Company Number 07282077

iSwap Euro 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 iSwap Euro Limited (the "Company") for the year ended 31 December 2021.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a private limited company, incorporated in England and Wales, authorised and regulated by the Financial Conduct Authority ("FCA"). The Company is a subsidiary within TP ICAP Group plc (the "Group").

The directors consider that the year end financial position was satisfactory. Following the FCA's recent announcement regarding Sterling Overnight Index Average ("SONIA") swaps for certain tenors to be subject to the UK Derivative Trading Obligation ("DTO") requirement, the directors and Company's shareholders approved the proposal to transfer the SONIA swaps market to the Company from its fellow Group subsidiary, iSwap Euro B.V. in November 2021. It is expected to launch in April 2022 following approval from the FCA.

RESULTS

The results of the Company are set out in the Statement of profit or loss on page 9.

The Loss after tax for the year of €23,000 (Profit after tax in 2020: €249,000) has been transferred to Retained profits.

The Net assets of the Company are €1,877,000 (2020: €1,900,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks in the Company's day to day operations can be categorised as Market, Credit, Operational, Liquidity, Prudential, Strategic & Business and Emerging risks.

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

Credit risk is the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company.

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

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

Prudential risk is the risk of failure to maintain adequate levels of capital and liquidity. 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 Board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources.

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

Emerging risks encompasses risks 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. It also includes 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. And lastly the risk to deglobalisation as the global economy becomes increasingly fragmented resulting in increasing divergence in the regulatory regimes and associated fragmentation of liquidity in the financial markets.

Following the loss of the EU passporting rights as a result of the UK's withdrawal from the EU, TP ICAP's UK-based authorised subsidiaries no longer have the full scope of necessary regulatory permissions to service all clients based in the EU 27. The Company successfully implemented its Brexit strategy including transfer of Company's business to a fellow Group subsidiary, iSwap Euro BV.

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

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.

iSwap Euro Limited
Strategic report
31 December 2021

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 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 which does not form part of this report.

Clients

Client relationships are managed through 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 the Client Relationship Management team in Global Broking are tracked centrally. Further details of engagement with clients is provided in the Group Annual Report which does not form part of this report.

Regulators

The directors recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year, the directors engaged with the FCA to discuss post Brexit plans and Investment Firms Prudential Regime ("IFPR"). The Directors also received updates on engagement with the Regulators through Board reporting.

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

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net (loss)/profit divided by net assets, is -1.2% (2020: 13.1%). 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:

Kieron Nolan

K Nolan
Director

26 April 2022

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL ACTIVITIES
The Company's principal activity is to provide access to customers to trade SONIA swaps on the iSwap trading platform. The platform supports electronic trading in fixed/floating interest rate swaps. The Company is authorised and regulated by the FCA.

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, England, EC2M 3TP.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
Details of the business review and future developments can be found in the Strategic Report on page 1.

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

GOING CONCERN
Following the directors' approval to launch the SONIA market, the directors have a reasonable expectation that the Company has adequate resources to operate in the foreseeable future being at least the twelve months from the date of approval of the financial statements. Thus, the going concern basis in preparing the financial statements was adopted. Further detail regarding the adoption of the going concern basis, which includes consideration of the ongoing impact of COVID-19, is detailed in Note 1, General information and principal accounting policies.

DIVIDENDS
During the year ended 31 December 2021, no dividend was declared or paid on the ordinary share (2020: €14,000,000).

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

N Hoare
K Nolan

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

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

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

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

INDEPENDENT AUDITOR
Shipleys LLP has been appointed as auditors of the Company. In the absence of an Annual General Meeting, they 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 accompanying 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 year.

In preparing these financial statements, International Accounting Standard 1 requires that directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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
- 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Approved by the Board and signed on its behalf by:

Kieron Nolan

K Nolan
Director

26 April 2022

Company number: 07282077

iSwap Euro Limited
Independent Auditor's report to the members of iSwap Euro Limited
31 December 2021

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the Company's loss for the year then ended;
- the Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006

We have audited the financial statements of iSwap Euro Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of comprehensive income, statements of changes in equity, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements 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. 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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 material misstatements in the Strategic Report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

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.

Extent to which the audit was 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:

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

- We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates. We considered the significant laws and regulations to be the Companies Act 2006, tax legislation, the financial reporting framework, applicable mining laws and environmental legislation.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud;

- Holding discussions with management to consider any known or suspected instances of non-compliance with laws and regulations or fraud;

- Understanding how the Company is complying with those legal and regulatory frameworks by making enquiries of management, reviewing board minutes and reports received from legal counsel;

- In addressing risk of management override of controls, we performed testing of journal entries to the financial statements, including verification of journals which we consider exhibit higher fraud risk characteristics based on our understanding of the Company. As part of our testing of management override of controls we performed procedures on accounts subject to greater management estimate and judgement including the recognition of revenue, the carrying values of the exploration and evaluation assets, the mine development asset and the Company's loans to subsidiaries.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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.

Robert Wood (Senior Statutory Auditor)
For and on behalf of Shipleys LLP, Statutory Auditor
10 Orange Street
London, UK
WC2H 7DQ
Date 26/4/2022

Shipleys LLP is a limited liability partnership registered in England and Wales (with registered number OC317129).

iSwap Euro 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	-	4,424
Other operating income	5	(24)	60
Expenses			
Administrative expenses	6	(17)	(4,133)
Operating profit/(loss)		(41)	351
Interest receivable and similar income	8	-	4
Interest payable and similar expenses	9	-	(1)
(Loss)/profit before income tax benefit/(expense)		(41)	354
Income tax benefit/(expense)	10	18	(105)
(Loss)/profit after income tax benefit/(expense) for the year		(23)	249

The profit after income tax for the prior year was derived solely from discontinued operations.

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

iSwap Euro Limited
Balance sheet
As at 31 December 2021

	Note	As at 31 Dec 2021 €'000	As at 31 Dec 2020 €'000
Assets			
Non-current assets			
Deferred tax asset	10	18	-
Total non-current assets		18	-
Current assets			
Cash and cash equivalents	12	1,844	690
Trade and other receivables	11	110	1,394
Total current assets		1,954	2,084
Total assets		1,972	2,084
Liabilities			
Current liabilities			
Trade and other payables	13	95	184
Total current liabilities		95	184
Total liabilities		95	184
Net assets		1,877	1,900
Equity			
Retained profits		1,877	1,900
Total equity		1,877	1,900

The financial statements on page 9 to 24 were approved and authorised for issue by the board of directors on 22 April 2022 and were signed on its behalf by:

Kieron Nolan

K Nolan
Director

26 April 2022

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 2021

	Issued capital €'000	Share premium €'000	Other reserves €'000	Accumulated losses / Retained profits €'000	Total equity €'000
Balance at 1 January 2020	-	11,000	13,489	(8,836)	15,653
Profit after income tax for the year	-	-	-	249	249
Other Comprehensive income for the year, net of tax	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	249	249
Reduction of issued capital	-	(11,000)	(13,489)	24,489	-
Dividends paid (Note 19)	-	-	-	(14,000)	(14,000)
Deferred tax	-	-	-	(2)	(2)
Balance at 31 December 2020	-	-	-	1,900	1,900

	Issued capital €'000	Share premium €'000	Other reserves €'000	Retained profits €'000	Total equity €'000
Balance at 1 January 2021	-	-	-	1,900	1,900
Loss after income tax for the year	-	-	-	(23)	(23)
Other Comprehensive income for the year, net of tax	-	-	-	-	-
Total Comprehensive loss for the year	-	-	-	(23)	(23)
Balance at 31 December 2021	-	-	-	1,877	1,877

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 2021

	Note	Year ended 31 Dec 2021 €'000	Year ended 31 Dec 2020 €'000
Cash flows from operating activities			
(Loss)/profit before income tax benefit/(expense) for the year		(41)	354
Adjustments for:			
Depreciation of tangible assets		-	119
Amortisation of intangible assets		-	709
Net finance income		-	(3)
		(41)	1,179
Change in operating assets and liabilities:			
Decrease in trade and other receivables		1,284	1,808
Decrease in deferred tax assets		-	1,961
Decrease in trade and other payables		(89)	(112)
Net cash from operating activities		1,154	4,836
Cash flows from investing activities			
Interest received		-	3
Proceeds from disposal of tangible assets		-	382
Proceeds from disposal of intangible assets		-	775
Net cash from investing activities		-	1,160
Cash flows from financing activities			
Dividend paid		-	(14,000)
Net cash used in financing activities		-	(14,000)
Net increase/(decrease) in cash and cash equivalents		1,154	(8,004)
Cash and cash equivalents at the beginning of the financial year		690	8,694
Cash and cash equivalents at the end of the financial year	12	1,844	690

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, incorporated in England and Wales. The registered office is 135 Bishopsgate, London, 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 uncertainties related to the ongoing COVID-19 pandemic as set out in the Strategic Report, and having considered the Company's forecasts including the liquidity and capital, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. Accordingly, the going concern basis continues to be used in preparing these financial statements.

Basis of preparation
The 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

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.

These general purpose financial statements have been prepared in accordance with IFRS as adopted by the European Union and the Companies Act 2006, as appropriate for for-profit oriented entities.

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

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

Revenue
Revenue comprises of:

The Company provides a platform that allows the matching of buyers and sellers of financial instruments in a non-advisory capacity and raises invoices monthly for the service provided. The Company does not act as principal and only receives and transmits orders between counterparties.

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.

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 where applicable. Amounts receivable at the year end are reported in Note 13, Current assets - Trade and other receivables.

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

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

Interest payable and similar expenses
Interest expenditure is recognised as interest and accrues using the applicable effective interest method. Finance costs directly attributable to Tangible assets are capitalised as part of the asset. This is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial liability to the net carrying amount of the financial liability. All other finance costs are expensed in the period in which they are incurred.

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

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

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

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

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

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

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

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

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

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

(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 in doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is measured at amortised cost only if 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.

Impairment of financial assets
IFRS 9 applies the Expected Credit Loss ("ECL") model to financial assets measured at amortised cost and debt instruments 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 the 12 months after 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 without any other evidence showing its still recoverable.

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

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

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

Share Premium
Represents the proceeds above nominal on issue of the Company's share capital.

Retained Earnings
Represents the accumulated retained earnings of the Company.

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

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

Note 2. Key accounting judgements and sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. IFRS 9 requires the directors to make an estimate of Expected Credit Loss ("ECL"), the approach being as set out in note 1. Apart from ECL, there are no further critical accounting judgements, estimates or assumptions and there are no other sources of estimation uncertainty that are likely to affect the current or future financial years.

Note 3. Financial risk management

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

Note 3. Financial risk management (continued)

	As at 31 Dec 2021 € '000	As at 31 Dec 2020 € '000
Financial assets		
Cash and cash equivalents (Note 12)	1,844	690
Trade and other receivables less prepayments (Note 11)	106	1,394
Total financial assets	1,950	2,084

Market risk

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

Foreign exchange risk

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

It is estimated that a 10 cent increase in the exchange rates of Euro against sterling as at 31 December 2021 would negatively impact the Company's Statement of profit or loss and Retained profits by €26,000 (2020: €14,000). 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
Assets					
Cash and cash equivalents	-	1,628	-	216	1,844
Trade and other receivables less prepayments	-	71	-	35	106
Total financial assets	-	1,699	-	251	1,950
Liabilities					
Trade and other payables	-	(95)	-	-	(95)
Total financial liabilities	-	(95)	-	-	(95)
Net financial assets	-	1,604	-	251	1,855

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
Assets					
Cash and cash equivalents	-	607	-	83	690
Trade and other receivables less prepayments	-	1,314	-	80	1,394
Total financial assets	-	1,921	-	163	2,084
Liabilities					
Trade and other payables	-	(158)	-	(26)	(184)
Total financial liabilities	-	(158)	-	(26)	(184)
Net financial assets	-	1,763	-	137	1,900

Note 3. Financial risk management (continued)

Interest rate risk

The Company's interest rate risk arises from Cash and cash equivalents and Intercompany balances 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 and Shareholders.

As at 31 December 2021, 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 positively impact the Company's Statement of profit or loss and Accumulated losses by €14,000 (2020: €52,000).

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

	None	Fixed	Variable	Total
	€ '000	€ '000	€ '000	€ '000
Assets				
Cash and cash equivalents	-	-	1,844	1,844
Trade and other receivables less prepayments	106	-	-	106
Total financial assets	106	-	1,844	1,950
Liabilities				
Trade and other payables	(95)	-	-	(95)
Total financial liabilities	(95)	-	-	(95)
Net financial assets	11	-	1,844	1,855

Note 3. Financial risk management (continued)

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

	None €'000	Fixed €'000	Variable €'000	Total €'000
Assets				
Cash and cash equivalents	-	-	690	690
Trade and other receivables less prepayments	1,394	-	-	1,394
Total financial assets	1,394	-	690	2,084
Liabilities				
Trade and other payables	(184)	-	-	(184)
Total financial liabilities	(184)	-	-	(184)
Net financial assets	1,210	-	690	1,900

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 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. The Company only receives and transmits orders between counterparties and is never a party to the transaction, therefore credit risk is limited to outstanding receivables that the Company manages.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to Trade and other receivables (Note 11) and Cash and cash equivalents (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 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					
Trade and other payables	(83)	(12)	-	-	(95)
31 December 2020					
Trade and other payables	(170)	(14)	-	-	(184)

Note 3. *Financial risk management (continued)*

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

Note 4. Revenue

Revenue by type:	**Year ended 31 Dec 2021 € '000**	**Year ended 31 Dec 2020 € '000**
Brokerage fee and related income	-	4,424

Revenue by geographical market:	**Year ended 31 Dec 2021 € '000**	**Year ended 31 Dec 2020 € '000**
EMEA	-	4,424

Note 5. 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 6. Administrative expenses

	Year ended 31 Dec 2021 €'000	**Year ended 31 Dec 2020 €'000**
Subscriptions	12	55
Management fees	-	3,262
Amortisation of intangible assets	-	709
Depreciation of tangible assets	-	119
Other administrative costs	5	(12)
	17	4,133

Fees paid to the Company's auditor, Shipleys LLP (2020: 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 €11,655 (2020: €25,635)

The Company did not have any employees in the current or prior year.

Note 7. Directors remuneration

No fees were paid to the directors or key management personnel in respect of services to the Company during the year (2020: €367,000)

Note 8. Interest receivable and similar income

	Year ended 31 Dec 2021 €'000	Year ended 31 Dec 2020 €'000
Interest receivable from Group related company	-	4

Note 9. Interest payable and similar expenses

	Year ended 31 Dec 2021 €'000	Year ended 31 Dec 2020 €'000
Bank overdraft	-	1

Note 10. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2021 €'000	Year ended 31 Dec 2020 €'000
Current tax		
Deferred tax	(18)	105
Aggregate income tax expense/(benefit)	(18)	105
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	(18)	105
Numerical reconciliation of income tax at the statutory rate		
(Loss)/profit before income tax benefit/(expense)	(41)	354
Tax at the statutory tax rate of 19%	(8)	67
Non tax deductible expenses	-	(2)
Adjustment recognised for prior years - deferred tax	(7)	40
Deferred tax at different rates	(3)	-
Income tax expense/(benefit)	(18)	105
Effective tax rate	43.5%	24.3%

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

Note 10. Income tax (continued)

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
Deferred tax		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	18	-
Deferred tax asset	18	-
Movements:		
Opening balance	-	2,069
Credited/(charged) to profit or loss	18	(105)
Transfers out	-	(1,964)
Closing balance	18	-

During the prior year, iSwap Euro Ltd transferred its entire business and related assets to the UK branch of iSwap Euro BV.

Note 11. Current assets - Trade and other receivables

	As at 31 Dec 2021 €'000	As at 31 Dec 2020 €'000
Trade and other receivables	33	1,460
Expected credit loss	(2)	(67)
	31	1,393
Prepayments and accrued income	4	-
Amounts owed by Group related companies (Note 20)	75	1
	110	1,394

The majority of net trade and other receivables, 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 Trade and other receivables (Note 11) and Cash and cash equivalents (Note 12).

The following trade receivables were unsettled:

	As at 31 Dec 2021 €'000	As at 31 Dec 2020 €'000
Less than 30 days	-	279
Over 30 days but less than 90 days	-	336
Over 90 days	31	778
	31	1,393

Note 12. Current assets - Cash and cash equivalents

	As at 31 Dec 2021 €'000	As at 31 Dec 2020 €'000
Cash at bank and in hand	1,846	691
Expected credit loss	(2)	(1)
	1,844	690

Note 13. Current liabilities - Trade and other payables

	As at 31 Dec 2021 €'000	As at 31 Dec 2020 €'000
Amounts owed to Group related companies (Note 20)	83	170
Accruals and deferred income	12	-
Other payables	-	14
	95	184

Note 14. 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	1	1	-	-

Ordinary shares have full right to voting and dividends. During the prior year, the Company reduced its share capital and share premium (by way of a solvency statement) from 402 shares of €1 each to 1 share (of €1) by cancelling 401 shares with a Euro value of €401 and reduced its share premium by €10,999,600. The surplus was transferred to Retained profits.

Note 15. Equity - Share premium

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

During the prior year, the Company reduced its share capital and share premium (by way of a solvency statement) from 402 shares of €1 each to 1 share (of €1) by cancelling 401 shares with a Euro value of €401 and reduced its share premium by €10,999,600. The surplus was transferred to Retained profits.

Note 16. Equity - Other reserves

Other reserves related to a capital contribution reserve which is distributable and is held for regulatory purposes.

Note 17. 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 Nil per ordinary share (2020: €14,000,000 per ordinary share)	-	14,000

Note 18. Guarantees and contingent liabilities

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

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 20. 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
Net cost of management services and interest receivable:		
Fellow subsidiary companies	-	(3,258)

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

	As at 31 Dec 2021 € '000	As at 31 Dec 2020 € '000
Fellow subsidiary companies	30	(169)

During the prior year, the Company disposed of its intangible assets (€775,000), tangible assets (€382,000), and net deferred tax asset (€2,019,000) to a Group related subsidiary, iSwap Euro B.V.

Note 21. Immediate and ultimate parent company

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.

At the year end, the Company's ultimate parent and controlling party is TP ICAP Group plc, which is incorporated in Jersey, and heads the largest group of companies of which the Company is a member. TP ICAP Group plc prepares consolidated financial statements in accordance with IFRS. Copies of TP ICAP Group plc financial statements are available from www.tpicap.com.