are measured at amortised cost	8,588	7,207
Financial assets at FVPTL	1,198	1,764
	<u>9,786</u>	<u>8,971</u>
Financial liabilities that are measured at amortised cost	1,879	3,021
Financial liabilities at FVPTL	1,207	1,764
	<u>3,086</u>	<u>4,785</u>

Note 23. Guarantees and contingent liabilities

A fixed and floating charge exists over all property and assets in respect of monies due to Barclays Bank Plc and HSBC Bank Plc. These amounts are interest free, unsecured and repayable on demand.

Save as outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the Partnership's results or net assets.

Note 24. Events after the reporting period

In February 2022, the UK, EU and the United States imposed sanctions against certain Russian individuals, entities and subsidiaries. As a result, any trading activities with sanctioned clients have been ceased. The Company continues to monitor exposures with Russian counterparties and underlyings, as well as review actions available to mitigate any potential losses incurred, which are currently deemed to be immaterial.

There have been no other post balance sheet events from 31 December 2021 up to the date of signing which require separate disclosure.

Note 25. Related party transactions

The Partnership has taken advantage of its exemption from the requirement to disclose transactions with wholly-owned subsidiaries of the group.

Note 26. Impact of the change in accounting policy

As set out in Note 1, the Partnership changed its accounting policy for regular way Matched Principal transactions from trade date accounting to settlement date. As a result, settlement balances that were previously recognised on trade date have been removed and an asset / (liability) has been recognised representing the fair value gain / (loss) on unsettled matched principle transactions. Impacted lines in the Partnership's Balance sheets for 31 December 2020 have been restated as follows:

Louis Capital Markets UK LLP
Notes to the financial statements
31 December 2021

Note 26. Impact of the change in accounting policy (continued)

	As at 31 Dec 2020 Reported £'000	As at 31 Dec 2020 Restated £'000
Debtors		
Matched Principal financial assets	106,594	-
Amounts owed by Group related companies	-	1,605
Financial assets at FVTPL		
Fair value gains on unsettled Matched Principal transactions	-	1,764
Total assets	<u>106,594</u>	<u>3,369</u>
Creditors		
Matched Principal financial liabilities	(104,989)	-
Financial liabilities at FVTPL		
Fair value losses on unsettled Matched Principal transactions	-	(1,764)
Total liabilities	<u>(104,989)</u>	<u>(1,764)</u>
Total equity	<u>1,605</u>	<u>1,605</u>

Note 27. Immediate and ultimate parent company

The Partnership's immediate parent is LCM D Limited, which does not prepare consolidated financial statements.

At the year end, the Partnership's ultimate parent and controlling party is TP ICAP Group plc which is incorporated in Jersey, and now heads the largest and smallest group of companies of which the Partnership 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 www.tpicap.com.