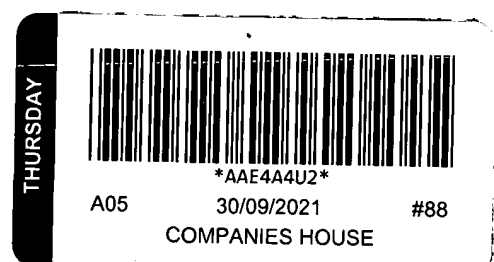


**Company Number 10378704**

**ICAP Global Broking Finance Limited**

**Annual Report and Financial Statements - 31 December 2020**



**ICAP Global Broking Finance Limited**  
**Strategic report**  
**31 December 2020**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their Annual Report and the audited financial statements of ICAP Global Broking Finance Limited (the "Company") for the year ended 31 December 2020.

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Company is a private limited company, incorporated in England and Wales, and is a wholly owned subsidiary within the TP ICAP Group plc group (the "Group").

The principal activity of the Company is to act as a financing company within the Group. The Company earned interest of \$22,258,000 (2019: \$23,224,000). The directors consider that the year end financial position was satisfactory and are currently reviewing the role of the Company within the Group. As a result, it is expected that the holdings of the Company will be transferred to a fellow subsidiary of the Group within the foreseeable future following the approval of these financial statements. On that basis, the financial statements have been prepared on a basis other than going concern.

**RESULTS**

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

The Profit after income tax for the financial year of \$19,248,000 (2019: \$19,394,000) has been transferred to Retained profits.

The Net assets of the Company are \$410,286,000 (2019: \$399,478,000).

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks in the Company's day to day operations can be categorised as Market, Credit, Operational, Liquidity, Capital management, Strategic and business risk.

Market risk is the vulnerability of the Company to movements in foreign exchange and interest rates.

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

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

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

Capital management risk is the risk of failure to maintain adequate levels of capital. The Company closely monitors regulatory developments in the market and is actively involved in the consultation and rule-setting process so as to ensure an informed debate on all regulatory issues potentially affecting IDB markets, both on an individual firm basis and through trade associations. The board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources.

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

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

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

During 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. As at the date of this report, the outbreak of a novel COVID-19 virus continues to be a challenge for governments around the world, including the United Kingdom. Restrictions regarding the movement of people has generated widespread disruption, which has impacted the global financial markets. In response, the Group, including the Company, has activated its Business Continuity Planning strategies, which include the introduction of measures to allow a significant proportion of our employees to work remotely, to safeguard their wellbeing and to continue Company operations and support of our clients. The full extent of how these conditions will impact the Company is not yet known as there is uncertainty around the duration and severity. Therefore, while we expect this matter to impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. The Company has a positive net asset value and cash reserves available to help preserve its financial flexibility.

## **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 key actions in this regard are also contained in the Group Corporate Governance Report. This statement also provides details of how the directors have engaged with and had regard to the interests of our key stakeholders.

### **Our stakeholders**

The Group believes that engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2020 we maintained its focus on engagement with stakeholders as well as increasing our attention on Environment, social and governance ("ESG") matters. During the year the Company strengthened its risk and governance framework with the adoption of a UK Regulated Entity Governance Framework which forms part of the Group's Governance Framework. The structure and form of Company and Committee papers have been reviewed and, as a result, changes were implemented to ensure that Section 172(1) considerations are considered in Board discussion and decision making.

- **Group Shareholders**

The Group Board believes that engagement with our shareholders is of key importance to the business. During the year, the Board considered whether to pay dividends to its shareholder, taking into account the impact of such distributions on the long-term prospects of the business. Further information on the tailored engagement approach which is adopted towards the Group's shareholders is carried out at Group level, details of which are included in the Group's Annual Report which does not form part of this report.

### **Environment and Community**

The directors are aware of society's increasing focus on ESG and is committed to striving to operate in a sustainable and responsible way whilst delivering value for our stakeholders. Further details of the Group's key community initiatives and reporting on greenhouse gas emissions can be found in the Strategic report and Directors' report within the Group's Annual Report which does not form part of this report.

## **KEY PERFORMANCE INDICATORS**

The Company's return on assets, calculated as net profit divided by net assets, is 4.7% (2019: 4.9%). This is in line with management expectations.

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

This report has been approved by the board of directors and signed by order of the board.



A Chen  
Director

29 September 2021

**DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

**PRINCIPAL ACTIVITIES**

The Company's principal activity is to act as a financing company within the Group. There have not been any significant changes in the Company's principal activity in the year under review.

The Company expects to transfer its operational activities to a fellow subsidiary of TP ICAP plc (now known as TP ICAP Limited) within the foreseeable future following the approval of these financial statements, after which event the Company will not be active in its principal activity and will cease to trade. Subject to this event, it is anticipated that the Company will continue its present business activities for the foreseeable future.

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 135 Bishopsgate, London, EC2M 3TP.

**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**

Principal risks and uncertainties are explained in the Strategic Report on page 2.

**GOING CONCERN**

The directors intend to transfer the Company's operational activities to a fellow subsidiary of TP ICAP plc (now known as TP ICAP Limited) in the foreseeable future, and the financial statements have therefore been prepared on a basis other than going concern. Preparation of the financial statements on an 'other than going concern' basis has had no material impact on the financial statements reported.

**DIVIDENDS**

During the year ended 31 December 2020 the directors declared and paid dividends on the ordinary shares of \$8,440,000 (2019: \$43,977,000).

The following dividends were paid post year end:

On 18 June 2021, ICAP Global Broking Finance Ltd declared a dividend of US\$5,530,070 to ICAP Holdings (Latin America) Limited.

**DIRECTORS**

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

R Cordeschi  
A Chen

**DIRECTOR'S INDEMNITIES**

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

**SECTION 172(1) STATEMENT**

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

**ENVIRONMENTAL POLICY**

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

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

**POLITICAL CONTRIBUTIONS**

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

**ICAP Global Broking Finance Limited**  
**Directors' report**  
**31 December 2020**

**POST BALANCE SHEET EVENTS**

In February 2021, the shareholders of TP ICAP plc approved the re-domiciliation of the Group from the UK to Jersey by means of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("the Scheme").

The Scheme became effective on 26 February 2021 and, as a result, TP ICAP Group plc became the new ultimate parent and controlling party of the Group.

Shortly after the Scheme became effective, the former ultimate parent and controlling party of the Group, TP ICAP plc, changed its status to that of a private company and was renamed TP ICAP Limited.

On 7 May 2021, the Company's registered office changed to 135 Bishopsgate, London, EC2M 3TP.

On 18 June 2021, the directors declared and paid dividends of \$5,530,070.

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

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

**INDEPENDENT AUDITOR**

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

**PROVISION OF INFORMATION TO THE AUDITOR**

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

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

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

Approved by the board and signed on its behalf by:



A Chen  
Director

29 September 2021

Company No: 10378704

**ICAP Global Broking Finance Limited**  
**Directors' responsibilities statement**  
**31 December 2020**

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

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

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

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

The directors confirm they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**ICAP Global Broking Finance Limited**  
**Independent auditor's report to the members of ICAP Global Broking Finance Limited**  
**31 December 2020**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of ICAP Global Broking Finance Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

**Basis for opinion**

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

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

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

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

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

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

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



**Auditor's responsibilities for the audit of the financial statements**

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

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

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

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

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

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

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

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

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

**ICAP Global Broking Finance Limited**  
**Independent auditor's report to the members of ICAP Global Broking Finance Limited**  
**31 December 2020**

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

**Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

**Use of our report**

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



**Giles Lang (Senior Statutory Auditor)**  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
29 September 2021

**ICAP Global Broking Finance Limited**  
**Statement of profit or loss**  
**For the year ended 31 December 2020**

	Note	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
<b>Other operating expenses</b>	3	(493)	(55)
<b>Expenses</b>			
Administrative expenses	4	<u>(30)</u>	<u>6</u>
<b>Operating loss</b>		(523)	(49)
Interest receivable and similar income	6	22,258	23,224
Interest payable and similar expenses	7	<u>-</u>	<u>(151)</u>
<b>Profit before income tax</b>		21,735	23,024
Income tax	8	<u>(2,487)</u>	<u>(3,630)</u>
<b>Profit after income tax for the year</b>		<u><u>19,248</u></u>	<u><u>19,394</u></u>

The profit after income tax for the current and prior year is 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 and, accordingly, no Statement of other comprehensive income is presented.

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

**ICAP Global Broking Finance Limited**  
**Balance sheet**  
**As at 31 December 2020**

	Note	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Debtors	10	416,302	409,939
Cash and cash equivalents	9	5,585	5,693
Total current assets		<u>421,887</u>	<u>415,632</u>
<b>Total assets</b>		<u>421,887</u>	<u>415,632</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors	11	9,021	13,574
Tax payable	8	2,580	2,580
Total current liabilities		<u>11,601</u>	<u>16,154</u>
<b>Total liabilities</b>		<u>11,601</u>	<u>16,154</u>
<b>Net assets</b>		<u>410,286</u>	<u>399,478</u>
<b>Equity</b>			
Issued capital	12	-	-
Retained profits		<u>410,286</u>	<u>399,478</u>
<b>Total equity</b>		<u>410,286</u>	<u>399,478</u>

The financial statements on pages 10 to 20 were approved and authorised for issue by the board of directors on 29 September 2021 and were signed on its behalf by:



A Chen  
Director

29 September 2021

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

**ICAP Global Broking Finance Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2020**

	<b>Issued capital \$'000</b>	<b>Other reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 January 2019	-	412,668	11,393	424,061
Profit after income tax for the year	-	-	19,394	19,394
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	19,394	19,394
Issued shares (Notes 12 and 13)	412,668	(412,668)	-	-
Reduction of issued capital (Note 12)	(412,668)	-	412,668	-
Dividends paid (Note 14)	-	-	(43,977)	(43,977)
Balance at 31 December 2019	-	-	399,478	399,478
	<b>Issued capital \$'000</b>	<b>Other reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 January 2020	-	-	399,478	399,478
Profit after income tax for the year	-	-	19,248	19,248
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	19,248	19,248
Dividends paid (Note 14)	-	-	(8,440)	(8,440)
Balance at 31 December 2020	-	-	410,286	410,286

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

**ICAP Global Broking Finance Limited**  
**Notes to the financial statements**  
**31 December 2020**

**Note 1. General information and principal accounting policies**

**General information**

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

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

**Going concern**

The directors intend to transfer the Company's operational activities to a fellow subsidiary of TP ICAP plc (now known as TP ICAP Limited) in the foreseeable future, and the financial statements have therefore been prepared on a basis other than going concern. Preparation of the financial statements on an 'other than going concern' basis has had no material impact on the financial statements reported.

**Basis of preparation**

The financial statements of the Company have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006. As permitted, the Company has taken advantage of disclosure exemptions, including: Statement of cash flows, disclosure of new accounting standards not yet mandatory, presentation of comparative information for tangible and intangible fixed assets, key management compensation, related party transactions between wholly owned Group companies and share-based payments. Where relevant, equivalent disclosures have been given in the Group financial statements of TP ICAP plc. Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results.

The Company's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey). As at the year end, the Company's ultimate parent and controlling party was TP ICAP plc (now known as TP ICAP Limited) (incorporated in the United Kingdom) whose consolidated financial statements are available from Companies House.

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

**Historic cost convention**

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

**Interest receivable and similar income**

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

**Interest payable and similar expenses**

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

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

**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.

**Debtors**

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

**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.

**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.

**Issued capital**

Ordinary shares are classified as equity.

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

**Financial instruments**

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

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

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

Equity investments in scope of IFRS 9 are measured at fair value with gains and losses recognised in the Statement of profit or loss unless an irrevocable election has been made to recognise gains or losses in OCI. Under IFRS 9, derivatives embedded in financial assets are not bifurcated but instead the whole hybrid contract is assessed for classification.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as an asset measured at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is measured at amortised cost only if both following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

**Impairment of financial assets**

IFRS 9 applies the Expected Credit Loss ("ECL") model to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of Trade and other debtors, Cash and cash equivalents and other Intercompany debtors. ECL of Trade and other debtors and Cash and cash equivalents is calculated using simplified method (lifetime ECL) while Intercompany debtors adopt the general approach (12 month ECL).

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

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

The Company measures loss allowances at an amount equal to lifetime ECLs. The only exception is Cash and cash equivalents and Intercompany positions for which credit risk has not increased significantly since initial recognition, which is measured as 12-month ECLs. The Company has elected to measure loss allowances for Debtors at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

**Measurement of Expected Credit Loss ("ECL")**

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



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

**New and revised IFRS in issue and mandatorily effective during the year**

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

**New and revised IFRS in issue but not yet effective**

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

**Note 2. Key accounting judgements and sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates, and assumptions and there are no sources of estimation uncertainty that are likely to affect the current or future financial years.

**Note 3. Other operating expenses**

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 4. Administrative expenses**

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Movement in expected credit loss provision	<u>30</u>	<u>(6)</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 (now known as TP ICAP Limited), include these fees on a consolidated basis.

Fees payable for the audit of the financial statements were \$13,166 (2019: \$12,430).

**Note 5. Directors remuneration**

No fees were paid to the directors in respect of services to the Company during the year (2019: \$Nil).

**Note 6. Interest receivable and similar income**

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Group related company loan	22,243	23,212
Bank deposit	<u>15</u>	<u>12</u>
	<u>22,258</u>	<u>23,224</u>

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**Note 7. Interest payable and similar expenses**

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Group related company loan	-	151

**Note 8. Income tax**

Analysis of charge for the year:

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
<b>Current tax</b>		
UK Corporation tax - current year	4,135	4,373
Adjustments in respect of prior years - deferred tax	-	365
Adjustment in respect of prior years - current tax	(1,648)	(1,108)
Aggregate income tax	2,487	3,630
<b>Numerical reconciliation of income tax and tax at the statutory rate</b>		
Profit before income tax	21,735	23,024
Tax at the statutory tax rate of 19%	4,130	4,375
Expenses not deductible for tax purposes	5	(2)
Adjustments in respect of prior years - deferred tax	-	365
Adjustment in respect of prior years - current tax	(1,648)	(1,108)
Income tax	2,487	3,630
Effective tax rate	11.4%	15.8%

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

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Provision for income tax	2,580	2,580

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**Note 9. Current assets - Cash and cash equivalents**

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Cash at bank and in hand	5,592	5,696
Expected credit loss	(7)	(3)
	<u>5,585</u>	<u>5,693</u>

**Note 10. Current assets - Debtors**

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Loan owed by Group companies	412,000	412,000
Amounts owed by Group companies	6,388	-
Expected credit loss	(2,086)	(2,061)
	<u>416,302</u>	<u>409,939</u>

Loan owed by Group related company is unsecured, repayable on demand and interest is charged at 5.31%. Amounts owed by Group related companies are unsecured, non-interest bearing and repayable on demand.

**Note 11. Current liabilities - Creditors**

	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Amounts owed to Group related companies	<u>9,021</u>	<u>13,574</u>

Amounts owed to Group related companies are unsecured, non-interest bearing and repayable on demand.

**Note 12. Equity - Issued capital**

	As at 31 Dec 2020 Shares	As at 31 Dec 2019 Shares	As at 31 Dec 2020 \$'000	As at 31 Dec 2019 \$'000
Allotted and fully paid ordinary shares of \$1 each	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

During the year ended 31 December 2019, the Company issued 412,668,470 bonus ordinary shares at par through the conversion of Other reserves into issued shares at par. The Company reduced its issued capital by cancelling 412,668,470 ordinary shares and transferring the surplus into Retained profits.

**Note 13. Equity - Other reserves**

Other reserves related to a distributable capital contribution reserve. During the year ended 31 December 2019, Other reserves were extinguished through the issue of bonus ordinary shares at par equivalent to the full balance of Other reserves.

**ICAP Global Broking Finance Limited**  
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**Note 14. Equity - Dividends**

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2020 \$'000	Year ended 31 Dec 2019 \$'000
Dividends paid of \$8,440,070 per share (2019: \$43,977,000 per share)	<u>8,440</u>	<u>43,977</u>

**Note 15. 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 16. Events after the reporting period**

In February 2021, the shareholders of TP ICAP plc approved the re-domiciliation of the Group from the UK to Jersey by means of a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("the Scheme").

The Scheme became effective on 26 February 2021 and, as a result, TP ICAP Group plc became the new ultimate parent and controlling party of the Group.

Shortly after the Scheme became effective, the former ultimate parent and controlling party of the Group, TP ICAP plc, changed its status to that of a private company and was renamed TP ICAP Limited.

On 7 May 2021, the Company's registered office changed to 135 Bishopsgate, London, EC2M 3TP.

On 18 June 2021, the directors declared and paid dividends of \$5,530,070.

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

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

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**Note 17. Immediate and ultimate parent company**

The Company's immediate parent at the start of the year was ICAP Global Broking Holdings Limited.

During the year ended 31 December 2020, ICAP Global Broking Holdings Limited transferred its shareholding in the Company to ICAP Holdings (Latin America) Ltd.

The Company's immediate parent at the end of the year was ICAP Holdings (Latin America) Ltd, which does not prepare consolidated financial statements.

At the year end, the Company's ultimate parent and controlling party was TP ICAP plc (now known as TP ICAP Limited), which is incorporated in the United Kingdom, and headed the largest and smallest group of companies of which the Company is a member. TP ICAP plc prepared consolidated financial statements in accordance with IFRS. Copies of TP ICAP plc financial statements are available from the registered office: 135 Bishopsgate, London, EC2M 3TP.

After the year end and as a result of the Scheme, the Company's ultimate parent and controlling party became TP ICAP Group plc, which is incorporated in Jersey, and now heads the largest and smallest group of companies of which the Company is a member. TP ICAP Group plc will prepare consolidated financial statements in accordance with IFRS. Copies of TP ICAP Group plc financial statements will be available from the registered office: 22 Grenville Street, St Helier, Jersey JE4 8PX.