Company Number 02553782

ICAP Energy Limited

Annual Report and Financial Statements - 31 December 2018

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

The Company is principally active in inter-dealer broking within the commodities markets, offering gas, emissions, power, coal, oil and iron ore products. In October 2016, the pre-existing oil business was sold to INTL FC Stone as a prerequisite of the disposal of the Global Broking business to Tullett Prebon plc. In May 2018 the Company re-entered the oil broking market. The Company exited the freight markets during 2018.

Total market volumes in the European coal, UK gas and UK power markets were down on prior years. This was particularly noticeable in the coal market where the exchange screen gained traction against the broker market exacerbating the reduction in revenues caused by total market volumes retracting for the second year in succession. The competitive landscape whilst still severe has stabilized to a certain extent. The "market" for hiring brokers was extremely competitive and this caused an increase in staff costs overall.

European gas markets saw an increase in volumes. Liquified Natural Gas (LNG) is another area that showed very healthy growth in market volumes.

The customer make-up continued to see historically low activity from the banks who have largely either partially or fully withdrawn from the commodities market. However much of this liquidity has been replaced by increased activity from commodities trading houses, market makers and a return of a number of hedge funds. The banks withdrawal has largely been driven by the increased capital cost and uncertainty surrounding regulatory change.

The Company also offers OTC financial swaps which are registered onto ICAP's SEF or MTF for execution, allowing the Company to undertake business in rates, foreign exchange and credit as and when required.

MiFID II came into force on 3 January 2018. The Company had taken all the necessary steps, including opening branches in Norway, Spain and the Netherlands and applying to the FCA to operate an OTF to ensure that its business could continue on an uninterrupted basis. The Company's markets were largely unaffected by the change in regulation.

As from January 2018, the commodity swaps business was transferred from the Company's branch in Singapore to a different entity with the TP ICAP group.

RESULTS

The results of the Company are set out in the statement of profit and loss on page 9.

The loss for the financial year/period of £1,999,000 (2017: £709,000) has been transferred to reserves.

The net assets of the Company are £35,030,000 (2017: £32,060,000)

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

Market risk is the vulnerability of the Company to movements in the value of financial instruments and foreign currencies.

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. As the Company's business is contracted on an agency or intermediary basis, the main credit risk is more akin to a market risk, as the exposure in such cases is to movements in securities prices and foreign currency. All transactions brokered by the Company are on a Name Passing basis, where the Company acts as agent in arranging the trade. Whilst the Company does not suffer any exposure in relation to the underlying instrument brokered (given that the Company is not a principal to the trade), it is exposed to the risk that the client fails to pay the brokerage it is charged.

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

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

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

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

There is a risk that Brexit leads to a macroeconomic downturn and a consequential reduction in trading volumes and revenue.

For some months the Company has been preparing for all eventualities, including the UK leaving the EU without a deal. In that circumstance, the Company would lose its ability to provide services in the EU27 zone using passports, either through branches or on a cross-border services basis and the ability to continue doing business in Europe would be restricted.

There are three main activity streams to consider that are dependent on the particular location of a client and the specific asset class.

The first is the business done in the UK for UK and non-EU clients. This should be largely unaffected although in future there may be a consequential impact from the changes made to protect other streams of activity.

The second stream of activity is that which is carried out in the EU for the clients in the EU. To enable EU to EU business the Company needs to operate via both a legal entity and a venue in the EU. A new Group Company has been set up in France, TP ICAP (Europe) SA, which is taking over the Company's branches in Spain, Norway and the Netherlands.

The Group has been given authorisation from the French prudential regulator for a subsidiary based in France, with branch offices in other EU sites, to provide services in the EU.

A multilateral trading facility (MTF) and two organised trading facilities (OTF) have been created in the EU so that EU activity can be conducted on MiFID II venues after the UK leaves the EU.

The third stream of activity is the business done for EU based clients through broking desks in the UK. In a no deal Brexit, the Company may not be able to conduct this activity after in the way it has done to date. Plans have been made to adjust the business model so that the Group can continue to service these clients.

The ultimate distribution of staff between the UK and the EU will depend on clients requirements and locations but for the foreseeable future we expect the UK to remain a major centre for financial, energy and commodities markets.

Contingency plans for a no deal Brexit have been put in place and the Group is working hard to minimise the impact however it is difficult to gauge the scale of any impact at this stage.

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 TP ICAP plc (the "Group") Annual Report, which does not form part of this report.

KEY PERFORMANCE INDICATORS

The Company's return on assets, calculated as net profit divided by net assets, is -6% (2017: -2%). This is down on the previous year and in line with management expectations.

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

This report has been approved by the board of Directors and signed by order of the board:

G Stewart
Director

29 March 2019

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

PRINCIPAL ACTIVITIES

The Company acts as an agency broker in the physical commodity and commodity derivatives market and for financial products. The Company is authorised and regulated by the Financial Conduct Authority ('FCA') in the jurisdictions in which it operates. It is anticipated that the Company will continue its present business activities next year.

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

The Company has a regulated branch in Singapore which ceased operations during the year. On 7 November 2017, the Company established a branch in Spain, on 27 November 2017, the Company established a branch in Norway; and on 27 December 2017, the Company established a branch in the Netherlands.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES
Details of principal risks and uncertainties can be found in the Strategic Report on page 2 and the financial risk management note (Note 4).

GOING CONCERN
Despite losses being made in two consecutive periods, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next twelve months from approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1, accounting policies, in the financial statements on page 13.

DIVIDENDS
No dividends (2017: £nil) were paid or proposed during the current or prior period nor were any dividends declared or paid up to the date of signing.

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

F Vogels
J Scard-Morgan
G Francis
G Stewart

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

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

POLITICAL CONTRIBUTIONS
There were no political donations made by the Company during the year/period (2017: £nil).

DISABLED EMPLOYEES

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

EMPLOYEE CONSULTATION

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

The Company participates in the Group's policies and practices relating to current and prospective employees. These policies and practices are outlined in the Group's Annual Report which does not form part of this report.

POST BALANCE SHEET EVENTS

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

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

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

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

APPROVAL OF REDUCED DISCLOSURES

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including: statement of cash flows, new accounting standards not yet mandatory, presentation of comparative information for certain assets, key management compensation, related party transactions and share-based payments.

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

On behalf of the Directors

G Stewart
Director

29 March 2019

Company No: 02553782

ICAP Energy Limited
Directors' responsibilities statement
31 December 2018

The Directors are responsible for preparing the Strategic Report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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 period.

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

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

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

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

ICAP Energy Limited
Independent auditor's report to the members of ICAP Energy Limited
31 December 2018

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ICAP Energy Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss 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 of which comprise:

- the statement of profit and loss;
- the statement of other comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 18.

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

Basis for opinion

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

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of Directors

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

We have nothing to report in respect of these matters.

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

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

ICAP Energy Limited
Statement of profit or loss
For the year ended 31 December 2018

	Note	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Revenue	3	24,288	26,104
Expenses			
Administrative costs	5	(27,009)	(26,498)
Other operating income / (expenses)	8	331	(378)
Operating loss		(2,390)	(772)
Interest receivable and similar income	9	234	11
Interest payable and similar expenses	10	(59)	(40)
Loss before income tax benefit		(2,215)	(801)
Income tax benefit	11	216	92
Loss after income tax benefit for the year		(1,999)	(709)

The operating profit for the year/period is derived from continuing operations

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

ICAP Energy Limited
Statement of other comprehensive income
For the year ended 31 December 2018

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Loss after income tax benefit for the year	(1,999)	(709)
Other comprehensive (loss)/ income		
Translation of overseas branches	(31)	17
Other comprehensive (loss)/ income for the year, net of tax	(31)	17
Total comprehensive loss for the year	(2,030)	(692)

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

ICAP Energy Limited
Balance sheet
As at 31 December 2018

	Note	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Assets			
Non-current assets			
Deferred tax asset	11	39	137
Total non-current assets		39	137
Current assets			
Debtors	12	19,763	18,699
Cash and cash equivalents	13	23,682	20,219
Total current assets		43,445	38,918
Total assets		43,484	39,055
Liabilities			
Non-current liabilities			
Subordinated loans	14	1,600	1,600
Total non-current liabilities		1,600	1,600
Current liabilities			
Creditors: amounts falling due within one year	15	6,597	4,793
Tax payable	11	257	602
Total current liabilities		6,854	5,395
Total liabilities		8,454	6,995
Net assets		35,030	32,060
Equity			
Issued capital	16	6,958	6,958
Share premium		5,164	10
Other reserves		5	23,805
Retained profits		22,903	1,287
Total equity		35,030	32,060

The financial statements on page 9 to 26 were approved and authorised for issue by the board of Directors on 29 March 2019 and were signed on its behalf by:

G Stewart
Director

29 March 2019

Company No: 02553782

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

ICAP Energy Limited
Statement of changes in equity
For the year ended 31 December 2018

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 April 2017	6,958	10	23,805	1,979	32,752
Loss after income tax benefit for the year	-	-	-	(709)	(709)
Other comprehensive loss for the year, net of tax	-	-	-	17	17
Total comprehensive loss for the year	-	-	-	(692)	(692)
Balance at 31 December 2017	6,958	10	23,805	1,287	32,060

	Issued capital £'000	Share premium £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2018	6,958	10	23,805	1,287	32,060
Loss after income tax benefit for the year	-	-	-	(1,999)	(1,999)
Other comprehensive loss for the year, net of tax	-	-	-	(31)	(31)
Total comprehensive loss for the year	-	-	-	(2,030)	(2,030)
Share capital issued	-	5,154	-	-	5,154
Transfer of reserves	-	-	(23,800)	23,800	-
Expected credit loss adjustment	-	-	-	(186)	(186)
Deferred tax	-	-	-	32	32
Balance at 31 December 2018	6,958	5,164	5	22,903	35,030

Share capital

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

Share Premium

The share premium account includes the value of the proceeds above nominal on issue of the Company's share capital, comprising £1 ordinary shares. During the year, the Company issued a further share for a total share premium of £5,154,000.

Other reserves

Other reserves of £23,800,000 in the prior period relate to a capital contribution reserve which has been transferred to retained earnings in the current year.

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

Note 1. General information and principle accounting policies

General information

The Company is a private company limited by shares.

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

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

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

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

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

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

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

IFRS 15 Revenue from Contracts with Customers
The Company has adopted IFRS 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's balance sheet as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

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

Going concern
After consideration of the Company's business review and the risks and uncertainties; including the risks related to Brexit as set out in the Strategic Report, and having considered the Company's forecasts including the Company's liquidity and capital, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next twelve months from approval of the financial statements. Accordingly, the going concern basis continues to be used in preparing these financial statements. Brexit implications have been considered in the Going Concern assessment.

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

Basis of preparation
These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including: statement of cash flows, new accounting standards not yet mandatory, presentation of comparative information for certain assets, key management compensation, related party transactions and share-based payments.

Where relevant, equivalent disclosures have been given in the group accounts of TP ICAP plc.

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

Items which are of a non-recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results.

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

Revenue
Revenue comprises commission, exchange traded and brokerage income derived from money broking and is recognised on trade-date.

Money broking comprises voice and electronic broking and is transacted on an agency basis. For agency trades, revenue is stated net of rebates and discounts, value added tax and other sales taxes. Revenue from broking on electronic platforms is recognised in accordance with the treatment for the equivalent voice-broked products.

Pension costs
Certain employees of the Company participate in a Group defined contribution pension scheme operated by TP ICAP plc. The Company's contributions to the scheme are charged to the profit and loss account on an accruals basis.

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

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

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

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

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

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

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

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

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

Debtors
Debtors are recognised at amortised cost less provision for impairment.

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

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

With respect to the classification and measurement of financial assets, the number of categories of financial assets under IFRS 9 has been reduced compared to IAS 39. Under IFRS 9 the classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset.

There are three principal classification categories for financial assets that are debt instruments:
(i) fair value through other comprehensive income 'FVOCI'
(ii) fair value through profit or loss 'FVTPL' and
(iii) amortised cost

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

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

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

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

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

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

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' 'ECL' model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, intercompany debtors and cash and cash equivalents.

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

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

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

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

The Company has elected to measure loss allowances for trade receivables, intercompany debtors, settlement balances and deposits paid for securities borrowed 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.

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

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

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

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

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

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

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

	£'000
Loss allowance at 31 December 2017 under IAS 39	78
Additional impairment recognised at 1 January 2018	186
Loss allowance at 1 January 2018 under IFRS 9	264

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

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

Issued capital
Ordinary shares are classified as equity.

Client money
The Company holds money on behalf of clients in accordance with the client money rules of the Financial Conduct Authority (FCA). Since the Company is not beneficially entitled to these amounts, they are excluded from the balance sheet along with the corresponding liabilities to clients.

Note 2. Key accounting judgements and sources of estimation uncertainty

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

Note 3. Revenue

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Revenue by geographical market		
Europe	24,288	23,000
Asia	-	3,104
	24,288	26,104

Note 4. Financial risk management

Financial risk factors

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

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Financial assets		
Cash and restricted cash (Note 13)	23,682	20,219
Debtors (Note 12)	19,763	18,699
Less prepayments (Note 12)	(27)	(80)
	43,418	38,838

Market risk

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

Foreign exchange risk

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

It is estimated that a 10 cent increase in the exchange rates of the United States dollar, the euro and the Singapore dollar would have an impact of £104,000, £150,000 and £383,000 (2017: £109,000, £181,000 and £nil) respectively on the Company's profit and loss account and reserves.

Other currencies include Singapore dollar with a net asset position of £7,024,000. For the remainder of the other currencies, the net foreign currency positions are considered to be insignificant. Any movements in the remainder currencies against GBP is not expected to have a significant impact on the financial statements.

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

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Assets					
Cash and cash equivalents	233	773	905	21,771	23,682
Debtors less prepayments	1,479	2,351	7,064	8,842	19,736
	1,712	3,124	7,969	30,613	43,418
Liabilities					
Creditors	(286)	(1,300)	(324)	(4,687)	(6,597)
Subordinated loans	-	-	-	(1,600)	(1,600)
	(286)	(1,300)	(324)	(6,287)	(8,197)
Net assets	1,426	1,824	7,645	24,326	35,221

Note 4. Financial risk management (continued)

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

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Assets					
Cash and cash equivalents	274	1,174	778	17,993	20,219
Debtors less prepayments	1,309	1,057	3,374	12,879	18,619
	1,583	2,231	4,152	30,872	38,838
Liabilities					
Creditors	(38)	-	(1,910)	(2,845)	(4,793)
Subordinated loans	-	-	-	(1,600)	(1,600)
	(38)	-	(1,910)	(4,445)	(6,393)
Net assets	1,545	2,231	2,242	26,427	32,445

Interest rate risk

The Company's interest rate risk arises from Cash and cash equivalents where changes in market rates can have an adverse impact on cash flows and income streams. Interest rate risk is monitored at a Group level by the Board Risk Committee. In terms of cash and other interest bearing investments, the Company must comply with the Enterprise Risk Management Framework which includes policies and procedures for these key risks. Limits are in place to restrict the amount that can be invested at one institution and all investments must be credit rated AA or above and be for less than 18 months, unless approved by the Board Risk Committee.

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

The Company estimates that an increase of 1% in interest rates would have an impact of £814,000 (2017: £203,000) on the Company's profit and loss account and reserves.

If interest rates were to have decreased by 1% then the interest disclosed in note 10 would have been £nil.

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

	None £'000	Fixed £'000	Variable £'000	Total £'000
Assets				
Cash and cash equivalents	-	20,339	3,343	23,682
Debtors less prepayments	4,604	-	15,132	19,736
	4,604	20,339	18,475	43,418
Liabilities				
Creditors	(6,597)	-	-	(6,597)
Subordinated loan	-	-	(1,600)	(1,600)
	(6,597)	-	(1,600)	(8,197)

Note 4. Financial risk management (continued)

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

	None £'000	Fixed £'000	Variable £'000	Total £'000
Assets				
Cash and cash equivalents	-	17,992	2,227	20,219
Debtors less prepayments	18,619	-	-	18,619
	18,619	17,992	2,227	38,838
Liabilities				
Creditors	(4,793)	-	-	(4,793)
Subordinated loan	-	-	(1,600)	(1,600)
	(4,793)	-	(1,600)	(6,393)

Price risk

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

Fair value

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

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

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform on an obligation resulting in a loss for the Company. The Company's exposure to credit risk is limited since it acts as an intermediary whereby business is transacted on an agency basis. The Company has policies in place to ensure that services are provided to counterparties with an appropriate credit history. All counterparties are subject to regular review and assessment by regional credit officers and credit limits are set and approved by the appropriate credit committee. Limits are set based on Group parameters determining the maximum loss any one company (within the Group) can suffer as a result of counterparty default. Typically the Company's counterparties are highly credit rated large financial institutions.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to debtors (Note 12) and cash (Note 13).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit. This is important to ensure that the Company can meet all present and future financial obligations as they fall due and comply with regulatory requirements. The Board Risk Committee monitors free cash resources ensuring that all companies within the Group maintain sufficient resources to finance their operations and that all investments comply with the Enterprise Risk Management Framework. This dictates borrowing and investing limits based on an institution's credit rating and the nature of financial instruments that can be held.

The Company's exposure to liquidity risk is not significant.

Note 4. Financial risk management (continued)

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

	On demand £'000	Less than 3 months £'000	3 months to 1 year £'000	More than 1 year £'000	Total £'000
31 December 2018					
Creditors	(5,940)	(657)	-	-	(6,597)
Subordinated loan	-	-	-	(1,600)	(1,600)
	(5,940)	(657)	-	(1,600)	(8,197)
31 December 2017					
Creditors	(4,021)	(772)	-	-	(4,793)
Subordinated loans	-	-	-	(1,600)	(1,600)
	(4,021)	(772)	-	(1,600)	(6,393)

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 dèbt and equity, including share capital, other reserves and retained earnings.

The Company seeks to ensure that it has sufficient regulatory capital to meet regulatory requirements.

The regulatory capital level is set in accordance with the FCA's capital requirements. The approach is to hold an appropriate surplus over the minimum.

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

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

Note 5. Administrative costs

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Wages and Salaries (note 6)	9,910	6,035
Other staff costs	143	102
Other pension costs (note 6)	33	21
Social security costs (note 6)	1,406	866
Travel and entertainment	562	436
Market and data telecom expenses	1,253	510
Other	187	437
Professional fees	97	64
Movement in provision for trade receivables	148	53
Charitable donations	350	302
Recharges	10,980	15,380
Settlement costs	1,167	1,457
Computer supplies	773	835
	27,009	26,498

Note 5. Administrative costs (continued)

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

Fees payable for the audit of the financial statements were £45,320 (2017: £44,000)

Note 6. Salary and Payroll costs

Staff costs borne by the Company comprise:

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Wages and salaries	9,910	6,035
Social security costs	1,406	866
Other pension costs	33	21
Total employee benefits expense	11,349	6,922

The monthly average number of persons employed by the Company during the year was 52, comprising of 52 brokers and nil support staff (2017: 61, comprising of 58 brokers and 3 support staff).

All staff costs were borne by a fellow subsidiary company of TP ICAP plc and were charged to the Company by way of management charges.

Note 7. Directors Remuneration

Remuneration payable to the Directors in respect of their services to the Company was as follows:

	Year ended 31 Dec 2018 Total £'000	Year ended 31 Dec 2018 Highest Paid Director £'000	Period ended 31 Dec 2017 Total £'000	Period ended 31 Dec2017 Highest Paid Director £'000
Aggregate emoluments	794	461	878	428
Contributions to defined benefit contribution pension schemes	4	-	4	-
	798	461	882	428

As at 31 December 2018, no retirement benefits are accruing to Directors (2017: nil) under defined contribution schemes sponsored by TP ICAP plc.

Note 8. Other operating income / (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 9. Interest receivable and similar income

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Interest receivable from Group companies	170	-
Bank deposits	64	11
	234	11

Note 10. Interest payable and similar expenses

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Interest on loans from immediate parent company	59	40

Note 11. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2018 £'000	Period ended 31 Dec 2017 £'000
Current tax		
UK Corporation tax - current year/period	(347)	(132)
Deferred tax - current year/period	(2)	40
Adjustment recognised for prior periods - current tax	2	-
Adjustments in respect of prior years - deferred tax	131	-
Aggregate income tax benefit	(216)	(92)
Deferred tax included in income tax benefit comprises:		
Decrease/(increase) in deferred tax assets	(2)	40
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,215)	(801)
Tax at the statutory tax rate of 19%	(421)	(152)
Adjustment recognised for prior periods - current tax	2	-
Expenses not deductible for tax purposes	71	60
Deferred tax at different rates	1	-
Adjustments in respect of prior years - deferred tax	131	-
Income tax benefit	(216)	(92)
Effective tax rate	9.7%	11.5%

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 has been enacted. UK deferred tax will therefore unwind at a rate of 19% for periods from 1 April 2017 to 31 March 2019 and at a rate of 17% thereafter.

Note 11. 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 2018 £'000	As at 31 Dec 2017 £'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Capital allowances	8	137
IFRS 9 adjustment	31	-
Deferred tax asset	39	137
Movements:		
Opening balance	137	177
Credited/(charged) to profit or loss	2	(40)
Credited to equity	32	-
Prior year adjustment	(132)	-
Closing balance	39	137

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Provision for income tax	257	602

Note 12. Current assets - Debtors

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Agency trade debtors	4,591	3,045
Less: allowance for expected credit losses/provision for trade receivables	(302)	(78)
	4,289	2,967
Other debtors	6	-
Prepayments and accrued income	27	80
	33	80
Loans owed by group related companies	15,132	9,870
Amounts owed by group related companies	394	5,782
Less: allowance for expected credit losses	(85)	-
	15,441	15,652
	19,763	18,699

The majority of net trade debtors which aren't impaired are held with high quality credit institutions.
The Company's exposure to credit risk is discussed within the Strategic Report on page 2 and the financial risk management note on page 20.

Note 12. Current assets - Debtors (continued)

As at 31 December the following trade debtors were unsettled:

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Less than 30 days but not yet due	1,693	1,394
Over 30 days but less than 90 days and past due	1,525	721
Over 90 days and past due date	1,071	852
	4,289	2,967

Note 13. Current assets - Cash and cash equivalents

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Cash at bank and in hand	3,372	2,227
Short term bank deposits	20,339	17,992
Expected credit loss	(29)	-
	23,682	20,219

The short-term bank deposits have a maturity of 32 days or less.

Note 14. Non-current liabilities - Subordinated loans

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Subordinated loans	1,600	1,600

Subordinated loan owed to group related company is a loan of £1,600,000 owed to ICAP Global Broking Holdings Limited, which interest is charged at 3% above GBP LIBOR.

Note 15. Current liabilities - Creditors: amounts falling due within one year

	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Other creditors	308	444
Amounts owed to Group Companies	5,940	4,021
Accruals	349	328
	6,597	4,793

Note 16. Equity - Issued capital

	As at 31 Dec 2018 Shares	As at 31 Dec 2017 Shares	As at 31 Dec 2018 £'000	As at 31 Dec 2017 £'000
Allotted and fully paid ordinary shares of £1 each	6,958,409	6,958,408	6,958	6,958

Note 17. Events after the reporting period

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

Note 18. Immediate and ultimate parent company

The Company's immediate parent is ICAP Holdings (UK) Limited, which does not prepare consolidated financial statements.

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