Company Number 00966604

Tullett Prebon (Europe) Limited

Annual Report and Financial Statements - 31 December 2021

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Annual Report and the audited financial statements of Tullett Prebon (Europe) Limited (the "Company") for the year ended 31 December 2021.

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

PRINCIPAL ACTIVITIES

The Company's principal activity is to act an inter-dealer Broker ("IDB") in wholesale money markets, foreign exchange, Government Bonds, corporate repurchase agreements, global depositary receipts, FX options, energy markets, interest rate derivatives and off balance sheet financial instruments, providing services to banks, financial institutions, local authorities and corporate clients. The Company is authorised and regulated by the Financial Conduct Authority ("FCA"), the National Futures Association ("NFA") and the Hong Kong Monetary Authority. It is a clearing member of the London Metals Exchange and also has membership of London Stock Exchange, Euronext Paris, Euronext Amsterdam, Eurex and ICE Futures Europe.

The Company is a wholly owned subsidiary of TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited). The Company's ultimate parent company and controlling party is TP ICAP Group plc (the "Group").

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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 Company will acquire and transfer some of the operational activities from and to certain fellow subsidiaries of the Group within the foreseeable future as part of the Group's Brexit strategy, as well as allowing the Group to consolidate certain trading and broking activities in EMEA.

RESULTS

The results of the Company are set out in the Statement of profit or loss on page 12.

The Company reported a profit after income tax for the year of £23,595,000 (2020: £32,438,000), with a year-on-year reduction driven by a 8% decrease in revenue against a strong performance in the prior year. This is reflective of the lower wholesale trading volumes across asset classes, particularly in Rates, as a result of the low interest rate environment during 2021, a flat yield curve and continued quantitative easing from Central Banks. FX & Money Markets and Energy revenue also declined against 2020, reflecting overall reduction in trading volumes as a result of the ongoing pandemic. The revenue decline was partially offset by decrease in administrative expenses mainly from lower front office costs moving in line with revenue.

The Company's total assets of £180,647,000, up 6% in 2021 predominantly driven by increase in cash and cash equivalent from dividend income received during the year. The Net assets of the Company are £169,198,000 as at 31 December 2021 (2020 (as restated): £156,400,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks in the Company'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 Company to movements in foreign exchange and interest rates;
- Credit Risk: 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;
- Liquidity Risk: 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;
- Capital Management Risk: the risk of failure to maintain adequate levels of prudential 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 inter-dealer broking ("IDB") markets, both on an individual firm basis and through trade associations. The EMEA 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.

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.

Strategic Business Risk is the risk that the Company'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 Company'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 Company 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 Company 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 Company 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 Company will continue to monitor Russian exposures and execute any relevant mitigating actions as necessary.

Management has the day-to-day responsibility for ensuring the Company 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 Directors provide this statement describing how they have had regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing their duty to promote the success of the Company. Further details on 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 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 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 Company 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 Company and Committee papers ensure that Section 172(1) considerations are considered in EMEA 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, and where applicable, approved and paid dividends as appropriate to its shareholders, 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 Company, and, as such the Directors 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 Directors 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 Company'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 Company'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. Further details of engagement with clients is provided in the Group Annual Report.
- Regulators
  The Directors recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year, the Directors engaged with the Financial Conduct Authority ("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 Directors 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 Directors 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 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.

Environment and community

The Directors 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 Streamlined Energy and Carbon Reporting under the Director's Report.

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets, is 13.9% (2020: 20.7%). 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 Group plc, 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:

P Redman
Director

31 March 2022

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and Financial Statements of the Company which comprise of the Statement of profit or loss, Statement of other comprehensive income, Balance sheet, Statement of changes in equity and related notes 1-29.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Details of business review and future developments are explained 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 have a reasonable expectation that the Company 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.

DIVIDENDS

During the year the Directors declared and paid dividends on the ordinary shares of £15,000,000 (2020: £15,000,000).

On 16 February 2022, the Company paid a cash dividend of £25,000,000 to TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited).

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:

A Polydor
P Randall
D McClumpha
A Bashenko (Appointed 01 January 2022)
P Redman (Appointed 01 December 2021)
S Sparke (Appointed 22 October 2021)
C Bridel (Resigned on 05 May 2021)
N Breteau (Resigned on 15 November 2021)
R Stewart (Resigned on 15 November 2021)
A Kelly (Resigned on 01 December 2021)

DIRECTOR'S INDEMNITIES

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

SECTION 172(1) STATEMENT

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

OUR PURPOSE AND CORPORATE GOVERNANCE

The Company'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, the Company adopted a governance framework in November 2019 which is set out within the Group's Governance Manual. The Company 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 Company, 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;
- the division of responsibilities and Director 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 Company;
- the management of conflicts of interest;
- the implications of the Senior Managers and Certification Regime on the Company; and
- expectations on the structure and format of papers and management information made available to the Board in order to drive better decision making.

POLITICAL CONTRIBUTIONS
There were no political contributions made by the Company during the year (2020: £Nil).

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

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

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 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.

On 16 February 2022, the Company paid a dividend in specie of £20,800,000 to TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited).

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

STREAMLINED ENERGY AND CARBON REPORTING

On 1 April 2019, the Streamlined Energy and Carbon Reporting was implemented through the enforcement of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018. The below table and supporting narrative summarise the disclosure in line with the requirement for a large unquoted company.

Our carbon emissions and energy consumption

Reporting year	**Current reporting year: 1st January 2021 - 31st December 2021**	**Previous reporting year: 1st January 2020 - 31st December 2020**[1]
Location	**UK**	**UK**
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1) (tCO_2e)	130	Unknown
Emission from purchase of electricity heat, steam and cooling purchased for own use (Scope 2) (location-based) (tCO_2e)	88	Unknown
Emission from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) (tCO_2e)	0	Unknown
Total gross Scope 1, Scope 2 and Scope 3 emissions (location-based) (tCO_2e)	**218**	**Unknown**
Total energy consumption based on the above (kWh)	**1,124,870**	**Unknown**
Intensity ratio: tCO_2e (gross Scope 1,2 +3) per FTE	**0.61**	**Unknown**

[1]The 2020 emissions have not been provided as 2021 is the first year the entity is required to comply with the disclosure.

Methodology

Independent experts at Anthesis have calculated the above greenhouse gas emissions estimates to cover all material sources of emissions for which the Company is responsible. The methodology used was that of the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015)'. Responsibility for emissions sources was determined using the operational control approach. All emission sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included.

A fellow subsidiary company of the Group, TP ICAP Group Services Ltd's UK energy and emissions have been apportioned between qualifying subsidiaries based on employee numbers (FTE). Energy consumption was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2021.

Energy Efficiency Action

During 2021, TP ICAP Group have rationalised their office space which has reduced the energy consumption of their office portfolio.

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

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

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 "Reduced Disclosure Framework" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The report is authorised for issue by the Board of Directors.

Approved by the Board and signed on its behalf by:

P Redman
Director

31 March 2022

Company No: 00966604

Tullett Prebon (Europe) Limited
Independent auditor's report to the members of Tullett Prebon (Europe) Limited
31 December 2021

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Tullett Prebon (Europe) Limited (the "Company"):
- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of profit or loss;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 29.

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

Basis for opinion

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

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

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

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the underlying data and key assumptions used to make the assessment, including capital and liquidity forecasts;
- Performing stress tests in relation to key assumptions;
- Evaluating the Director's plans for future actions, including evaluating the feasibility of the mitigating actions that they control in relation to their going concern assessment; and
- Considering the forecasts in the context of revenue identified at risk as a result of global events.

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

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

Other information
The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

We have nothing to report in respect of these matters.

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

Giles Lang

Giles Lang FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
31 March 2022

Tullett Prebon (Europe) Limited
Statement of profit or loss
For the year ended 31 December 2021

	Note	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Revenue	4	200,477	216,138
Other operating (expenses) / income	8	(1,035)	324
Expenses			
Administrative expenses	5	(180,003)	(185,250)
Operating Profit		19,439	31,212
Interest receivable and similar income	9	66	71
Interest payable and similar expenses	10	(98)	(4)
Dividends received	11	9,426	7,504
Profit before income tax		28,833	38,783
Income tax	12	(5,238)	(6,345)
Profit after income tax for the year		23,595	32,438

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

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

Tullett Prebon (Europe) Limited
Statement of other comprehensive income
For the year ended 31 December 2021

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Profit after income tax for the year	23,595	32,438
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to the Statement of profit or loss		
Translation of overseas branches	804	(707)
Revaluation of financial assets FVOCI (Note 13)	883	(166)
Tax relating to components of other comprehensive loss	(308)	2
Other comprehensive income / (loss) for the year, net of tax	1,379	(871)
Total comprehensive income for the year	24,974	31,567

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

Tullett Prebon (Europe) Limited
Balance sheet
As at 31 December 2021

	Note	As at 31 Dec 2021 £'000	As at 31 Dec 2020 Restated £'000
Assets			
Non-current assets			
Other investments	13	5,274	4,391
Investment in associate	14	3,766	3,766
Intangibles	15	2,000	-
Total non-current assets		11,040	8,157
Current assets			
Debtors	16	113,875	116,498
Cash and cash equivalents	17	54,493	44,994
Financial assets at fair value through profit or loss	18	1,239	883
Total current assets		169,607	162,375
Total assets		180,647	170,532
Liabilities			
Non-current liabilities			
Deferred tax	12	691	384
Total non-current liabilities		691	384
Current liabilities			
Creditors	19	7,557	10,215
Financial liabilities at fair value through profit or loss	20	1,224	894
Tax payable	12	1,977	2,639
Total current liabilities		10,758	13,748
Total liabilities		11,449	14,132
Net assets		169,198	156,400
Equity			
Issued capital	21	23,000	23,000
Share premium	22	29,486	29,486
Other reserves	23	5,044	2,469
Retained profits		111,668	101,445
Total equity		169,198	156,400

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

The financial statements on pages 12 to 35 were approved and authorised for issue by the Board of Directors on 31 March 2022 and were signed on its behalf by:

P Redman
Director

31 March 2022

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

Tullett Prebon (Europe) Limited
Statement of changes in equity
For the year ended 31 December 2021

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2020	23,000	29,486	2,633	84,714	139,833
Profit after income tax for the year	-	-	-	32,438	32,438
Other comprehensive loss for the year, net of tax	-	-	(164)	(707)	(871)
Total comprehensive income / (loss) for the year	-	-	(164)	31,731	31,567
Dividends paid (note 24)	-	-	-	(15,000)	(15,000)
Balance at 31 December 2020	23,000	29,486	2,469	101,445	156,400

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2021	23,000	29,486	2,469	101,445	156,400
Profit after income tax for the year	-	-	-	23,595	23,595
Other comprehensive income for the year, net of tax	-	-	575	804	1,379
Total comprehensive income for the year	-	-	575	24,399	24,974
Share-based payments	-	-	-	824	824
Other reserves	-	-	2,000	-	2,000
Dividends paid (note 24)	-	-	-	(15,000)	(15,000)
Balance at 31 December 2021	23,000	29,486	5,044	111,668	169,198

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

Note 1. General information and principal accounting policies

General information
The Company is a private company limited by shares, incorporated in England and Wales. The registered office 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.

Going concern
After consideration of the Company's business review and the risks and uncertainties; including the risks related to Brexit and the uncertainties related to the ongoing Covid-19 pandemic as well as the Russia Ukraine conflict as set out in the Strategic Report, and having considered the Company's forecasts including liquidity and capital, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. Accordingly, the going concern basis continues to be used in preparing these financial statements.

Basis of preparation
The financial statements of the Company have been prepared in accordance with FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006. As permitted, the Company has taken advantage of disclosure exemptions, including: Statement of cash flows, disclosure of new accounting standards not yet mandatory, presentation of comparative information for tangible and intangible fixed assets, key management compensation, related party transactions between wholly owned group companies and share-based payments. Where relevant, equivalent disclosures have been given in the Group financial statements of TP ICAP 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 Company's results.

The Company's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey). whose consolidated financial statements are available from the website: www.tpicap.com.

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

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

Change in accounting policy
On 31 December 2021, the Company 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 company recorded regular way purchases and sales of non-derivative financial instruments on a trade date basis. Refer to note 26 for detailed information on impact of the change in Accounting policy.

The Company 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 Company and does not result in the restatement of the Company'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 Company 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.

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

Revenue
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 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.

Executing on Exchange brokerage, where the Company acts as an agent of exchange listed products transacting as principal to the trade. The trade is then novated to the underlying client's respective clearing broker for settlement.

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 16, Current assets - Debtors.

Pension costs
Certain employees of the Company participate in a Group defined contribution pension scheme operated by TP ICAP Group 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.

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.

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

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

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.

For the purpose of presenting the financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date. Exchange differences arising are recorded in other comprehensive income and transferred to the Company's Retained profits.

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 comprises of both financial and non-financial assets. Financial assets include trade debtors, deposits paid for securities borrowed, loans and amounts owed by Group related companies 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
Creditors are measured at amortised cost and comprise of deposits received for securities loaned, loans and amounts owed to Group related companies and others relating to goods and services provided to the Company prior to the end of the financial year and where the invoice is unpaid.

Other investments
Other investments are recorded at fair value with changes in fair value reflected in other comprehensive income.

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:

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

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

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

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

Matched Principal transactions
The Company 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 Company undertakes Matched Principal broking involving simultaneous back-to-back derivative transactions with counterparties. These transactions are classified as financial instruments at fair value through profit or loss ('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.

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

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

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

Intangible assets
The cost of intangible fixed assets is their purchase cost, together with any incidental costs at acquisition. Development costs have been capitalised in accordance with IAS 38 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. Intangible non current assets are stated at cost less accumulated amortisation and impairment.

Amortisation is charged against assets from the date at which the asset becomes available for use.

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

Issued capital
Ordinary shares are classified as equity.

Client money
The Company holds money on behalf of clients in accordance with the client money rules of the FCA. Since the Company is not beneficially entitled to these amounts, they are excluded from the Balance Sheet along with the corresponding liabilities to customers. The net return received on managing client money is included within interest income.

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.

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.

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 financial risk management framework, strategy and policies of the Company are proposed through EMEA Risk, Conduct and Governance Committee and is overseen by the EMEA Board.

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Financial assets		
Debtors less prepayments*	113,785	116,278
Financial assets FVTPL (Note 18)	1,239	883
Cash and cash equivalents (Note 17)	54,493	44,994
Total financial assets	169,517	162,155

*2020 was restated by £(1,044,178,000), refer to note 26 for detailed information on restatement of comparatives.

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

Tullett Prebon (Europe) Limited
Notes to the financial statements
31 December 2021

Note 3. Financial risk management (continued)

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 (sterling). Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into sterling.

It is estimated that a 10 cent increase in the exchange rates of United States Dollar and Euro against sterling as at 31 December 2021 would negatively impact the Company's Statement of profit or loss and Retained profits by £1,754,000 and £1,136,000 respectively (2020: £1,267,000 and £704,000). Any movements in the remainder currencies against sterling is not expected to have a significant impact on the financial statements (2020: £Nil).

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2021:

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Financial assets					
Debtors less prepayments	27,847	9,796	1,581	74,561	113,785
Financial assets FVTPL	595	-	-	644	1,239
Cash and cash equivalents	3,207	4,947	-	46,339	54,493
Total financial assets	31,649	14,743	1,581	121,544	169,517
Financial liabilities					
Creditors	(5,514)	(82)	(3)	(1,959)	(7,557)
Financial liabilities FVTPL	(623)	-	-	(601)	(1,224)
	(6,137)	(82)	(3)	(2,560)	(8,781)
Total financial liabilities	(6,137)	(82)	(3)	(2,560)	(8,781)
Net financial assets	25,512	14,661	1,578	118,985	160,736

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

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Financial assets					
Debtors less prepayments*	21,816	8,880	1,278	84,303	116,278
Financial assets FVTPL*	349	-	-	534	883
Cash and cash equivalents	2,691	2,917	-	39,386	44,994
Total financial assets	24,856	11,797	1,278	124,223	162,155
Financial liabilities					
Creditors*	(5,424)	(2,302)	(116)	(2,373)	(10,215)
Financial liabilities FVTPL*	(349)	-	-	(545)	(894)
	(5,773)	(2,302)	(116)	(2,918)	(11,109)
Total financial liabilities	(5,773)	(2,302)	(116)	(2,918)	(11,109)
Net financial assets	19,082	9,496	1,162	121,305	151,046

*The Company's exposure to foreign and domestic currencies as at 31 December 2020 on financial assets FVTPL were restated by £5,692,000,and £1,037,603,000 in USD and GBP respectively. Similarly, financial liabilities FVTPL were restated by £(7,237,000) and £(1,036,058,000) in USD and GBP respectively. Refer to note 26 for detailed information on restatement of comparatives.

Note 3. Financial risk management (continued)

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 £212,000 (2020: £173,000).

The Company's interest rate profile as at 31 December 2021 was as follows:

	None £'000	Fixed £'000	Variable £'000	Total £'000
Financial assets				
Debtors less prepayments	113,785	-	-	113,785
Financial assets FVTPL	1,239	-	-	1,239
Cash and cash equivalents	11,091	-	43,402	54,493
Total financial assets	126,115	-	43,402	169,517
Financial liabilities				
Creditors	(7,557)	-	-	(7,557)
Financial liabilities FVTPL	(1,224)	-	-	(1,224)
	(8,781)	-	-	(8,781)
Total financial liabilities	(8,781)	-	-	(8,781)

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*	116,278	-	-	116,278
Financial assets FVTPL*	883	-	-	883
Cash and cash equivalents	12,557	-	32,437	44,994
Total financial assets	129,718	-	32,437	162,155
Financial liabilities				
Creditors*	(10,215)	-	-	(10,215)
Financial liabilities FVTPL*	(894)	-	-	(894)
	(11,109)	-	-	(11,109)
Total financial liabilities	(11,109)	-	-	(11,109)

*The Company's interest rate profile as at 31 December 2020 on Debtors less prepayments and financial assets FVTPL were restated by £1,043,295,000 and £883,000 respectively. Similarly, Creditors and financial liabilities FVTPL were restated by £(1,043,295,000) and £(894,000) respectively. The balances were not subject to interest rate sensitivity. Refer to note 26 for detailed information on restatement of comparatives.

Note 3. Financial risk management (continued)

Price risk
The Company is exposed to price risk when one or both counterparties in a matched principal transaction fail to fulfil their obligations, through trade mismatches or other errors. Risk is restricted to short term price movements in the underlying stock position.

To the extent that any exist, unmatched transactions are identified and monitored on a daily basis. The Group has policies and procedures in place to reduce the likelihood of such situations, but should they arise, the policy is to close out positions immediately or, with Senior Management approval, to carry them with an appropriate hedge in place.

The Company expects that movement in the price of assets and liabilities in matched principal transactions will not have a material effect on the Statement of profit or loss of the Company.

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 2021 there were no financial assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2020: £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 16) and Cash and cash equivalents, (Note 17). In a matched principal transaction there is a simultaneous commitment by the counterparties to sell and purchase a financial instrument, meaning that there does exist short-term credit exposure, prior to clearing and settlement.

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 2021					
Creditors	(5,852)	(1,705)	-	-	(7,557)
Financial liabilities FVTPL	(1,224)	-	-	-	(1,224)
	(7,076)	(1,705)	-	-	(8,781)
Total financial liabilities	(7,076)	(1,705)	-	-	(8,781)

Note 3. Financial risk management (continued)

31 December 2020					
Creditors*	(9,062)	(1,153)	-	-	(10,215)
Financial liabilities FVTPL*	(894)	-	-	-	(894)
	(9,956)	(1,153)	-	-	(11,109)
Total financial liabilities	(9,956)	(1,153)	-	-	(11,109)

*The Company's Liquidity risk profile as at 31 December 2020 on Creditors and financial liabilities FVTPL were restated by £(1,043,295,000) and £(894,000) respectively and the balances were on demand. Refer to note 26 for detailed information on restatement of comparatives.

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, Other reserves 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's capital requirements. The approach is to hold an appropriate surplus over the minimum. The Group evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

Note 4. Revenue

Revenue by type:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Brokerage fee income	200,477	215,951
Other income	-	187
Total revenue	200,477	216,138

Revenue by geographical market:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
EMEA	200,477	216,138

Note 5. Administrative expenses

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Employment costs (Note 6)	109,579	118,635
Other staff costs	1,617	1,296
Travel and entertainment	2,010	1,313
Market data and telecommunications	10,732	11,603
Professional fees	4,061	5,045
Movement in expected credit loss provision	(307)	(37)
Service fees	43,085	41,919
Settlement costs	2,727	2,382
Technology and related costs	1,930	2,215
Subscriptions	247	156
Regulatory fine	4,221	477
Other administrative costs	101	246
	180,003	185,250

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 Group plc, included these fees on a consolidated basis.

Fees payable for the audit of the financial statements were £148,000 (2020: £127,141).

Note 6. Employment costs

Employment costs borne by the Company comprise:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Wages, salaries, bonuses and incentive payments	95,995	103,656
Social security	13,258	14,540
Other pension	326	439
Total employment costs	109,579	118,635

For the year ended 31 December 2021, the average number of employees identified as being directly involved in the operation of the Company was 357, comprising of 357 brokers and Nil support staff (2020: 379, comprising of 379 brokers and Nil 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. Directors remuneration

Directors' remuneration in respect of their services to the Company comprise the following:

	Year ended 31 Dec 2021 Total £'000	Year ended 31 Dec 2021 Highest Paid Director £'000	Year ended 31 Dec 2020 Total £'000	Year ended 31 Dec 2020 Highest Paid Director £'000
Aggregate emoluments	1,642	1,348	1,731	1,225
Defined contribution pension schemes	3	2	5	2
	1,645	1,350	1,736	1,227

As at 31 December 2021, retirement benefits are accruing to 2 Directors (2020: 3) under defined contribution schemes sponsored by the Group. The Company's Directors who served during the year were also Directors of TP ICAP Group plc, the ultimate parent company and controlling party. Their total remuneration for the year is disclosed in the financial statements of TP ICAP Group plc

Note 8. 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 9. Interest receivable and similar income

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Bank deposit	1	68
Group related company loan	65	3
	66	71

Note 10. Interest payable and similar expenses

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Settlement balances and bank overdrafts	98	4

Note 11. Dividends received

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Dividend income from Investments	9,426	7,504

Dividend received in the year from Tullett Prebon SITICO (China) Limited of £9.2m and Euroclear of £0.2m (2020: £7.5m).

Note 12. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Current tax		
UK Corporation tax - current year	4,772	6,355
Deferred tax - current year	(1)	-
Adjustment recognised for prior years - current tax	(33)	(450)
Adjustment recognised for prior years - deferred tax	1	65
Overseas tax	499	375
Aggregate income tax	5,238	6,345
Deferred tax included in income tax comprises:		
Increase in deferred tax assets	(1)	-
Numerical reconciliation of income tax at the statutory rate		
Profit before income tax	28,833	38,783
Tax at the statutory tax rate of 19%	5,478	7,369
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-taxable dividends	(1,791)	(1,426)
Expenses not deductible for tax purposes	1,091	420
	4,778	6,363
Adjustment recognised for prior years - current tax	(33)	(450)
Adjustments recognised for prior years - deferred tax	1	65
Deferred tax at different rates	(7)	(8)
Overseas tax	499	375
Income tax	5,238	6,345
Effective tax rate	18.1%	16.4%

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 2021, 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.

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Amounts charged/(credited) directly to equity		
Deferred tax assets	308	(2)

Note 12. Income tax (continued)

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Deferred tax		
Deferred tax liability comprises temporary differences attributable to:		
Other timing differences	(730)	(422)
Capital allowances	38	37
IFRS 9 adjustment	1	1
Deferred tax liability	(691)	(384)
Movements:		
Opening balance	(384)	(321)
Credited to profit or loss	1	-
Credited/(charged) to equity	(308)	2
Prior year adjustment	-	(65)
Closing balance	(691)	(384)

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Provision for income tax	1,977	2,639

Note 13. Non-current assets - Other investments

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Other investments	5,274	4,391

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

As at beginning of the year	4,391	4,557
Movement in the fair value of investments	883	(166)
As at end of the year	5,274	4,391

Company	Registered Address	Country of incorporation	Issued ordinary shares directly held
Euroclear Holding SA/NV 1,809 ordinary shares shares of €1 each	1 Boulevard du Roi Albert II, 1210 Brussels, Belguim	Belgium	<1%
LME Holdings Ltd 25,000 ordinary shares shares of £0.01 each	10 Finsbury Square London EC2A 1AJ	England	<1%

Note 13. Non-current assets - Other investments (continued)

In accordance with FRS 101, other investments are recorded at fair value with changes in fair value reflected in other comprehensive income. The Company's investment in Euroclear Holding SA/NV has been valued using recent traded prices. The Company's investment in LME Holdings Ltd has been valued based on net asset value.

Note 14. Non-current assets - Investment in associate

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Investment in associate	3,766	3,766

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

As at beginning of the year	3,766	3,766
As at end of the year	3,766	3,766

As at 31 December 2021, the Company held a principal investment in the following company:

Company	Registered Address	Country of incorporation	Issued ordinary shares directly held
Tullett Prebon SITICO (China) Limited	9th Floor, Room 1001, DBS Tower, No.1318, Lujiazui Ring Road, Shanghai, 200120, China	China	33% Subscribed Capital

Note 15. Non-current assets - Intangibles

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Intellectual property - at cost	2,000	-

During the current year, TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited) disposed of shares in GLIA - an associate of TP ICAP EMEA Investments Limited in return for the Darwin software - an Artificial Intelligence tool which was signed over to TPE as it will be used by the Energy and Commodity business.

Note 16. Current assets - Debtors

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Agency trade debtors	54,981	46,692
Expected credit loss	(75)	(163)
	54,906	46,529
Other debtors	690	79
Prepayments and accrued income	1,496	1,714
	2,186	1,793
Amount owed by Group related companies	57,140	68,576
Expected credit loss	(357)	(400)
	56,783	68,176
	113,875	116,498

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 16) and Cash and cash equivalents (Note 17). In a matched principal transaction there is a simultaneous commitment by the counterparties to sell and purchase a financial instrument meaning that there does exist short-term credit exposure, prior to clearing and settlement, and outstanding receivables that the Company manages.

The following trade debtors were unsettled:

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Less than 30 days	23,415	23,185
Over 30 days but less than 90 days	10,245	9,267
Over 90 days	21,246	14,077
	54,906	46,529

Note 17. Current assets - Cash and cash equivalents

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Cash at bank and in hand	24,486	11,242
Short term bank deposits	21,385	21,465
Restricted funds	9,263	13,130
Expected credit loss	(641)	(843)
	54,493	44,994

The short-term bank deposits have a maturity of 30 days or less.

Restricted funds represent cash for which the Company does not have immediate and direct access or for which regulatory requirements restrict the use of the cash.

At 31 December 2021 client money balances representing amounts owed to customers, held in a segregated bank account amounted to £193,000 (2020: £440,900).

Note 18. 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 gains on unsettled Matched Principal transactions*	1,239	883

*2020 was restated by £1,043,295,000, refer to note 26 for detailed information on restatement of comparatives.

Note 19. Current liabilities - Creditors

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Trade creditors	332	210
Amounts owed to Group related companies	5,851	9,063
Accruals and deferred income	1,273	837
Other creditors	101	105
	7,557	10,215

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 unsettled Matched Principal transactions*	1,224	894

*2020 was restated by £1,043,295,000, refer to note 26 for detailed information on restatement of comparatives.

Note 21. Equity - Issued capital

	As at 31 Dec 2021 Shares	As at 31 Dec 2020 Shares	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Authorised, issued and fully-paid ordinary shares of £1 each	23,000,001	23,000,001	23,000	23,000

Note 22. Equity - Share premium

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

Note 23. Equity - Other reserves

Other reserves represent capital redemption reserves and gains/losses arising of revaluation of other investments held.

	As at 31 Dec 2021 £'000	As at 31 Dec 2020 £'000
Other reserves	5,044	2,469

Note 24. Equity - Dividends

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Dividend paid of £0.65 per ordinary share (2020: £0.65 per ordinary share)	15,000	15,000

Note 25. Related Party, Transactions

The Company entered into the following transactions with related parties who are members of the Group:

	Year ended 31 Dec 2021 £'000	Year ended 31 Dec 2020 £'000
Dividend income received	9,200	7,500

Note 26. Restatement of comparatives

As set out in Note 1, the Company 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 Company's Balance sheets for 31 December 2020 have been restated as follows:

	31 Dec 2020 (as reported)	31 Dec 2020 (as restated)
	£'000	£'000
Debtors		
Matched Principal financial assets	1,044,178	-
Financial assets at FVTPL		
Fair value gains on unsettled Matched Principal transaction	-	883
Total assets	1,044,178	883
Creditors		
Matched Principal financial liabilities	(1,044,189)	-
Fair value losses on unsettled Matched Principal transaction	-	(894)
Total liabilities	(1,044,189)	(894)
Total equity	(11)	(11)

Note 27. Contingent liabilities

In November 2017, the Company was named as a defendant in a Second Amended Class Action Complaint filed in the United States District Court for the Southern District of New York by lead defendant Sonterra Capital Master Fund Ltd. No Director or officer of the Company has been named as a defendant. The civil complaint names numerous banks and inter-dealer brokers as defendants, and alleges manipulation and collusion of rates concerning Swiss Franc Libor based derivatives during the period 2001 - 2011, to the alleged detriment of certain institutional investors and individuals. The broker defendants filed a joint motion to dismiss the Second Amended Complaint on 6 April 2018 (the bank defendants filed their own motion to dismiss earlier). The plaintiffs filed their opposition on 4 June 2018, and we filed our reply on 3 July 2018. Numerous letters have been submitted to the Court identifying relevant, subsequently-issued decisions. On 6 December 2018, the Judge requested that the parties provide the Court with unredacted, electronic versions of all documents previously filed under seal. This order suggests that the Judge will either schedule oral argument or issue a decision on the motions to dismiss in the near future. It is not practicable to predict the ultimate outcome of the litigation. As a result it is not possible to provide an estimate of any potential financial impact on the Company.

Tullett Prebon (Europe) Limited
Notes to the financial statements
31 December 2021

Note 28. 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.

On 16 February 2022, the Company paid a dividend in specie of £20,800,000 to TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited).

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

Note 29. Immediate and ultimate parent company

The Company's immediate parent was TP ICAP EMEA Investments Limited (formerly known as Tullett Prebon Investment Holdings Limited), which does not prepare consolidated financial statements.

At the year end. the Company'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 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 www.tpicap.com.