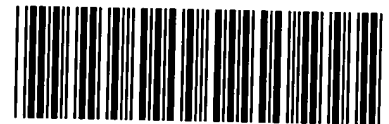


Company Number 07282077

iSwap Euro Limited

Annual Report and Financial Statements - 31 December 2018

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STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their Annual Report and the audited financial statements of iSwap Euro Limited (the 'Company') for the year ended 31 December 2018.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Directors consider that the year end financial position was satisfactory and do not anticipate any changes to the principal activities.

In 2018 the Company's primary business focus has been on the implementation of the MIFID II regulatory changes in Europe, which came into force on 3rd January 2018, changes to the Company's business model to increase the resilience of platform revenues, overall revenue growth, and preparations for Brexit contingency planning.

Our MIFID II implementation programme went smoothly. Two years of planning, specification, development and testing, including significant platform and operational changes went live on 3rd of January 2018 with only minor issues, and this continued to be the case throughout the year. With the launch of MIFID II some market maker customers took time to integrate new processes and MIFID II compliant trading algorithm's, nonetheless MIFID has gone well so far.

Investment in platform functionality over the last few years has enabled iSwap to build a market leading trading product. This has generated competitive advantage allowing us to capture volume in EUR Interest Rate Swaps from both Dealer to Dealer, and some Dealer to Client venues, using our orderbook based market model and technology. The GBP market remains a work in progress, and it is anticipated that the introduction of a GBP Hub, incorporating other TP ICAP venues will enable the business to improve its liquidity and product offering in 2019.

Our historic investment in distribution capability through API connectivity, whilst relatively expensive to initially build and maintain, has allowed us after many years, to monetise connectivity to the platform and our market data via API access fees. A new venue ratecard was introduced in 2018 with API access and data fees structured as monthly minimum brokerage fee for member participants. Broker participants have the option of API access and data fees with rebates based on activity, in addition to a negotiated trade facility for the registration of trades onto the iSwap MTF.

The effect of these new fee revenue structures has been to increase both overall business revenues and the resilience of those revenues by establishing a floor on monthly fees. Increasing EUR liquidity from existing and new iSwap partners, both dealers and brokers, has enabled us to leverage our product and distribution to attract additional market volumes. The introduction of MIFID II appears to have accelerated the adoption of e-trading in Europe. The most liquid, commoditised vanilla instruments which are best suited to our orderbook based market models are increasingly being traded electronically.

The outcome of the Brexit process is unclear and may impact the future developments of the Company. Please see strategic and business risk on page 2.

RESULTS

The results of the Company are set out in the statement of profit and loss on page 8.

The profit for the year/period of €1,754,349 (2017: loss of €715,217) has been transferred to reserves.

The net assets of the Company are €14,714,864 (2017: €12,982,377).

PRINCIPAL RISKS AND UNCERTAINTIES

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

Credit risk is the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company. A significant portion of transactions brokered by the Company are on a 'Name passing' basis, where the Company acts as agent in arranging the trade. Whilst the Company does not suffer any exposure in relation to the underlying instrument brokered (given that the Company is not a principal to the trade), it is exposed to the risk that the client fails to pay the brokerage it is charged.

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

Liquidity risk is the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance its ongoing operations and any other reasonable unanticipated events on cost effective terms. Cash and equivalent balances are held with the primary objective of capital security and availability, with a secondary objective of generating returns. Funding requirements and cash and equivalent exposures are monitored by the Group Finance and Operations departments.

Capital management risk is the risk arising from failure to maintain adequate levels of capital. The Company is exposed to the risk of new regulations imposing a fundamental change to the structure or activity of financial markets which could result in the obligation to hold punitive levels of regulatory capital. The Company monitors closely regulatory developments in its markets and is actively involved in consultation and rule setting processes so as to ensure an informed debate of all regulatory issues potentially affecting the IDB markets, both on an individual firm basis and through trade associations. The Company board also undertakes an informed assessment of whether the Company holds sufficient capital in the context of the Company's overarching business objectives, the nature of its business model and risk profile, and its risk management framework. The Company has maintained appropriate financial resources throughout the year.

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

A significant focus this year has been on Brexit contingency planning. In the event of a hard Brexit, without regulatory equivalence, it would not be possible for iSwap's EU27 clients, who represent the largest client segment of iSwap's client base, to trade on the iSwap Euro Ltd MTF and fulfil their regulatory Derivatives Trading Obligations. In consequence, in June 2018 the iSwap Board approved the incorporation of a new entity, iSwap Euro BV (which is a sister entity to iSwap Euro Limited), and the submission of a multilateral trading facility ('MTF') licence application to the Dutch Authority for the Financial Markets ('AFM'), to operate a new iSwap Euro BV MTF in the Netherlands, this license has now been granted by the Dutch regulator. In this scenario, subject to Board approval, the existing iSwap Euro Ltd business would be transferred to iSwap Euro BV, and the UK MTF would cease operations. This would entail the transfer of iSwap Euro Limited's intangible, tangible, and deferred tax assets to iSwap Euro BV and would largely be formed of a distribution between the entities.

The outcome of the Brexit process is unclear at this stage, and the transfer may entail some market disruption, however the relocation of the MTF to a jurisdiction within the EU27 is considered to be the only way to maintain access to EUR market liquidity, and service our clients in this hard Brexit scenario without regulatory equivalence. The final Board decision as to whether to implement the Brexit contingency plan will be made when required. Further details will be found in the Director's Report on page 3.

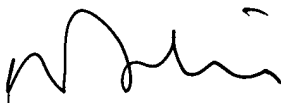
Management in front office and support functions have the day-to-day responsibility for ensuring that the Company operates in accordance with the Enterprise Risk Management Framework which includes policies and procedures for these key risks. Further details of the Enterprise Risk Management Framework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

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets is 12% (2017: -6%).

The Directors of TP ICAP 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 TP ICAP plc, which includes the Company, are detailed in the Group's Annual Report, 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:



N Breteau
Director

25 April 2019

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

PRINCIPAL ACTIVITIES

The Company's principal activity is to provide access to customers to trade Euro interest rate derivatives on the iSwap trading platform. The platform supports electronic trading in fixed/floating interest rate swaps. The Company is regulated by the Financial Conduct Authority (FCA). It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated in the United Kingdom and domiciled in England and Wales. The Company is a private company limited by shares. The registered office is Floor 2, 155 Bishopsgate, London EC2M 3TQ.

On 20 October 2017, the Company changed its accounting reference date to 31 December to align with the Group's accounting period. As a result, the Company's prior accounting period was shortened to a nine month period ended 31 December 2017. The current year is for the year ended 31 December 2018.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

PRINCIPAL RISKS AND UNCERTAINTIES

Details of principal risks and uncertainties can be found in the Strategic Report on pages 1 and 2 and the financial risk management note (note 3).

GOING CONCERN

As noted in the Strategic Report there are uncertain future events relating to Brexit that may result in the Directors making the decision to transfer the operating business to a sister entity, iSwap Euro B.V. The Directors conclude that despite these material uncertainties, the going concern assumption is appropriate. Thus they continue to adopt the going concern basis in preparing the financial statements.

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

DIVIDENDS

No dividends (2017: €nil) were paid or proposed during the current or prior period nor were any dividends declared or paid 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:

J Brigstock
J Lundstrom (resigned 3 August 2018)
T Prickett
J Bradley (resigned 22 February 2018)
N Breteau (appointed 30 November 2018)

DIRECTOR'S INDEMNITIES

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

ENVIRONMENTAL POLICY

The nature of the Company's activities is such that it has a minimal direct effect on the environment. However, management have agreed to adopt Group policies to safeguard the environment, to meet statutory requirements, or where such policies are commercially sensible.

POLITICAL CONTRIBUTIONS

There were no political donations made by the Company during the period (2017: €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

There have been no post balance sheet events from 31 December 2018 up to the date of signing which require separate disclosure.

INDEPENDENT AUDITOR

The Company's incumbent auditor, Deloitte LLP, have indicated their willingness to continue in office and 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 made 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.

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

On behalf of the Directors



N Breteau
Director

25 April 2019

Company number: 07282077

iSwap Euro Limited
Directors' responsibilities statement
31 December 2018

The Directors are responsible for preparing the Strategic Report, Directors' 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of iSwap Euro Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for year ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of which comprise:

- the statement of profit and loss;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that the company's ability to generate revenues and positive long term cashflow is dependent on the ability to continue to trade with EU27 clients. There is uncertainty surrounding this given the stage of the Brexit negotiations and the directors may decide to transfer the company's operating business to a sister entity, in order for services to continue. As stated in note 1, these conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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 website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

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 period 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

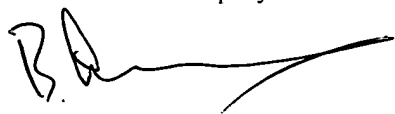
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Ben Jackson FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 April 2019

iSwap Euro Limited
Statement of profit or loss
For the year ended 31 December 2018

		Year ended 31 Dec 2018 €	Period ended 31 Dec 2017 €
Revenue		7,086,704	2,675,954
Expenses			
Administrative costs	4	(4,803,964)	(3,561,885)
Other operating income	6	<u>27,192</u>	<u>28,533</u>
Operating profit/(loss)		2,309,932	(857,398)
Interest receivable and similar income	7	7,301	5,300
Interest payable and similar expenses	8	<u>-</u>	<u>(2)</u>
Profit/(loss) before income tax (expense)/benefit		2,317,233	(852,100)
Income tax (expense)/benefit	9	<u>(562,884)</u>	<u>136,883</u>
Profit/(loss) after income tax (expense)/benefit for the year		<u><u>1,754,349</u></u>	<u><u>(715,217)</u></u>

The operating profit/(loss) for the year/period is derived from continuing operations.

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

iSwap Euro Limited
Balance sheet
As at 31 December 2018

	Note	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Assets			
Non-current assets			
Tangible assets	10	559,188	-
Intangibles assets	11	2,283,879	2,669,020
Deferred tax asset	9	2,174,827	2,684,953
Total non-current assets		<u>5,017,894</u>	<u>5,353,973</u>
Current assets			
Trade and other receivables	12	3,461,508	2,825,080
Cash and cash equivalents	13	6,554,165	5,882,130
Total current assets		<u>10,015,673</u>	<u>8,707,210</u>
Total assets		<u>15,033,567</u>	<u>14,061,183</u>
Liabilities			
Current liabilities			
Trade and other payables	14	318,703	1,078,806
Total current liabilities		<u>318,703</u>	<u>1,078,806</u>
Total liabilities		<u>318,703</u>	<u>1,078,806</u>
Net assets		<u>14,714,864</u>	<u>12,982,377</u>
Equity			
Issued capital	15	402	402
Share premium		10,999,600	10,999,600
Other reserves		13,488,522	13,488,522
Accumulated losses		<u>(9,773,660)</u>	<u>(11,506,147)</u>
Total equity		<u>14,714,864</u>	<u>12,982,377</u>

The financial statements on page 8 to 25 were approved and authorised for issue by the board of Directors on 25 April 2019 and were signed on its behalf by:



N Breteau
Director

25 April 2019

Company number: 07282077

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

iSwap Euro Limited
Statement of changes in equity
For the year ended 31 December 2018

	Issued capital €	Share premium €	Other reserves €	Accumulated losses €	Total equity €
Balance at 1 April 2017	402	10,999,600	13,488,522	(10,790,930)	13,697,594
Loss after income tax benefit for the period	-	-	-	(715,217)	(715,217)
Other Comprehensive income for the period, net of tax	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	(715,217)	(715,217)
Balance at 31 December 2017	<u>402</u>	<u>10,999,600</u>	<u>13,488,522</u>	<u>(11,506,147)</u>	<u>12,982,377</u>
	Issued capital €	Share premium €	Other reserves €	Accumulated losses €	Total equity €
Balance at 1 January 2018	402	10,999,600	13,488,522	(11,506,147)	12,982,377
Profit after income tax expense for the year	-	-	-	1,754,349	1,754,349
Other Comprehensive income for the year, net of tax	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	1,754,349	1,754,349
Expected credit loss	-	-	-	(74,620)	(74,620)
Deferred tax	-	-	-	52,758	52,758
Balance at 31 December 2018	<u>402</u>	<u>10,999,600</u>	<u>13,488,522</u>	<u>(9,773,660)</u>	<u>14,714,864</u>

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital comprising €1 shares.

Share premium

The share premium account includes the value of the proceeds above nominal on issue of the Company's share capital, comprising €1 ordinary shares.

Other reserves

The other reserves relate to a capital contribution reserve.

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

iSwap Euro Limited
Statement of cash flows
For the year ended 31 December 2018

	Note	Year ended 31 Dec 2018 €	Period ended 31 Dec 2017 €
Cash flows from operating activities			
Profit/(loss) before income tax (expense)/benefit for the year		2,317,233	(852,100)
Adjustments for:			
Amortisation of intangible assets		1,094,302	911,291
Net finance income		<u>(7,301)</u>	<u>(5,298)</u>
		3,404,234	53,893
Change in operating assets and liabilities:			
Increase in trade and other receivables		(711,048)	(382,301)
(Decrease)/increase in trade and other payables		<u>(760,103)</u>	<u>194,152</u>
Net cash from/(used in) operating activities		<u>1,933,083</u>	<u>(134,256)</u>
Cash flows from investing activities			
Purchase of tangible assets	10	(559,188)	-
Purchase for intangibles assets	11	(709,161)	(896,706)
Interest received		<u>7,301</u>	<u>5,298</u>
Net cash used in investing activities		<u>(1,261,048)</u>	<u>(891,408)</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		672,035	(1,025,664)
Cash and cash equivalents at the beginning of the financial year		<u>5,882,130</u>	<u>6,907,794</u>
Cash and cash equivalents at the end of the financial year	13	<u><u>6,554,165</u></u>	<u><u>5,882,130</u></u>

The above statement of cash flows 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.

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 / periods presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

IFRS 9 Financial Instruments

The Company has adopted IFRS 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The impact of applying the new impairment model under IFRS 9 is discussed within the impairment of financial assets accounting policy (Note 1).

IFRS 15 Revenue from Contracts with Customers

The Company has adopted IFRS 15 from 1 January 2018. The standard provides 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. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's balance sheet as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

There has been no material impact on the amounts reported during the period as a result of applying IFRS 15 for the first time.

Hedge accounting

The Company did not undertake any qualifying hedging activities during the reporting period and will apply IFRS 9's hedge accounting requirements as and when such transactions arise.

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

Other New Standards and Interpretations

The following new Standards and Interpretations are effective from 1 January 2018 but they do not have a material effect in the Company's financial statements:

- Amendments to IFRS 2 'Share-based payment transactions' regarding the classification and measurement of share-based payment transactions;
- IFRIC Interpretation 22 relating to foreign currency transactions and advance consideration; and
- Annual Improvements to IFRSs (2014-2016 Cycle, relating to improvements effective from 1 January 2018).

IFRS 16 'Leases'

The Company has not applied IFRS 16 'Leases' in the preparation of these Financial Statements as it is not yet effective. IFRS 16 introduces comprehensive changes to the identification and accounting for leases for lessees. The date of initial application for the Company will be 1 January 2019 and will apply for the year ending 31 December 2019.

The application of the requirements of IFRS 16 will not have a material impact on the Company's financial statements.

Going concern

As noted in the Strategic Report there are uncertain future events relating to Brexit that may result in the Directors making the decision to transfer the operating business to a sister entity, iSwap Euro B.V. in order for services to clients to continue. These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. If the operating business of the company is transferred out, the company will cease to trade.

After consideration of the Company's business review and the risks and uncertainties, including the risks related to Brexit as set out in the Strategic Report, and having considered the Company's forecasts including the Company's liquidity and capital, the Directors have a reasonable expectation that the Company has adequate resources to meet its obligations as they fall due. Notwithstanding the above uncertainty, the Directors consider that there is a reasonable prospect that the company will continue in operational existence for the foreseeable future being at least the next twelve months from 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 have been prepared in accordance with IFRS adopted by the EU, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and therefore comply with Article 4 of the EU IAS Regulation.

The financial statements are prepared in euros which is the functional currency of the Company.

The accounting policies have been applied consistently, other than where new policies have been adopted.

The Company's ultimate parent is TP ICAP plc (incorporated in the United Kingdom) and its consolidated financial statements are available from Companies House.

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.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Revenue

Revenue primarily comprised of commission from the Company's agency business.

The Company acts in a non-advisory capacity to match buyers and sellers of financial instruments and raises invoices monthly for the service provided. The Company does not act as principal and only receives and transmits orders between counterparties. Revenue is stated net of rebates and discounts, value added tax and other sales taxes and is recognised in full on the date of the trade. Amounts receivable at the year end are reported within trade and other receivables (note 12).

The remainder of recognised revenue is from customers and TP ICAP entities paying monthly API access and data fees which are structured as monthly minimum fees for member participants, with rebates based on activity.

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

Interest receivable and similar income

Interest revenue is recognised as interest accrues using the 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.

Borrowing costs

All borrowing costs are expensed as interest payable and similar charges in the statement of profit and loss using the applicable effective interest rate.

Tax

Tax on the profit for the year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the statement of profit and loss, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted, or substantially enacted by the balance sheet date.

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.

Calculations of current and deferred tax liability/asset have been 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 recorded initially, such differences will impact the current and deferred tax amounts in the period in which a reassessment of the liability/asset is made.

Foreign currencies

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, overdrafts and 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 with less than three months maturity.

Trade receivables

Trade receivables are recognised at amortised cost less provision for impairment.

All provisions are recorded within administrative expenses in the statement of profit and loss.

Financial instruments

The Company has applied IFRS 9 from 1 January 2018 which has replaced IAS 39 'Financial Instruments: Recognition and Measurement'. Under the transition methods chosen, comparative information has not been restated. The Company had no hedging relationships as at this date or during the current reporting period. The details of new significant accounting policies are set out below.

With respect to the classification and measurement of financial assets, the number of categories of financial assets under IFRS 9 has been reduced compared to IAS 39. Under IFRS 9 the 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.

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

There are three principal classification categories for financial assets that are debt instruments:

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

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

Equity investments in scope of IFRS 9 are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income. 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 this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is measured at amortised cost only if both of the 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.

There has been no change in the accounting for financial liabilities as IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. Under IFRS 9, changes in the fair value of a financial liability designated as at FVTPL due to credit risk are presented in other comprehensive income unless such presentation would create or enlarge an accounting mismatch in profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' 'ECL' model. The new impairment model applies 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 receivables, intercompany debtors and cash and cash equivalents.

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

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

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and cash and cash equivalents for which credit risk has not increased significantly since initial recognition.

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.

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

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.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per both Standard & Poor's and Fitch.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

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

Credit-impaired financial assets

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

Impact of the new impairment model

The application of the impairment requirements of IFRS 9 will not have a material impact on the Company's financial statements. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile.

The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows:

	€
Impairment recognised at 1 January 2018	<u><u>74,620</u></u>

During the prior year, there was no provision recognised under IAS 39.

Intercompany balances

Intercompany balances are shown in accordance with the netting agreement, which allows netting of bilateral intercompany balances within entities that are party to the netting agreement, these balances are settled net in practice.

Intangible assets

Intangible assets arising from internal development

Development expenditure on electronic trading platforms is recognised as an intangible asset in accordance with the criteria of IAS 38, "Intangible assets". Intangible assets are stated at historical cost less provision for any impairment in its value and accumulated amortisation.

Amortisation is charged to administrative expenses in the statement of profit and loss on a straight line basis over the expected useful economic life of the asset as follows:

Capitalised software	3-4 years
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Intangible assets arising from internal development may also include assets previously recognised on the balance sheet of an acquired entity.

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

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

Tangible assets

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

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

Fixtures, fittings and equipment	2 - 5 years
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Issued capital

Ordinary shares are classified as equity.

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 and estimates 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, management believes to be reasonable under the circumstances.

As at 31 December 2018, judgements and assumptions were applied to the valuation of intangible assets held by iSwap Euro Limited. The value of this investment is based on future discounted cash flows. On the basis of this valuation technique, no impairment was recognised. None of these items give rise to a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Note 3. Financial risk management

Financial risk factors

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

	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Financial assets		
Cash and restricted cash (Note 13)	6,554,165	5,882,130
Trade and other receivables (Note 12)	3,461,508	2,825,080
Less Prepayments (Note 12)	(8,069)	(8,827)
	<u>10,007,604</u>	<u>8,698,383</u>

Note 3. Financial risk management (continued)

Market risk

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

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements. Transactional exposure arises from administrative and other expenses and remittance of funds in currencies other than the Company's functional currency (euros), principally United States dollars and sterling.

Translational exposure arises on the conversion of the foreign currency denominated assets and liabilities into euros.

It is estimated that a 10 cent change in the exchange rates of the euro would have an impact of €570,666 (31 December 2017: €20,624) respectively on the Company's statement of profit and loss and equity.

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 December 2018:

	USD €	EUR €	Other €	GBP €	Total €
Assets					
Cash and cash equivalents	424	3,293,899	-	3,259,842	6,554,165
Trade and other receivables less prepayments	-	781,675	15	2,671,749	3,453,439
	<u>424</u>	<u>4,075,574</u>	<u>15</u>	<u>5,931,591</u>	<u>10,007,604</u>
Liabilities					
Trade and other payables	-	(79,996)	-	(238,707)	(318,703)
Net assets	424	3,995,578	15	5,692,884	9,688,901

The table below summarises the Company's exposure to concentrations of foreign and domestic currencies as at 31 December 2017:

	USD €	EUR €	Other €	GBP €	Total €
Assets					
Cash and cash equivalents	425	5,082,363	-	799,342	5,882,130
Trade and other receivables less prepayments	-	1,850,148	-	966,105	2,816,253
	<u>425</u>	<u>6,932,511</u>	<u>-</u>	<u>1,765,447</u>	<u>8,698,383</u>
Liabilities					
Trade and other payables	-	(207,745)	-	(871,061)	(1,078,806)
Net assets	425	6,724,766	-	894,386	7,619,577

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 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.

As at 31 December 2018 there were no instruments with a contracted maturity or re-pricing date in excess of 18 months.

The Company estimates that an increase of 1% in interest rates would have an impact of €65,542 (2017: €91,757) on the Company's statement of profit and loss and equity.

The Company's interest rate profile as at 31 December 2018 was as follows:

	None €	Fixed €	Variable €	Total €
Assets				
Cash and cash equivalents	-	-	6,554,165	6,554,165
Trade and other receivables less prepayments	1,674,315	-	1,779,124	3,453,439
	<u>1,674,315</u>	<u>-</u>	<u>8,333,289</u>	<u>10,007,604</u>
Liabilities				
Trade and other payables	(318,703)	-	-	(318,703)

The Company's interest rate profile as at 31 December 2017 was as follows:

	None €	Fixed €	Variable €	Total €
Assets				
Cash and cash equivalents	-	-	5,882,130	5,882,130
Trade and other receivables less prepayments	1,031,634	-	1,784,619	2,816,253
	<u>1,031,634</u>	<u>-</u>	<u>7,666,749</u>	<u>8,698,383</u>
Liabilities				
Trade and other payables	(1,078,806)	-	-	(1,078,806)

Price risk

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

Fair value

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

As at 31 December 2018 there are no assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2017: none).

Note 3. Financial risk management (continued)

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company and is limited to cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. 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. Typically the Companies are highly credit rated large financial institutions.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to debtors (note 12) and cash (note 13). For debtors who are past their normal settlement date, refer to note 12.

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 is important to ensure that the Company can meet all 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 not significant.

The following tables show the maturity of the Company's liabilities as at 31 December 2018 and 31 December 2017:

	On demand €	Less than 3 months €	3 months to 1 year €	More than 1 year €	Total €
31 December 2018					
Trade and other payables	(239,615)	(79,088)	-	-	(318,703)
31 December 2017					
Trade and other payables	(871,061)	(207,745)	-	-	(1,078,806)

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 share capital, share premium, other reserves and retained earnings.

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.

TP ICAP plc evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

The Company complied with its regulatory capital requirements throughout the year.

Note 4. Administrative costs

	Year ended 31 Dec 2018	Period ended 31 Dec 2017
	€	€
Subscriptions	33,032	49,254
Charity donations	9,715	19,161
Management recharges	3,541,429	2,568,434
Amortisation of intangible assets	1,094,302	911,291
Other	125,486	13,745
	<u>4,803,964</u>	<u>3,561,885</u>

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

Fees payable for the audit of the financial statements were €23,758 (2017: €23,350)

The monthly average number of persons employed by the Company during the year/period was nil (2017: nil).

Note 5. Directors Remuneration

No fees were paid to the Directors in respect of services to the Company during the year (2017: €nil).

Note 6. Other operating 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 7. Interest receivable and similar income

	Year ended 31 Dec 2018	Period ended 31 Dec 2017
	€	€
Interest receivable from intermediate parent company	<u>7,301</u>	<u>5,300</u>

Note 8. Interest payable and similar expenses

	Year ended 31 Dec 2018	Period ended 31 Dec 2017
	€	€
Bank interest paid	<u>-</u>	<u>2</u>

Note 9. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2018 €	Period ended 31 Dec 2017 €
<i>Current tax</i>		
Deferred tax - current year/period and adjustments in respect of prior years	562,884	(637,187)
Current tax - adjustment recognised for prior periods	-	500,304
Aggregate income tax expense/(benefit)	<u>562,884</u>	<u>(136,883)</u>
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	<u>562,884</u>	<u>(637,187)</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit/(loss) before income tax (expense)/benefit	<u>2,317,233</u>	<u>(852,100)</u>
Tax at the statutory tax rate of 19%	440,274	(161,899)
Current tax - adjustment recognised for prior periods	-	500,304
Adjustments in respect of prior periods – deferred tax	(46,191)	(475,288)
Deferred tax at different rates	<u>168,801</u>	<u>-</u>
Income tax expense/(benefit)	<u>562,884</u>	<u>(136,883)</u>
Effective tax rate	24.3%	16.0%

In the UK, legislation to reduce the corporation tax rate to from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020 has been enacted. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2020 and at a rate of 17% thereafter.

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 2018 €	As at 31 Dec 2017 €
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	1,108,483	1,492,953
Capital allowances	1,013,586	1,192,000
Other timing differences	<u>52,758</u>	<u>-</u>
Deferred tax asset	<u>2,174,827</u>	<u>2,684,953</u>
Movements:		
Opening balance	2,684,953	2,047,766
Credited/(charged) to profit or loss	(562,884)	637,187
Credited to equity	<u>52,758</u>	<u>-</u>
Closing balance	<u>2,174,827</u>	<u>2,684,953</u>

Note 10. Non-current assets - Tangible assets

	Fixtures, fittings and equipment €
Cost	
Additions	<u>559,188</u>
Net book value	
As at 31 December 2018	559,188

There were no tangible assets held as at 31 December 2017.

Note 11. Non-current assets - Intangibles assets

	Capitalised software €
Cost	
As at 1 January 2018	13,041,276
Additions	<u>709,161</u>
As at 31 December 2018	<u>13,750,437</u>
Accumulated depreciation	
As at 1 January 2018	10,372,256
Amortisation charge for the year	<u>1,094,302</u>
As at 31 December 2018	<u>11,466,558</u>
Net book value	
As at 31 December 2018	2,283,879

	Capitalised software €
Cost	
As at 1 April 2017	12,144,570
Additions	<u>896,706</u>
As at 31 December 2017	<u>13,041,276</u>
Accumulated amortisation	
As at 1 April 2017	9,460,965
Amortisation charge for the year	<u>911,291</u>
As at 31 December 2017	<u>10,372,256</u>
Net book value	
As at 31 December 2017	2,669,020

Note 12. Current assets - Trade and other receivables

	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Trade receivables	1,021,542	824,418
Less: Allowance for expected credit losses	(58,289)	-
	<u>963,253</u>	<u>824,418</u>
Prepayments and accrued income	<u>8,069</u>	<u>8,827</u>
Loan owed by intermediate parent company (note 17)	1,788,172	1,784,619
Amounts owed by related Group companies (note 17)	714,678	207,216
Less: Allowance for expected credit losses	(12,664)	-
	<u>2,490,186</u>	<u>1,991,835</u>
	<u><u>3,461,508</u></u>	<u><u>2,825,080</u></u>

The majority of net trade debtors which aren't impaired are held with high quality credit institutions.

The company's exposure to credit risk is discussed within the Strategic Report on page 1 and the financial risk management note on page 20.

As at 31 December the following trade debtors were unsettled:

	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Less than 30 days but not yet due	259,102	466,595
Over 30 days but less than 90 days and past due	303,977	118,588
Over 90 days and past due date	<u>400,174</u>	<u>239,235</u>
	<u><u>963,253</u></u>	<u><u>824,418</u></u>

Note 13. Current assets - Cash and cash equivalents

	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Cash at bank and in hand	6,562,660	5,882,130
Expected credit loss	(8,495)	-
	<u><u>6,554,165</u></u>	<u><u>5,882,130</u></u>

Note 14. Current liabilities - Trade and other payables

	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Accruals	79,088	188,730
Amounts owed to related Group companies (note 17)	239,615	871,061
Other payables	-	19,015
	<u>318,703</u>	<u>1,078,806</u>

Note 15. Equity - Issued capital

	As at 31 Dec 2018 Shares	As at 31 Dec 2017 Shares	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Ordinary shares of €1 each - allotted and fully paid	<u>402</u>	<u>402</u>	<u>402</u>	<u>402</u>

Note 16. Events after the reporting period

There have been no post balance sheet events from 31 December 2018 up to the date of signing which require separate disclosure.

Note 17. Related Party Transactions

The Company's immediate parent is iSwap Limited, which prepares consolidated financial statements and heads the smallest group of companies of which the Company is a member.

The Company's ultimate parent is TP ICAP plc, which is incorporated in England and Wales, and heads the largest and smallest group of companies of which the Company is a member. TP ICAP plc prepares consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: Floor 2, 155 Bishopsgate, London EC2M 3TQ.

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

	Year ended 31 Dec 2018 €	Period ended 31 Dec 2017 €
Cost of management services received: Fellow subsidiary companies	<u>(3,709,662)</u>	<u>(2,650,595)</u>

The Company had the following outstanding net balances owed by related parties who are members of the Group:

	As at 31 Dec 2018 €	As at 31 Dec 2017 €
Fellow subsidiary companies	2,250,571	1,120,774

Remuneration of key management personnel

There are no key management personnel other than the directors of the Company. Directors' remuneration is disclosed in note 5.