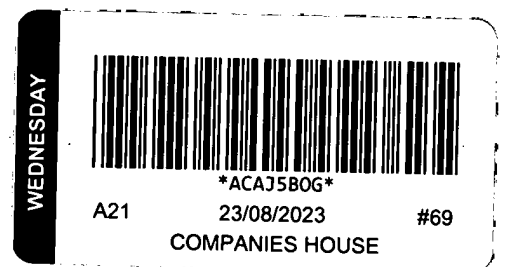


Company Number 03454743

The Link Asset and Securities Company Limited

Annual Report and Financial Statements - 31 December 2022



The Link Asset and Securities Company Limited
Strategic report
31 December 2022

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Annual Report and the audited financial statements of The Link Asset and Securities Company Limited (the "Company") for the year ended 31 December 2022. The Company is a private company limited by shares incorporated in the United Kingdom and domiciled in England and Wales, and authorised and regulated by the Financial Conduct Authority ("FCA"). The Company is a wholly owned subsidiary of TP ICAP EMEA Investments Limited. The Company's ultimate parent company and controlling party is TP ICAP Group Plc (the "Group"). The registered office is 135 Bishopsgate, London, England, EC2M 3TP.

PRINCIPAL ACTIVITIES

The Company's principal activity was to hold certain historic amounts as unallocated client money and therefore continues to be authorised and regulated by the FCA. The Company's operational activities have ceased and the application to withdraw the firm's part IV permission was submitted to FCA. It is the director's intention to subsequently liquidate the Company.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Directors consider that the year-end financial position was satisfactory. The Company has ceased to trade in the inter-dealer broking ("IDB") market in 2019. Subject to FCA's approval to withdraw the Company's part IV permission, it is expected the Company is to be liquidated. As a result, the financial statements have been prepared on a basis other than going concern.

RESULTS

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

The loss for the financial year of £9,000 (profit for 2021: £44,000) has been transferred to Retained profits.

As at 31 December 2022, the Net assets of the Company are £4,434,000 (2021: £4,443,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks in the Company's day to day operations can be categorised under Financial Risks, Operational Risks and Strategic Business Risk.

More details on Financial Risks are provided within the notes to the financial statements and include the following:

- **Market Risk:** the vulnerability of the Company to movements in foreign exchange and interest rates;
- **Credit Risk:** 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;
- **Liquidity Risk:** the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance ongoing operations or any reasonable unanticipated events on cost effective terms;
- **Capital Management Risk:** the risk of failure to maintain adequate levels of prudential capital. The Company closely monitors regulatory developments in the market and is actively involved in the consultation and rule-setting process so as to ensure an informed debate on all regulatory issues potentially affecting inter-dealer broking ("IDB") markets, both on an individual firm basis and through trade associations. The EMEA Board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources.

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

Strategic Business Risk is the risk that the Company's ability to conduct business might be damaged through its failure to adapt to changing market dynamics, market dislocations and continuously evolving customer requirements. These include:

- Risk to technology expertise whereby the Company's ability to retain its position as a leading market infrastructure provider will be dependent on its ability to develop and implement its technology strategy;
- Risk to climate change when the Company fails to address any adverse impact on its business arising from the transitions to a net zero global economy;

As the Company has ceased trading and has limited operational activities, the above matters may not have a significant impact on the Company itself. Nonetheless, the Company operates in accordance with its Enterprise Risk Management Framework, which aligns to TP ICAP Group plc risk management framework, which are outlined in the Group's Annual Report.

SECTION 172(1) STATEMENT

The Directors provide this statement describing how they have had regard to the matters set out in Section 172(1) of the Companies Act 2006, when performing their duty to promote the success of the Company. Further details on Group's engagement with our key and other stakeholders, as well as how we promote the success of the Group are also contained in the Group Corporate Governance Report in the Group's Annual Report and Accounts. This statement also provides details of how the Directors have engaged with and had regard to the interests of our key stakeholders.

Our stakeholders

The Company believes that engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. During 2022, we maintained our focus on engagement with stakeholders as well as increasing our attention on environment, social and governance ("ESG") matters. During the year, the Company reviewed its risk and governance framework with the adoption of a revised Group Governance Manual, including an EMEA specific Governance Framework. This revised framework has reinforced Section 172 oversight by further clarifying divisions of responsibilities within the Group. The structure and format of Company and Committee papers ensure that Section 172(1) considerations are considered in EMEA Board discussion and decision making.

- **Group Shareholders**

The Directors believe that engagement with our shareholders is of key importance to the business. During the year, the Directors considered, and where applicable, approved and paid dividends as appropriate to its shareholders, having considered the impact of a distribution on the long-term prospects of the business. Further information on the tailored engagement approach which is adopted towards the Group's shareholders is carried out at the Group level, details of which are included in the Group's Annual Report which does not form part of this report.

- **Regulators**

The Directors recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year, the Directors engaged with the Financial Conduct Authority ("FCA") and the Autorité des marchés financiers ("AMF"), the French financial markets regulator, to discuss post Brexit plans and Investment Firms Prudential Regime ("IFPR"). The Directors also received updates on engagement with the Regulators through Board reporting. The Group coordinates engagement with the Regulators in relation both to the Group and this entity and further details can be read in the Group Annual Report.

Our approach to sustainability

The Directors recognise that TP ICAP's ESG performance is an increasingly important factor in delivering long-term value for our shareholders. To best meet the needs of our stakeholders, which include clients, colleagues, regulators, suppliers, and also the communities in which we operate and the environment, we have set a sustainability strategy that is formed of three priorities: 'ESG Reporting and Performance Management'; 'Supporting our Clients'; and 'Making a Positive Impact'. Throughout 2022, the Group Board monitored the execution of this strategy. Areas of particular focus included climate change-related matters and reviewing the Group's corporate purpose. Details of the Group's sustainability strategy and ESG performance can be found in the Group Annual Report, which does not form part of this report.

KEY PERFORMANCE INDICATORS

The Company's return on assets is in line with management expectations.

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

This report has been approved by the Board of Directors and signed by order of the Board.



P Redman
Director

24 April 2023

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and Financial Statements of the Company which comprise of the Statement of profit or loss, Balance sheet, Statement of changes in equity and related notes 1-16.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

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

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are explained on page 2 of the Strategic Report and are detailed in Note 3, Financial risk management.

GOING CONCERN

The Directors have transferred the Company's operational activities to a fellow subsidiary of TP ICAP Group plc, and the financial statements have therefore been prepared on a basis other than going concern. Preparation of the financial statements on an 'other than going concern' basis has had no material impact on the financial statements reported.

DIVIDENDS

During the year, No dividend has been declared (2021: £1,000,000).

DIRECTORS

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

P Redman
D McClumpha (Resigned 30 June 2022)
C Rozes (Appointed 1 July 2022)

DIRECTOR'S INDEMNITIES

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

SECTION 172(1) STATEMENT

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

OUR PURPOSE AND CORPORATE GOVERNANCE

The Company's purpose is aligned with that of our ultimate parent company, which states that "we provide access to global financial and commodities markets, improving price discovery, flow of liquidity and distribution of data, working with and supporting the communities in which we operate and facilitating economic growth".

Like other companies in the TP ICAP Group plc, the Company adopted a governance framework in November 2019 which is set out within the Group's Governance Manual. The Company is a UK regulated entity and, as such, is also subject to the TP ICAP UK Regulated Entity Governance Framework. Together these documents set out the specific corporate governance requirements for the Company, including:

- the composition of the Board and the individual accountability of senior management;
- clarification on ultimate decision making and delegations;
- the embedding of s172 and stakeholder considerations in decision making;
- the responsibility of the Board in setting the right culture;
- how matters are to be escalated and the interactions with other Group committees;
- the division of responsibilities and Director roles;
- the conduct of meetings;
- the requirement for Board Risk and Remuneration committees, their membership and their terms of reference;
- the role of TP ICAP Group plc Audit and Nominations & Governance Committees as they relate to the Company;
- the management of conflicts of interest;
- the implications of Senior Managers and Certification Regime on the Company; and
- expectation on the structure and format of papers and management information made available to the Board in order to drive better decision making.

POLITICAL CONTRIBUTIONS

There were no political contributions made by the Company during the financial year (2021: £Nil).

The Link Asset and Securities Company Limited
Directors' report
31 December 2022

POST BALANCE SHEET EVENTS

There have been no other post balance sheet events from 31 December 2022 up to the date of signing which require separate disclosure.

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

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

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and 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 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 of the profit or loss of the Company for that year.

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

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

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

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

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

Approved by the Board and signed on its behalf by:



P Redman
Director

24 April 2023

Company number: 03454743

The Link Asset and Securities Company Limited
Independent auditor's report to the members of The Link Asset and Securities Company Limited
31 December 2022

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit & loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Link Assets and Securities Company Limited (the 'Company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

Other information

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

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

We have nothing to report in this regard.

The Link Asset and Securities Company Limited
Independent auditor's report to the members of The Link Asset and Securities Company Limited
31 December 2022

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

The Link Asset and Securities Company Limited
Independent auditor's report to the members of The Link Asset and Securities Company Limited
31 December 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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

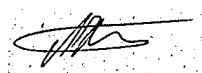
- We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates. We considered the significant laws and regulations to be the Companies Act 2006, tax legislation, the financial reporting framework, applicable mining laws and environmental legislation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud;
- Holding discussions with management to consider any known or suspected instances of non-compliance with laws and regulations or fraud;
- Understanding how the Company is complying with those legal and regulatory frameworks by making enquiries of management, reviewing board minutes and reports received from legal counsel;
- In addressing risk of management override of controls, we performed testing of journal entries to the financial statements, including verification of journals which we consider exhibit higher fraud risk characteristics based on our understanding of the group. As part of our testing of management override of controls we performed procedures on accounts subject to greater management estimate and judgement including the recognition of revenue and the carrying values of investment in subsidiaries.

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

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

Use of our report

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



Robert Wood (Senior Statutory Auditor)
For and on behalf of Shipleys LLP, Statutory Auditor
10 Orange Street
London, UK
WC2H 7DQ
Date: 24 April 2023

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

The Link Asset and Securities Company Limited
Statement of profit or loss
For the year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Other operating income / (expenses)	4	2	(15)
Administration Income/(Expenses)	5	<u>(24)</u>	<u>77</u>
Operating profit / (loss)		(22)	62
Interest receivable and similar income	8	<u>7</u>	<u>-</u>
(Loss) / profit before income tax		(15)	62
Income tax	9	<u>6</u>	<u>(18)</u>
(Loss) / profit after income tax for the year		<u><u>(9)</u></u>	<u><u>44</u></u>

The profit after income tax for the current and prior year is derived solely from discontinued operations.


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

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

The Link Asset and Securities Company Limited
Balance sheet
As at 31 December 2022

	Note	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Assets			
Current assets			
Debtors	10	502	4,453
Cash and cash equivalents	11	3,947	112
Total current assets		<u>4,449</u>	<u>4,565</u>
Total assets		<u>4,449</u>	<u>4,565</u>
Liabilities			
Current liabilities			
Creditors	12	6	36
Tax payable	9	9	86
Total current liabilities		<u>15</u>	<u>122</u>
Total liabilities		<u>15</u>	<u>122</u>
Net assets		<u>4,434</u>	<u>4,443</u>
Equity			
Issued capital		-	-
Retained profits		<u>4,434</u>	<u>4,443</u>
Total equity		<u>4,434</u>	<u>4,443</u>

The financial statements on page 9 to 23 were approved and authorised for issue by the Board of Directors on 24 April 2023 and were signed on its behalf by:



P Redman
Director

24 April 2023

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

The Link Asset and Securities Company Limited
Statement of changes in equity
For the year ended 31 December 2022

	Issued capital £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2021	-	-	5,399	5,399
Profit after income tax for the year	-	-	44	44
Other Comprehensive income for the year, net of tax	-	-	-	-
Total Comprehensive income for the year	-	-	44	44
Dividends paid (Note 14)	-	-	(1,000)	(1,000)
Balance at 31 December 2021	-	-	4,443	4,443
	Issued capital £'000	Other reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 January 2022	-	-	4,443	4,443
Loss after income tax for the year	-	-	(9)	(9)
Other Comprehensive income for the year, net of tax	-	-	-	-
Total Comprehensive loss for the year	-	-	(9)	(9)
Balance at 31 December 2022	-	-	4,434	4,434

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

The Link Asset and Securities Company Limited
Notes to the financial statements
31 December 2022

Note 1. General information and principal accounting policies

General information

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

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

Going concern

The Directors have transferred the Company's operational activities to a fellow subsidiary of TP ICAP Group plc and since ceased its principal activity. The financial statements have therefore been prepared on a basis other than going concern. Preparation of the financial statements on an 'other than going concern' basis has had no material impact on the financial statements reported.

Basis of preparation

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

The Company's ultimate parent and controlling party is TP ICAP Group plc (incorporated in Jersey).

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

Historic cost convention

The financial statements are prepared under the historical cost convention.

Revenue

Revenue comprised of:

Introductory fee revenue, which is a fee earned from introducing a related company to brokers and their clients who then transact on the related company's trading platform.

Agency brokerage, where the Company earns commission on transactions where it acts as agent. The Company acts in a non-advisory capacity to match buyers and sellers of financial instruments and raises invoices for the service provided. The Company does not act as principal and only receives and transmits orders between counterparties. Amounts receivable at the year end are reported as Agency trade debtors within Debtors.

The Company ceased to trade in the prior year and therefore did not post revenue during the current year.

The Company has applied IFRS 15, a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A contract-based revenue recognition model is used, with a measurement approach that is based on an allocation of the transaction price. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company, which is normally trade date, or at the time of the simultaneous commitment by the counterparties to sell and purchase the financial instrument. Revenue is stated net of VAT, rebates and discounts. Amounts receivable at the year end are reported in Note 10, Current assets - Debtors.

Pension costs

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

Interest receivable and similar income

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

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

Tax

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

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

Deferred Tax

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

Dividends paid

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

Foreign currencies

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

Cash and cash equivalents

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

Debtors

Debtors comprises of both financial and non-financial assets. Financial assets include agency trade debtors, loans and amounts owed by Group related companies are recognised at amortised cost less expected credit loss provision. All provisions are recorded within Administrative income in the Statement of profit or loss.

Creditors

Creditors are measured at amortised cost and comprise of amounts owed to Group related companies and others relating to goods and services provided to the Company prior to the end of the financial year and where the invoice is unpaid.

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

Financial Instruments

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

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

Measurement of Expected Credit Loss

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

Credit-impaired financial assets

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

Intercompany current accounts

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

Intercompany loan

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

Issued capital

Ordinary shares are classified as equity.

Client money

The Company holds money on behalf of clients in accordance with the client money rules of the FCA. Since the Company is not beneficially entitled to these amounts, they are excluded from the Balance Sheet along with the corresponding liabilities to customers. The net return received on managing client money is included within interest income.

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

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

Note 2. Key accounting judgements and sources of estimation uncertainty

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

Provisions and contingent liabilities

Provisions are established based on management's assessment of relevant information and advice available at the time of preparing the Financial Statements. Judgement is required as to whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Judgement is also required as to when contingent liabilities become disclosable. Outcomes are uncertain and dependent on future events. Where outcomes differ from management's expectations, differences from the amount initially provided will impact profit or loss in the period the outcome is determined. Note 15 provides details of the provisions and contingent liabilities.

Measurement of Expected Credit Loss

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

The Link Asset and Securities Company Limited
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Note 3. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks, including market, credit, liquidity and capital management risk. The financial risk management framework, strategy and policies of the Company are proposed through EMEA Risk, Conduct and Governance Committee and is overseen by the EMEA Board.

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Financial assets		
Debtors (Note 10)	502	4,453
Cash and cash equivalents (Note 11)	3,947	112
Total financial assets	<u>4,449</u>	<u>4,565</u>

Market risk

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

Foreign exchange risk

The Company is exposed to both transactional and translational fluctuations in the value of financial instruments due to exchange rate movements. Transactional exposure arises from expenses incurred and revenue earned in currencies other than the Company's functional currency (sterling). 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 United States Dollar and Euro against sterling as at 31 December 2022 would positively impact the Company's Statement of profit or loss and Retained profits by £Nil and £Nil respectively (2021: £Nil and £Nil). Any movement in the remainder currencies against sterling is not expected to have a significant input on the financial statements (2021: £Nil).

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2022:

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Financial assets					
Debtors	-	-	-	502	502
Cash and cash equivalents	-	-	-	3,947	3,947
Total financial assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,449</u>	<u>4,449</u>
Financial liabilities					
Creditors	-	-	-	(6)	(6)
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Net financial assets	-	-	-	4,443	4,443

The table below summarises the Company's exposure to foreign and domestic currencies as at 31 December 2021:

	USD £'000	EUR £'000	Other £'000	GBP £'000	Total £'000
Financial assets					
Debtors	-	-	-	4,453	4,453
Cash and cash equivalents	1	-	-	111	112
Total financial assets	<u>1</u>	<u>-</u>	<u>-</u>	<u>4,564</u>	<u>4,565</u>

The Link Asset and Securities Company Limited
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Note 3. Financial risk management (continued)

Financial liabilities

Creditors	-	-	-	(36)	(36)
Total financial liabilities	-	-	-	(36)	(36)

Net financial assets	1	-	-	4,528	4,529
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Interest rate risk

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

The Company estimates that an increase of 1% in interest rates would positively impact the Company's Statement of profit or loss and Retained profits by £28,000 (2021: £34,000).

The Company's interest rate profile as at 31 December 2022 was as follows:

	None £'000	Fixed £'000	Variable £'000	Total £'000
Financial assets				
Debtors	5	-	497	502
Cash and cash equivalents	-	-	3,947	3,947
Total financial assets	5	-	4,444	4,449
Financial liabilities				
Creditors	(6)	-	-	(6)
Total financial liabilities	(6)	-	-	(6)

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

	None £'000	Fixed £'000	Variable £'000	Total £'000
Financial assets				
Debtors	3,900	-	553	4,453
Cash and cash equivalents	-	-	112	112
Total financial assets	3,900	-	665	4,565
Financial liabilities				
Creditors	(36)	-	-	(36)
Total financial liabilities	(36)	-	-	(36)

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 2022 there are no financial assets or liabilities whose carrying value was not a reasonable approximation of its fair value (2021: £Nil).

Note 3. Financial risk management (continued)

Credit risk

Credit risk arises from the potential that a counterparty is unable or unlikely to perform an obligation resulting in a loss for the Company. When the Company enters into transactions only when executing on behalf of customers, providing customer access to clearing, or provides additional fee-based services to customers, there does exist short-term credit exposure, prior to clearing and settlement, and outstanding receivables that the Company manages. 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.

The Company has no significant concentrations of credit risk and the maximum exposure is limited to Debtors (Note 10) and Cash and cash equivalents (Note 11).

Liquidity risk

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

The following tables show the maturity of the Company's liabilities:

	On demand £'000	Less than 3 months £'000	3 months to 1 year £'000	More than 1 year £'000	Total £'000
31 December 2022					
Creditors	(6)	-	-	-	(6)
Total financial liabilities	(6)	-	-	-	(6)
31 December 2021					
Creditors	-	(36)	-	-	(36)
Total financial liabilities	-	(36)	-	-	(36)

Capital management

The Company's capital strategy is to maintain an effective and strong capital base, which maximises the return to its shareholders, while also maintaining flexibility and ensuring compliance with supervisory regulatory requirements. The capital structure of the Company consists of debt and equity, including Issued capital, and Retained profits.

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

The regulatory capital level is set in accordance with the FCA's capital requirements. The approach is to hold an appropriate surplus over the minimum. The Group evaluates at the Company level the risks facing the business, to determine whether its capital is sufficient to cover any expected losses.

Note 4. 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.

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Note 5. Administrative (expenses) / income

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Movement in expected credit loss provision	24	(71)
Other administrative costs	-	(6)
	<u>24</u>	<u>(77)</u>

Fees paid to the Company's auditor, Shipleys LLP, and its associates for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of its ultimate parent and controlling party as at year-end, TP ICAP Group plc, included these fees on a consolidated basis.

Fees payable for the audit of the financial statements were £12,000 (2021: £44,500).

Note 6. Employment costs

The Company had no employees for the year ended 31 December 2022 (2021: Nil).

Note 7. Directors Remuneration

Directors remuneration in respect of their services to the Company comprise the following:

	Year ended 31 Dec 2022 Total £'000	Year ended 31 Dec 2022 Highest Paid Director £'000	Year ended 31 Dec 2021 Total £'000	Year ended 31 Dec 2021 Highest Paid Director £'000
Aggregate emoluments	-	-	175	140
Defined contribution pension schemes	-	-	2	-
	<u>-</u>	<u>-</u>	<u>177</u>	<u>140</u>

As at 31 December 2022, no retirement benefits are accruing to directors (2021: Nil) under defined contribution schemes sponsored by TP ICAP Group plc.

Note 8. Interest receivable and similar income

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Group related company loan	<u>7</u>	<u>-</u>

The Link Asset and Securities Company Limited
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Note 9. Income tax

Analysis of charge for the year:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Current tax		
UK Corporation tax - current year	(6)	16
Adjustment recognised for prior years - current tax	-	2
	<u>(6)</u>	<u>18</u>
Aggregate income tax expense / (benefit)	<u>(6)</u>	<u>18</u>
Numerical reconciliation of income tax expense / (benefit) and tax at the statutory rate		
(Loss) / profit before income tax	(15)	62
Tax at the statutory tax rate of 19%	(3)	12
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Expenses not deductible for tax purposes	-	4
Non-taxable income	(3)	-
	<u>(6)</u>	<u>16</u>
Adjustment recognised for prior years - current tax	-	2
	<u>(6)</u>	<u>18</u>
Income tax expense / (benefit)	<u>(6)</u>	<u>18</u>
Effective tax rate	39.5%	32.5%

In the UK, legislation to increase the corporation tax rate from 19% to 25% is enacted, effective from 1 April 2023. The effect of the increase to 25% is not expected to have a material impact on the deferred tax position of the company.

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 2022 £'000	As at 31 Dec 2021 £'000
Provision for income tax	<u>9</u>	<u>86</u>

Note 10. Current assets - Debtors

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Agency trade debtors	-	75
Expected credit loss	-	(1)
	<u>-</u>	<u>74</u>
Loan owed by Group related company	500	500
Amounts owed by Group related companies	5	3,900
Expected credit loss	(3)	(21)
	<u>502</u>	<u>4,379</u>
	<u>502</u>	<u>4,453</u>

The Link Asset and Securities Company Limited
Notes to the financial statements
31 December 2022

Note 10. Current assets - Debtors (continued)

The Company's exposure to credit risk is discussed within the Strategic Report on page 2 and Note 3, Financial risk management.

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

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

Maximum exposure to credit risk is limited to Debtors (Note 10) and Cash and cash equivalents (Note 11).

The following trade debtors were unsettled:

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Less than 30 days	-	-
Over 30 days but less than 90 days	-	-
Over 90 days	-	74
	<u>-</u>	<u>74</u>

Note 11. Current assets - Cash and cash equivalents

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Cash at bank and in hand	44	1
Short term bank deposits	3,913	111
Expected credit loss	(10)	-
	<u>3,947</u>	<u>112</u>

The short-term bank deposits have a maturity of 30 days or less.

Note 12. Current liabilities - Creditors

	As at 31 Dec 2022 £'000	As at 31 Dec 2021 £'000
Amounts owed to Group related companies	<u>6</u>	<u>36</u>

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

Note 13. Equity - Dividends

Dividends paid during the financial year were as follows:

	Year ended 31 Dec 2022 £'000	Year ended 31 Dec 2021 £'000
Dividend paid of £Nil per ordinary share (2021: £1 million per ordinary share)	<u>-</u>	<u>1,000</u>

Note 14. Guarantees and contingent liabilities

ICAP Securities Limited and The Link Asset and Securities Company Limited – Proceedings by the Cologne Public Prosecutor

On 11 May 2020, TP ICAP learned that proceedings have been commenced by the Cologne Public prosecutor against ICAP Securities Limited ('ISL') and The Link Asset and Securities Company Ltd ('Link') in connection with criminal investigations into individuals suspected of aiding and abetting tax evasion between 2004 and 2012. It is possible that the Cologne Public Prosecutor may seek to impose an administrative fine against ISL or Link and confiscate the earnings that ISL or Link allegedly derived from the underlying alleged criminal conduct by the relevant individuals. ISL and Link have appointed external lawyers to advise them. The Group has issued proceedings against NEX in respect of (i) breach of warranties under the sale and purchase agreement, and (ii) an indemnity claim under the tax deed entered into in connection with the IGBB acquisition in relation to these matters. Since the proceedings are at an early stage, details of the alleged wrongdoing or case against ISL and Link are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the Group.

MM Warburg & CO (AG & Co.) KGaA and others v. TP ICAP Markets Limited, The Link Asset and Securities Company Limited and others

TP ICAP Markets Limited ('TPIML') and The Link Asset and Securities Company Limited ('Link') are defendants in a claim filed in Hamburg by MM Warburg & CO (AG & Co.) KGaA and two other group companies (together 'Warburg') on 31 December 2020, but which only reached TPIML and Link on 26 October 2021. The claim relates to certain German 'cum-ex' transactions that took place between 2007 and 2011. In relation to those transactions Warburg has been ordered to pay the German tax authorities EUR 185 million and is subject to a criminal confiscation order of EUR 176.5 million. It has also been ordered to repay a further EUR 60.8 million to the German tax authorities and is subject to a related civil claim for EUR 48.8 million. Warburg's claims, are based on contract, tort and joint and several liability, are for compensation for the amount it has been ordered to pay to the tax authorities, the amount of the criminal confiscation order, further indemnification and interest. TPIML and Link intend to contest liability in the matter and to vigorously defend itself. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact.

Save as outlined above in respect of legal matters or disputes for which a provision has not been made, notwithstanding the uncertainties that are inherent in the outcome of such matters, there are no individual matters which are considered to pose a significant risk of material adverse financial impact on the company's results or net assets.

Note 15. Events after the reporting period

There have been no post balance sheet events from 31 December 2022 up to the date of signing which require separate disclosure.

Note 16. Immediate and ultimate parent company

At the end of the year, the Company's immediate parent was TP ICAP EMEA Investments Limited, which does not prepare consolidated financial statements.

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