

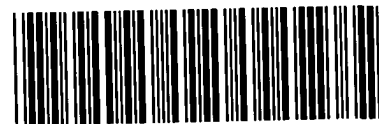
TULLETT PREBON (EQUITIES) LIMITED

**Annual Report and Financial Statements**

**for the year ended 31 December 2016**

Registered number: 02533369

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# TULLETT PREBON (EQUITIES) LIMITED

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## **TULLETT PREBON (EQUITIES) LIMITED**

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### **STRATEGIC REPORT**

#### **REVIEW OF THE BUSINESS**

Tullett Prebon (Equities) Limited (the 'Company') is a wholly owned subsidiary within the TP ICAP plc group (the "Group"), (formerly known as Tullett Prebon plc group). The Company ceased its inter-dealer broker ("IDB") business, trading as an agency broker in equity shares, in February 2010.

The Company continues to be authorised and regulated by the Financial Conduct Authority but it is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity. The directors have therefore prepared the financial statements on a basis other than that of a going concern. Preparation of the financial statements on an 'other than going concern' basis has no material impact on the amounts reported. Please refer to Note 1 for further discussion of the going concern assumption.

The Company's results for the year are set out in the profit and loss account on page 8. The Company's profit after tax was £78,000 (2015: £16,000). The Company's financial position is set out in the balance sheet on page 9 and shows the Company's net assets have increased to £6,400,000 (2015: £6,322,000) as a result of foreign exchange gains.

The Group manages its operations on a regional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key risks which the Company faces can broadly be categorised as credit, capital and operational risk.

Credit risk is the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company. Given the non-trading status of the Company, the risk is primarily the risk on default of the banking counterparties at which the Company has placed its cash balances.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people activities, systems or external events.

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

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

# **TULLETT PREBON (EQUITIES) LIMITED**

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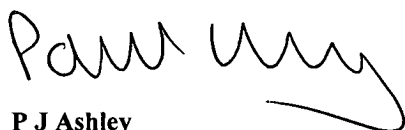
## **STRATEGIC REPORT**

### **FUTURE DEVELOPMENTS**

The directors have evaluated subsequent events through to the date the financial statements were available to be issued. No significant events occurred subsequent to the balance sheet date that would have a material impact on the financial statements.

It is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity.

This report was approved by the Board of Directors and signed on its behalf by:



**P J Ashley**

Director  
21 April 2017

Tower 42  
Level 37  
25 Old Broad Street  
London  
EC2N 1HQ

Registered No:  
02533369

## **TULLETT PREBON (EQUITIES) LIMITED**

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### **DIRECTORS' REPORT**

The directors present their Annual Report and financial statements for the year ended 31 December 2016.

#### **FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2.

#### **GOING CONCERN**

In 2010 the Company transferred its business to Tullett Prebon (Europe) Limited and ceased its IDB activities. Consequently the financial statements have been prepared on a basis other than that of a going concern. Preparation of the financial statements on an 'other than going concern' basis has no material impact on the amounts reported. It is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity.

#### **DIVIDENDS**

The profit for the year, after taxation, amounted to £78,000 (2015: £16,000) and will be transferred to reserves.

The directors do not recommend payment of a dividend for the year ended 31 December 2016 (2015: £nil).

#### **DIRECTORS**

The directors, who served throughout the year except as noted, were as follows:

A A Polydor	P J Ashley
A C Hadley (resigned 31 October 2016)	P S Dunkley
A J D Wink (resigned 3 October 2016)	R W Osborne
N J J Potter	

#### **DIRECTORS' INDEMNITIES**

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

#### **POLITICAL CONTRIBUTIONS**

There were no political donations made by the Company during the year (2015: £nil).

#### **AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to s386 of the Companies Act 1985, an elective resolution was passed on 17 March 2005 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore Deloitte LLP are deemed to continue as auditors.

## **TULLETT PREBON (EQUITIES) LIMITED**

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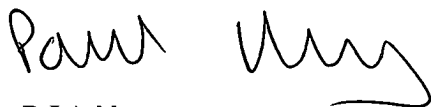
### **DIRECTORS' REPORT**

#### **APPROVAL OF REDUCED DISCLOSURES**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12 in relation to disclosures in respect of share based payments, presentation of cash flow statement and remuneration of key management personnel. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Tullett Prebon Investment Holdings Limited, as the immediate parent of the entity.

Approved by the Board and signed on its behalf by:



**P J Ashley**

Director

21 April 2017

Tower 42

Level 37

25 Old Broad Street

London

EC2N 1HQ

Registered No:

02533369

## **TULLETT PREBON (EQUITIES) LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable to in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, 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 applicable UK Accounting Standards have 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 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.

## **Independent auditor's report to the members of Tullett Prebon (Equities) Limited**

We have audited the financial statements of Tullett Prebon (Equities) Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholder's Funds and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on 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<sup>st</sup> December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 of the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion 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.

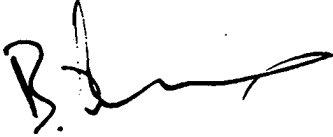
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.



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

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

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



**Ben Jackson F.C.A (Senior Statutory Auditor)**

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Date: 21 April 2017

## **TULLETT PREBON (EQUITIES) LIMITED**

### **PROFIT AND LOSS ACCOUNT** for the year ended 31 December 2016

	Notes	2016 £000	2015 £000
<b>OPERATING RESULT</b>	2	-	-
Administrative expenses		-	-
Net finance income	3	98	20
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		98	20
Tax charge on profit on ordinary activities	4	(20)	(4)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		78	16

The Company had no recognised gains or losses other than the profit from the current year and the preceding year.

### **STATEMENT OF COMPREHENSIVE INCOME** for the year ended 31 December 2016

	2016 £000	2015 £000
<b>Profit for the financial year</b>	78	16
Other comprehensive income	-	-
<b>Total comprehensive income attributable to the shareholders of the Company</b>	78	16

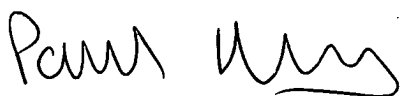
## TULLETT PREBON (EQUITIES) LIMITED

### BALANCE SHEET as at 31 December 2016

	Notes	2016 £000	Restated 2015 £000
<b>CURRENT ASSETS</b>			
Debtors: due within one year	5	6,385	6,303
Cash at bank and in hand	6	22	22
		<u>6,407</u>	<u>6,325</u>
<b>CREDITORS: amounts falling due within one year</b>	7	(7)	(3)
<b>NET CURRENT ASSETS</b>		<u>6,400</u>	<u>6,322</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,400</u>	<u>6,322</u>
<b>NET ASSETS</b>		<u>6,400</u>	<u>6,322</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	8	4,618	4,618
Profit and loss account		1,782	1,704
		<u>6,400</u>	<u>6,322</u>
<b>SHAREHOLDER'S FUNDS</b>		<u>6,400</u>	<u>6,322</u>

The restatement relates to reclassification of client money previously disclosed in cash at bank and in hand now disclosed in restricted funds and amounts owed by group companies (see note 6).

The financial statements of Tullett Prebon (Equities) Limited (registered number 02533369) were approved by the Board of Directors and authorised for issue on 21 April 2017. They were signed on its behalf by:



**P J Ashley**  
Director

**TULLETT PREBON (EQUITIES) LIMITED****STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS**  
as at 31 December 2016

	<b>Called-up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholder's funds £000</b>
<b>At 1 January 2015</b>	4,618	1,688	6,306
Profit for the financial year	-	16	16
<b>At 31 December 2015</b>	4,618	1,704	6,322
Profit for the financial year	-	78	78
<b>At 31 December 2016</b>	<b>4,618</b>	<b>1,782</b>	<b>6,400</b>

## **TULLETT PREBON (EQUITIES) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2016

#### **1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

##### **a. General information and basis of accounting**

Tullett Prebon (Equities) Limited is a company incorporated in the United Kingdom under the Companies Act. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Tullett Prebon (Equities) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Tullett Prebon (Equities) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Tullett Prebon (Equities) Limited is consolidated in the financial statements of its ultimate parent, TP ICAP plc (formerly known as Tullett Prebon plc), which may be obtained at: Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ. Exemptions have been taken in relation to share-based payments, presentation of a cash flow statement and remuneration of key management personnel.

##### **b. Going concern**

In 2010 the Company transferred its business to Tullett Prebon (Europe) Limited and ceased its IDB activities. Consequently the financial statements have been prepared on a basis other than that of a going concern. Preparation of the financial statements on an 'other than going concern' basis has no material impact on the amounts reported. It is the directors' intention to apply for withdrawal of the firm's part IV permission and subsequently liquidate the entity.

##### **c. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **d. Financial assets and financial liabilities**

The Company has elected to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial instruments are derecognised when all of the derecognition criteria in IAS 39 are met and the Group no longer controls the contractual rights that comprise the financial instrument. This is normally the case when the instrument is sold, or all of the cash flows attributable to the instrument are passed through to an independent third party.

Financial assets are classified on initial recognition as 'available-for-sale', 'loans and receivables' or 'at fair value through profit and loss account'. Financial liabilities are classified on initial recognition as either at 'fair value through the profit and loss account' or as other financial liabilities'.

##### **(i) Loans and receivable**

Loans and receivables are non-derivative financial instruments that have fixed or determinable payments that are not listed in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised using the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. Settlement balances, trade receivables, loans and other receivables are classified as loans and receivables.

## **TULLETT PREBON (EQUITIES) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 31 December 2016

#### **1. ACCOUNTING POLICIES (CONTINUED)**

##### *(ii) Other financial liabilities and financial assets*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial assets, other than those at fair value through the income statement, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Impairment is recognised in the income statement.

##### *e. Cash flow statement*

The Company is exempt from reporting a cash flow statement in accordance with FRS 102: Section 1 Scope of this Financial Reporting Standard, as the Company is a wholly owned subsidiary of TP ICAP plc, which is registered in England and Wales and which prepares Group financial statements which are publicly available.

##### *f. Related party transactions*

The Company has taken advantage of reporting exemptions in accordance with FRS 102: Section 33 Related Party Disclosures, since it is a wholly owned subsidiary of a group where the voting rights are controlled within the Group and the Group's parent financial statements are publicly available.

##### *g. Client money*

Client money to settle transactions bargains is held separately and included in the Company's balance sheet. The net return received on managing client money is included within interest income. The Company holds money, and occasionally financial instruments, on behalf of customers (client monies) in accordance with local regulatory rules. Since the Company is not beneficially entitled to these amounts, they are excluded from the Balance Sheet along with the corresponding liabilities to customers.

##### *h. Restricted funds*

Restricted funds comprise cash held with a central counterparty clearing house ('CCP'), or a financial institution providing the Company with access to a CCP, and funds set aside for regulatory purposes, but excluding client money. The funds represent cash for which the Company does not have immediate and direct access or for which regulatory requirements restrict the use of the cash.

#### **2. Operating result**

The Company had no operating income or costs during 2016 (2015: £nil).

Auditor remuneration of £4,000 (2015: £4,000) in respect of audit services is incurred by Tullett Prebon Group Limited.

The Company had no employees during the year (2015: nil).

The directors did not receive any remuneration for their services to the Company (2015: £nil).

## **TULLETT PREBON (EQUITIES) LIMITED**

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016

#### 3. Net finance income

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Foreign exchange gains	98	20
Total finance income	<u>98</u>	<u>20</u>

#### 4. Tax on profit on ordinary activities

The tax charge comprises:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Current tax on profit on ordinary activities		
UK corporation tax charge on profit for the year	20	4
Total charge on profit on ordinary activities	<u>20</u>	<u>4</u>

#### *Factors affecting the current tax charge*

The tax assessed on the profit on ordinary activities for the year is equal to the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%).

## TULLETT PREBON (EQUITIES) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016

#### 5. Debtors

	2016 £000	Restated 2015 £000
Amounts falling due within one year:		
Amounts owed by Group undertakings (see note 6)	5,858	5,836
Restricted cash (see note 6)	527	467
	<u>6,385</u>	<u>6,303</u>

#### 6. Cash at bank and in hand

Cash at bank amounted to £22,000 (2015: £22,000 restated). At 31 December 2016 client money balances representing amounts owed to customers and held in a segregated bank account customers was £800,000 (2015: £699,000). Of this total £527,000 (2015: £467,000) was reclassified to restricted funds. Restricted funds represent cash for which the Company does not have immediate and direct access or for which regulatory requirements restrict the use of the cash. The remaining balance of £273,000 (2015: £232,000), which is the portion on which the respective clients are known, was reclassified to amounts owed by group companies.

#### 7. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Accrual and deferred income	7	3
	<u>7</u>	<u>3</u>

#### 8. Called-up share capital and reserves

	2016 £000	2015 £000
Allotted, called-up and fully-paid 4,618,000 ordinary shares of £1 each (2015:4,618,000)	4,618	4,618

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are profit and loss reserve which includes cumulative profits or losses, net of dividends paid and other adjustments.



## **TULLETT PREBON (EQUITIES) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2016**

#### **9. Controlling party**

The Company's immediate parent undertaking is Tullett Prebon Investment Holdings Limited.

The Company's ultimate parent and controlling party is TP ICAP plc, formerly Tullett Prebon plc.

The parent undertaking of the smallest and the largest group which includes the Company for which group financial statements are prepared is TP ICAP plc.

Copies of TP ICAP plc financial statements are available from the registered office: Tower 42, Level 37, 25 Old Broad Street, London, EC2N 1HQ